

Declaration of Conformity According to Art. 161 of the German Stock Corporation Act (AktG)

The Executive Board and the Supervisory Board of H&R WASAG AG decided to supplement the declaration of conformity dated 23 December 2009 and to submit the following updated declaration of conformity:

The company has conformed to the recommendations of the "Government Commission of the German Corporate Governance Code" (in the version dated 6 June 2008) and conforms to them (in the version dated 18 June 2009) with the following exceptions:

- Code figure 3.8, para. 2: The D&O insurance policies taken out by the company for the Executive Board and Supervisory Board do not contain any deductible. According to the opinion of the Executive Board and the Supervisory Board, such a deductible does not have any impact on the sense of responsibility and loyalty of the members of the bodies when performing the duties and functions which have been assigned to them. In addition, the members of the bodies could take out an insurance for such deductibles themselves so that the behavioural control intended by the deductible would be null and void to a large extent. The Executive Board and the Supervisory Board will implement the statutory regulations referring to the D&O insurance policies in time.
- Code figure 4.3.1: The member of the Executive Board, Niels H. Hansen, is also a managing partner of companies of Hansen & Rosenthal Group. Since these companies are carrying out sales activities for H&R WASAG AG, this double function ensures in addition that sales and production are optimally attuned to each other.
- Code figure 4.2.3, para. 2: The monetary remuneration components for two Executive Board members do not include any variable components. While any variable remuneration component has been waived by Mr. Niels H. Hansen on account of his position within the Hansen & Rosenthal Group, Mr. Wendroth did not receive any performance-related remuneration until 30 June 2009 in return for the pension commitments assumed by H&R WASAG AG.
- Code figure 5.1.2 and 5.4.1, sentence 2: There are no age limits for members of the Executive Board and Supervisory Board. The choice of persons proposed for election to the Supervisory Board is made on the basis of the knowledge, skills and technical experience required for the task. The appointment of members of the Executive Board by the Supervisory Board also follows the same criteria. Since these criteria are considered paramount by the Supervisory Board, the determination of an age limit as a criterion for exclusion has not been contemplated.
- Code figure 5.1.2 page 2 and 5.4.1, sentence 2: With its request for "diversity" in the Executive Board and Supervisory Board, the Government Commission wanted to achieve higher degree of internationality when filling positions in the bodies of German joint-stock companies and a more adequate representation of women in the Executive Board and Supervisory Board. When filling positions in the Executive Board and Supervisory Board, the only criterion mattering for H&R WASAG AG is, in accordance with the requirements of the stock corporation law, that the candidate has the skills and knowledge which will be to the benefit of the work of the body and the company as a whole. In contrast thereto, such "diversity" criteria are considered subordinate by the Executive Board and Supervisory Board, even though they are explicitly appreciated.

- Code figure 5.3.2: The Supervisory Board has not appointed an audit committee. The subjects allocated in the Government Commission's Corporate Governance Code to the audit committee are keenly debated within the entire Supervisory Board at H&R WASAG AG.

- Code figure 5.3.3: The Supervisory Board has not set up a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the Shareholders' Meeting. Due to the special resolution right of the representatives of the shareholders (Art. 124 para. 3 sentence 4 of the German Stock Corporation Act (AktG)), the candidates proposed to the Shareholders' Meeting will anyway only be decided upon by the majority of the votes of the four representatives of the shareholders in the Supervisory Board. Therefore, any additional efficiency increase may not be expected when establishing a nomination committee.

- Code figure 5.4.5, sentence 2: The Chairman of the Supervisory Board of H&R WASAG AG is a director of a listed joint-stock company and has a total of more than three Supervisory Board mandates in non-group listed companies. Any corresponding restriction of the number of mandates is not considered necessary by the Supervisory Board, as long as each member of the Supervisory Board has sufficient time available for the performance of the mandate. Accordingly, H&R WASAG AG has not conformed to the recommendation and will not conform to it as long as it will be guaranteed that all members of the Supervisory Board have sufficient time for the performance of their mandates.

- Code figure 5.4.6 para. 3, sentence 2: The remuneration of the members of the Supervisory Board and advantages extended for services provided individually, in particular advisory and agency services, were not listed separately in the corporate governance report. Such a cooperation is executed by observing statutory requirements and under conditions which are customary in the industry and also observed in connection with similar transactions with third parties. Any individualised disclosures on remunerations for any personally provided services shall not be made in the corporate governance report as a matter of principle. Furthermore, they have already been revealed in the explanatory notes to the notes on the consolidated financial statements.

- Code figure 6.6: The ownership of shares in the company by Executive Board and Supervisory Board members that exceeds 1% of the shares issued by the company was not reported. In addition, the entire holdings of all Executive Board and Supervisory Board members were not reported separately according to Executive Board and Supervisory Board, although they exceeded 1% of the shares issued by the company. The aforesaid disclosures were also not included in the corporate governance report. Any transactions of Executive Board and Supervisory Board members and their related parties with shares of the company or financial instruments referring thereto shall be communicated in accordance with statutory provisions (Art. 15a of the German Securities Trading Act (WpHG)). Major shares of voting rights up to now already have been communicated too in accordance with Art. 21ff. of the German Securities Trading Act (WpHG). According to the opinion of the Executive Board and the Supervisory Board, there is no legitimate interest in information beyond that.

Executive Board and Supervisory Board of H&R WASAG AG
Salzbergen, 25 March 2010