

Declaration of Conformity

The Management Board and the Supervisory Board of HSH Nordbank declare that since publishing their last Declaration of Conformity on 9 June 2016, HSH Nordbank has conformed to the recommendations of the German Corporate Governance Code in the version dated 5 May 2015 respectively in every respect save for the exceptions stated below. Until the date on which the next Declaration of Conformity is published, HSH Nordbank will be conforming to all the recommendations of the Code in the version dated 5 May 2015 save for the exceptions stated below.

Pursuant to Section 4.2.3, Management Board remuneration is to contain fixed and variable elements.

In line with the requirements set out in the EU state aid decision and the Bank's obligation within the framework of the guarantee provided by the federal states of Hamburg and Schleswig-Holstein, the current remuneration system for the Management Board does not involve any variable remuneration for the members of the Management Board.

Pursuant to Section 4.2.3.3, the Supervisory Board is to establish, in respect of pension schemes, the level of provision aimed for in each case and take into account the resulting annual and long-term expense for the company.

A defined contribution plan is in place for the Management Board members of HSH Nordbank that does not aim at a certain level of provision.

In accordance with Section 4.2.4, the total compensation of each one of the members of the Management Board is to be disclosed by name, divided into fixed and variable compensation components.

This is not a GCGC recommendation, but rather a mandatory statutory provision for listed companies, because the German Commercial Code (HGB) sets out a mandatory disclosure requirement for listed companies. As an unlisted company, however, HSH Nordbank is not subject to this obligation in principle. Furthermore, the parameters of Management Board remuneration have already been made sufficiently public in line with the requirements set out by the European Commission – set upper threshold for basic salary, no variable remuneration.

In accordance with Section 4.2.5, model tables are to be used to provide certain pieces of information on remuneration and fringe benefits for each Management Board member.

As HSH Nordbank does not disclose the Management Board remuneration paid to individual members, this information is not published either. (See also Section 4.2.4)

In accordance with Section 5.4.1.2, the Supervisory Board is to specify concrete objectives regarding its composition, including a limit of length of membership to be specified for the Supervisory Board.

The Supervisory Board has decided not to set a limit of length of membership for the Supervisory Board, as the optimum length of membership is difficult to define and, given the Bank's current situation, the aim is to retain the existing expertise within the Supervisory Board.

According to Sentence 4 of Section 7.1.2, the consolidated financial statements shall be publicly accessible within 90 days of the end of the financial year and interim reports shall be publicly accessible within 45 days of the end of the reporting period.

HSH Nordbank did not publish the consolidated financial statements for 2015 or the interim reports for 2016 by the specified deadlines. The Bank is likely to publish the consolidated financial statements for 2016 by the recommended deadline. The Bank is working on adhering to the recommended deadline for the publication of the interim reports in the future, too.

HSH Nordbank has complied with the recommendations set out in the Code insofar as they make sense for an unlisted corporation.

Hamburg/Kiel, 16 February 2017

For the Management Board:

For the Supervisory Board:

Stefan Ermisch

Dr Thomas Mirow