

## **DECLARATION OF CONFORMITY 2015 WITH THE CORPORATE GOVERNANCE CODE PURSUANT TO § 161 OF THE GERMAN STOCK CORPORATION ACT (AKTIENGESETZ – AKTG)**

The management board and the supervisory board declare that in the elapsed fiscal year 2015 Basler AG complied with the recommendations for conduct as amended on June 24, 2014 as well as on May 5, 2015 by the „Government Commission of the German Corporate Governance Code” (hereinafter called “code”) with the following exceptions:

### **Clause 3.8, Paragraph 3 - D&O Insurance Deductible for the Supervisory Board**

Clause 3.8, paragraph 3, of the code sets forth that an appropriate deductible should be stipulated when the company takes out a D&O insurance policy for the supervisory board. The D&O insurance coverage for the management board comprises a deductible according to statutory provisions. However, the insurance policy does not provide for a deductible for the members of the supervisory board. The management board and the supervisory board are convinced that responsible action is a self-evident obligation for all members of the company's executive bodies. Therefore, a deductible for the members of the supervisory board is not necessary.

### **Clause 5.2 and 5.3 – Chairmanship of the Audit Committee, Establishment of Committees within the Supervisory Board**

The supervisory board does not establish any committees. The supervisory board of Basler AG comprises three persons. This configuration ensures efficient work in all matters of the supervisory board, especially as the generally accepted minimum size for a committee is a membership of three.

### **Clause 5.4.1 – Composition of the Supervisory Board**

For nominations to the general meeting, the supervisory board will also in the future continue to align itself to all necessary legal requirements and will give preference to women with equal qualifications. Consideration will also be given to the international



activities of the company, to potential conflicts of interest, and to diversity. However, the supervisory board must make its decision insofar as the best suitable candidate is concerned from its perspective whenever a new election is waiting. The supervisory board – in agreement with the management board – does not consider it to be pertinent if it is bound by abstract objectives formulated in advance with respect to its selection of a candidate, instead of being able to freely decide on the persons available in their specific decision scenario which it deems to be best suited for the position. For this reason, the supervisory board does not name specific objectives as provided by clause 5.4.1 paragraph 2 GCGC, nor will it determine a regular limit of length of the membership to the supervisory board as recommended by clause 5.4.1, paragraph 2, sentence 1 as of May 5, 2015. Consequently, such objectives will also not be taken into account for the nominations directed at the responsible election bodies and no report will be given about them and the state of their implementation.

#### **Clause 6.2 – Share Ownership of Members of the Management Board and the Supervisory Board**

The company does not prepare a separate Corporate Governance Report. Please find details of the share ownership of the members of the management board and the supervisory board under point 28.5 in the notes of the annual report 2015.

#### **Clause 7.1.2 – Financial Reporting and Audit of the Annual Financial Statements**

The supervisory board regularly discusses the quarterly and half-year figures with the management board. In terms of lean processes, half-year or quarterly figures are being made available to the supervisory board but not discussed again with the management board after the completion of the reports.



Ahrensburg, March 15, 2016

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Supervisory Board

Supervisory Board