

## Declaration of Conformity

The Management Board and Supervisory Board of HSH Nordbank declare that, since publishing their last Declaration of Conformity on 16 February 2017, HSH Nordbank has complied with the recommendations of the German Corporate Governance Code as amended on 7 February 2017 in every respect with the exception of the points mentioned below. Until the next Declaration of Conformity is submitted, HSH Nordbank will comply with the recommendations of the Code as amended on 7 February 2017 with the exception of the points mentioned below.

Details on the remuneration of the Management Board are governed in Sections 4.2.2 (2) sentence 3 and 4.2.3 (2), with which the Supervisory Board shall comply in structuring the remuneration system for the Management Board.

*Following the elimination of the restrictions imposed by the 1st EU state aid decision of 2011 HSH Nordbank's current remuneration system for the Management Board continues to conform to the provisions of the guarantee provided by the federal states of Hamburg and Schleswig-Holstein in 2009, particularly those set forth in the "Obligations of HSH" appendix, which the majority shareholders did not amend in view of the political interest. Under these it is not possible to pay variable remuneration to the Management Board and the requirement that the Management Board remuneration be in proportion to that of senior management and the staff overall can also not be met by the Supervisory 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.*

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

*This is not a GCGC recommendation, but a mandatory statutory provision for listed companies, as the German Commercial Code (HGB) stipulates a mandatory disclosure requirement for listed companies. However, as an unlisted company, HSH Nordbank is in principle not subject to this obligation. Furthermore, the parameters of the Management Board remuneration - fixed upper limit, no variable remuneration - have already been made sufficiently public in line with the requirements set out in the "Obligations of HSH" appendix to the guarantee agreement.*

Pursuant to 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 also not published. (see also Section 4.2.4)*

Pursuant to Section 5.4.1 (2) the Supervisory Board is to specify concrete objectives regarding its composition, including a limit to be set for the length of service served on the Supervisory Board.

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

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

*HSH Nordbank published the consolidated financial statements for 2016, but not the interim reports for 2017, by the specified deadlines. The Bank is working on ensuring that the recommended deadline for the publication of interim reports is also met in the future. HSH Nordbank will presumably not publish the consolidated financial statements for 2017 within the specified deadlines.*

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

Hamburg/Kiel, 15 February 2018

For the Management Board

For the Supervisory Board

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