

Declaration of Compliance

with the German Corporate Governance Code 2020

Declaration by the Executive Board and Supervisory Board of Hamburger Hafen und Logistik AG in accordance with Section 161 German Stock Corporation Act (AktG) on the recommendations of the “Government Commission German Corporate Governance Code”

The Executive Board and Supervisory Board of Hamburger Hafen und Logistik AG hereby state after due examination that in the period starting 13 December 2019 (issue of the previous declaration of compliance), HHLA complied with the recommendations of the German Corporate Governance Code (“the Code” or “GCGC”) in the version dated 7 February 2017 and – subsequent to its taking effect – the version dated 16 December 2019 with the following exceptions. Furthermore, HHLA shall comply with the Code in the future with the following exceptions.

a) Not all the members of the Executive Board and Supervisory Board currently comply with the limits on mandates as defined in recommendations C.4 and C.5 GCGC. When selecting candidates for the Executive Board and Supervisory Board, the Supervisory Board and the Nomination Committee have always taken care to ensure that the individuals concerned have enough time to fulfil their commitments. This generally also means that they comply with the limits on mandates defined in recommendations C.4 and C.5. However, the Supervisory Board believes that the question of whether a member has sufficient time for their commitments must be answered according to the circumstances of the individual case. The number of mandates may be an indication, but should not be the only criterion, particularly since there is added value for HHLA when its board members hold other external mandates. The Supervisory Board therefore believes it is reasonable if members of the Supervisory Board or Executive Board exceed these limits in individual cases.

b) According to Section 4.2.3 (2) sentence 2 GCGC in the version dated 7 February 2017, the long-term assessment base for the variable remuneration of Executive Board members should be forward-looking. According to recommendation G.6 GCGC in the version dated 16 December 2019, the share of long-term variable remuneration should exceed the share of short-term variable remuneration. However, the variable remuneration policy which applies to HHLA’s Executive Board is fundamentally based on the achievement of certain key figures and/or targets for a three-year average comprising the current financial year and the two previous financial years. The Supervisory Board is of the opinion that the variable remuneration of the HHLA Executive Board in its current form is already sufficiently geared towards the company’s long-term performance. Nevertheless, the Supervisory Board has started a review of the remuneration system for the Executive Board – also in view of the revision of the GCGC – in the course of which a decision will also be taken on whether to modify the variable remuneration of the Executive Board in future. This review was still ongoing at the time the declaration of compliance was made.

c) Section G of the amended Code contains many new recommendations on structuring Executive Board remuneration. This ensures that the remuneration system also determines the relative proportions of fixed salary on the one hand and the short-term variable and long-term variable remuneration in relation to the total target remuneration on the other and sets an overall cap on total remuneration (G.1). To determine whether the actual total remuneration of the Executive Board members is standard with regard to other companies, the Supervisory Board is to draw up a peer group of other companies and disclose the individual companies (G.3). Furthermore, for each upcoming financial year the Supervisory Board is to define the performance criteria for all variable remuneration components for each Executive Board member, which should primarily be based on strategic objectives, as well as operational targets (G.7). The long-term variable remuneration granted to each Executive Board member should largely be invested in company shares or otherwise based on the share price. The Executive Board member should only be able to access the long-term variable remuneration after four years (G.10). It is possible to withhold or claw back the variable remuneration in justified cases (G.11). If the service contract with an Executive Board member comes to an end, outstanding variable remuneration components for the period until the contract ends should be paid according to the originally agreed targets and comparative parameters and on the dates or after the holding periods defined in the contract (G.12). The remuneration system for the Executive Board of HHLA in its current form only partially complies with these recommendations, so the company declares the deviation by way of precaution. Variable remuneration for the HHLA Executive Board is not currently divided into short-term and long-term components. There are no plans for share-based components, holding periods, withholding or clawback rights. Instead, the variable remuneration policy which applies to HHLA’s Executive Board is largely based on the achievement of certain key figures and/or targets for a three-year average comprising the current financial year and the two previous financial years. The Supervisory Board is of the opinion that the variable remuneration of the HHLA Executive Board in its current form is already sufficiently geared towards the company’s long-term performance. If any severance payment is made when a contract comes to a premature end, it is generally paid at the departure date. This enables a clear distinction to be made and avoids later arguments. Disclosure of the peer group was not previously required and has not yet been implemented. In the course of the current review of the remuneration system the Supervisory Board will decide which of these recommendations HHLA will follow in future.

Hamburg, 11 December 2020
Hamburger Hafen und Logistik AG
The Executive Board The Supervisory Board