

# Declaration of Conformity

Section 161 AktG (German Stock Corporation Act) requires that the Executive Board and the Supervisory Board of German listed stock corporations state at least once per year if and to what extent the German Corporate Governance Code was, and is, complied with and which of the Code's recommendations were, or are, deviated from, and for what reason.

The Executive Board and Supervisory Board of OVB Holding AG hereby declare in accordance with Section 161 (1) sentence 1 AktG that the recommendations of the Government Commission on the German Corporate Governance Code in the version of 7 February 2017, released in the Federal Gazette on 24 April 2017 and amended on 19 May 2017, have been and are being complied with, subject to the following deviations:

## Recommendations:

### *No. 3.8 (3) GCGC*

#### *(Directors & Officers (D&O) insurance)*

OVB Holding AG has not provided for a deductible in the Directors & Officers insurance policy taken out for the members of the Supervisory Board. The members of the Supervisory Board attend to their duties responsibly and in the Company's best interest. Legislators also believe that a differentiation between the Executive Board and Supervisory Board is appropriate as they have not prescribed regulations comparable to those regarding deductibles for Executive Board members.

### *No. 4.1.3, sentence 3, of the GCGC*

#### *(suspected breaches of the law)*

At OVB Holding AG, a whistleblower system has been established within the area of responsibility overseen by the Chief Compliance Manager. The system provides employees with a means of submitting tips concerning legal violations within the company. In the opinion of the Executive Board and Supervisory Board, anonymity of whistleblowers is not required for a whistleblower system to be effective and reasonable. It is absolutely essential, however, that tips be treated as confidential and sensitive, and those measures are sufficient. Absolute anonymity of whistleblowers is not imperative and should not be granted in order to prevent possible abuses. Since a final ruling has not been given on whether no. 4.1.3, sentence 3, of the GCGC requires the strict anonymity of whistleblowers, we are declaring our deviation from this recommendation as a precaution.

### *No. 4.1.5 sentence 1 GCGC*

#### *(consideration of diversity for executive positions)*

According to the recommendations of the German Corporate Governance Code, the Executive Board shall pay attention to the aspect of diversity in filling executive positions and aim for the adequate consideration of women. The Executive Board of OVB Holding AG pursues the goal of promoting women and aims at having more women assume executive positions. However, the Executive Board holds the view that the aspect of diversity which includes the consideration of women should not be the sole deciding criterion for filling executive positions. For the benefit of the Company, the right choice much rather depends on management and leadership qualities, expert knowledge in the respective executive areas and responsibilities, and professional experience. Therefore, a deviation from no. 4.1.5 sentence 1 GCGC is declared preventatively.

### *No. 5.1.2 (1) sentence 2 GCGC*

#### *(consideration of diversity for composition of the Executive Board)*

According to the recommendations of the Code, the Supervisory Board shall pay attention to the aspect of diversity with regard to the composition of the Executive Board. The Supervisory Board of OVB Holding AG holds the view that the aspect of diversity with regard to the composition of the Executive Board is a goal to be pursued; however, in the interest of the Company and its shareholders, the Supervisory Board shall continue to consider the knowledge, capabilities and experiences required by the respective fields of business and areas of responsibility to be decisive with regard to the selection of appropriate candidates. On this basis, a deviation from no. 5.1.2 (1) sentence 2 GCGC is declared preventatively.

### *No. 5.3.2 (3) sentence 2 GCGC*

#### *(independence of the Audit Committee chairperson)*

No. 5.3.2 (3) sentence 2 of the Code makes various recommendations, including that the chairperson of the Audit Committee should be independent. The chairperson of the Audit Committee of OVB Holding AG is a member of the Supervisory Board at a company belonging to the SIGNAL IDUNA Group. Since a final ruling on the requirements of the GCGC with respect to independence has not been given, we are declaring our deviation from this recommendation as a precaution.

*No. 5.4.1 (2) sentence 1 GCGC  
(consideration of diversity and definition of limits  
on duration of Supervisory Board membership)*

In the composition of the Supervisory Board, the aspect of diversity is generally taken into account. In the interest of the Company, the Supervisory Board will be primarily governed by the knowledge, capabilities and expert experience of the proposed candidates in its presentation of candidates for selection by the General Meeting of Shareholders. On this basis, a deviation from no. 5.4.1 (2) sentence 1 GCGC is declared preventatively.

The Supervisory Board of OVB Holding AG has also resolved not to define a limit regarding duration of Supervisory Board membership because a general limit fails to take into consideration individual factors that justify a longer tenure of individual Supervisory Board members. Suitability for the exercise of the relevant board functions does not necessarily end with the attainment of a predetermined age or length of tenure, but rather depends solely on the relevant individual capabilities.

*No. 5.4.6 (1) sentence 2 as well as (2) sentence 2 GCGC  
(remuneration of the Supervisory Board)*

Contrary to the recommendation of the Code, the remuneration of the members of the Supervisory Board thus far does not account for membership or chairmanship of the Supervisory Board's committees due to the fact that, in the spirit of good corporate governance, it already communicates closely with the Nomination and Remuneration Committee. Furthermore, the other Supervisory Board members generally attend Audit Committee meetings. Nevertheless, there are plans to propose to the Annual General Meeting an amendment to Articles of Association stating that the position of chairperson and membership of committees shall be taken into account so that the additional duties associated with those positions can be given appropriate consideration. The current provision on performance-based remuneration of the members of the Supervisory Board is not particularly oriented towards the Company's sustained development. Even if the performance-based remuneration is also shown to comply with the law, there are plans to propose to the Annual General Meeting a future amendment to the Articles of Association stipulating fixed remuneration that also considers trends in the market practice regarding such remuneration.

Cologne, Germany, 19 March 2018

On behalf of the Executive Board



Mario Freis



Oskar Heitz



Thomas Hücker



Michael Johnnigk

On behalf of the  
Supervisory Board