

Statement of compliance of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- with the German Corporate Governance Code in the version dated December 16, 2019

On August 31, 2020, the Board of Management and on September 17, 2020, the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) issued the 20th statement of compliance with the German Corporate Governance Code (DCGK) in the version dated December 16, 2019.

BLG AG complies with the recommendations of the government commission with the following exceptions, and will comply with the recommendations during the period covered by the statement of compliance with the following exceptions:

1. Recommendation C.2

"An age limit should be set for members of the Supervisory Board and stated in the corporate management policy"

The Supervisory Board has defined an age limit in the company's rules of procedure.

When candidates are proposed to the responsible election bodies, the Supervisory Board takes into account the defined age limit as well as the current age of the candidate. Candidates are not selected purely on the basis of their age and the defined age limits. The current age of a candidate is balanced against other factors, including the candidate's expertise and personal suitability as well as other requirements from diversity criteria. When filling posts, the Board of Management and the Supervisory Board take account of diversity and independence.

2. Recommendation C.6

"The Supervisory Board should have what it considers to be an appropriate number of independent members, whereby the membership should take account of the ownership structure. (...)"

Currently, key major shareholders are represented on the Supervisory Board. They hold the majority of the voting rights (>60%). There is an appropriate number of independent members. Therefore, the membership of the Supervisory Board is appropriate and no further reflection of the ownership structure is necessary.

3. Recommendation C.7

"(...) When assessing the independence of their members from the company and from the Board of Management, the shareholder representatives should in particular take into account whether a Supervisory Board member himself or one of his close relatives has been a member (...)

- of the Supervisory Board for more than 12 years."

In the view of the Board of Management and the Supervisory Board, an upper time limit for the membership of the Supervisory Board is not a valid criterion for the makeup of the Supervisory Board. The Board of Management and the Supervisory Board strive to ensure a mix of experienced and newly elected members on the Supervisory Board. Furthermore, the diversity demanded by the Code must also apply with regard to the different periods of membership of the Board and the associated company-specific knowledge and experience of the members.

4. Recommendation D.5

"The Supervisory Board should create a nomination committee which is exclusively made up of shareholders. This committee should select suitable candidates for election to the Supervisory Board and nominate them to the Supervisory Board for its suggestions to the General Shareholders Meeting."

The Supervisory Board has delegated the tasks of the nomination committee to the personnel committee. The personnel committee is made up of shareholder representatives and employee representatives.

5. Recommendation F.2

"The Consolidated Financial Report and the Management Report should be publicly available within 90 days after the end of the business year. The mandatory interim financial information should be publicly available within 45 days after the end of the reporting period."

Currently, BLG AG is not able to comply with all the recommended deadlines. However, full compliance with this recommendation is planned in the medium term. The Financial Report of the Group is published within four months after the end of the business year.

6. Recommendation F.3

"If the company is not obliged to issue quarterly reports, it should, over the course of the year, provide not only a half-year financial report, but also information in suitable form about business development, especially about major changes to business prospects as well as the risk situation."

According to the current International Financial Reporting Standards (IFRS), BLG AG does not have any subsidiaries to be consolidated. Therefore a quarterly report would only be required at company level. Due to the activities of the company, which comprise a liability and a management function, significant changes in business development and risk situation are generally not to be expected. Therefore, for the company the cost of issuing a quarterly report is in no reasonable relation to the value added by the information.

7. Section G./ I. Board of Management (recommendations G. 1 – G. 16)

(Do not quote text of the Code here)

In line with the requirements of the German Act Implementing the Shareholder Rights Directive (ARUG II), the Supervisory Board is currently developing a new remuneration system which will be presented to the 2021 General Shareholders Meeting for approval. Therefore, it is currently not possible to fully comply with the requirements and recommendations of the German Corporate Governance Code 2019, which are based on the ARUG II.

Bremen, September 17, 2020

BREMER LAGERHAUS-GESELLSCHAFT
–Aktiengesellschaft von 1877–

The Board of Management and the Supervisory Board