

# **DECLARATION OF CONFORMITY 2016 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 2016 Basler AG complied with the recommendations for conduct as amended on May 5, 2015, by the „Government Commission of the German Corporate Governance Code” (hereinafter called “code”) with the following exceptions:

## **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 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, quarterly or monthly 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 29, 2017

Dr. Dietmar Ley	John P. Jennings	Arndt Bake	Hardy Mehl
CEO	CCO	CMO	CFO/COO

Norbert Basler	Prof. Dr. Eckart Kottkamp	Horst W. Garbrecht
Chairman of the Supervisory Board	Vice Chairman of the Supervisory Board	Supervisory Board