

DECLARATION OF COMPLIANCE

Braas Monier Building Group S.A. is a Luxembourg société anonyme (S.A.), which is listed solely on a stock exchange in Germany. It is therefore not subject to the Ten Principles of Corporate Governance applicable to companies listed in Luxembourg. Furthermore, as a company incorporated and existing under the laws of Luxembourg, we are not required to comply with the respective German Corporate Governance Code applicable to listed German stock corporations. Nevertheless, the Board of Directors have decided to follow, on a voluntary basis, to a certain extent, the recommendations of the German Corporate Governance Code regarding the principles of good corporate governance, as Braas Monier Building Group S.A. regards the German Corporate Governance Code to be an important foundation for responsible corporate governance. However, certain recommendations will only apply to our company to the extent that they are consistent with applicable Luxembourg corporate law and our corporate structure. Inconsistencies particularly originate from Braas Monier Building Group S.A.'s single board structure of a Board of Directors, whereas the recommendations of the German Corporate Governance Code assume a two-tier board structure for German stock corporations.

In February 2002, the German Corporate Governance Code (hereinafter also 'Code') was adopted by the competent Government Commission and continually updated with the goal of establishing principles for good corporate governance and bolstering trust in German companies. The Code is designed to make the German corporate governance system transparent and understandable. Its purpose is to promote the trust of international and national investors, customers, employees and the general public in the management and supervision of listed German stock corporations.

DECLARATION OF COMPLIANCE WITH THE RECOMMENDATIONS OF THE GERMAN CORPORATE GOVERNANCE CODE

The Board of Directors of Braas Monier Building Group S.A. declares that Braas Monier Building Group S.A. has complied and will comply with the recommendations of the Government Commission's German Corporate Governance Code in its version dated 5 May 2015 as published by the Federal Ministry of Justice on 12 June 2015 in

the German Federal Gazette, taking into account the abovementioned characteristics of its legal structure, with the following exceptions:

- *Section 3.8 para. 3 of the Code:* The directors' and officers' insurance policy does not necessarily provide for the same deductible. Equal deductibles do not seem required to ensure that directors and officers act responsibly and solely in the interest of Braas Monier Building Group S.A.
- *Section 3.10 sent. 1, 5.4.1 para. 3 sent. 2, 6.3 sent. 2, and 7.1.3:* Braas Monier Building Group S.A.'s annual report contains statements on corporate governance. Those statements exclusively follow the requirements for the 'Statement on Corporate Governance' provided by the applicable Luxembourg law. As far as the Code contains recommendations for a corporate governance report beyond the scope of the requirements of the applicable Luxembourg law for the 'Statement on Corporate Governance', compliance with those exceeding recommendations of the Code will not be ensured. Fulfilling the requirements provided by Luxembourg law for the 'Statement on Corporate Governance' is sufficient to meet the shareholders' interest for information.
- *Section 4.1.5:* Braas Monier Building Group S.A. aims to provide workplace diversity, in particular, an appropriate degree of female representation among both directors and officers. These commitments seem sufficient to ensure diversity and female representation at lower managerial levels as well.
- *Section 4.2.2 sent. 3:* In setting compensation for the executive officers, the Board of Directors will not necessarily consider the relationship between the compensation of the executive managers, senior management and personnel as a whole or its development over time. This additional requirement does not seem necessary to ensure adequate compensation.
- *Section 4.2.3 para. 4 and 5:* Compliance with the provision regarding the severance payment cap does not seem necessary to ensure adequate compensation.
- *Section 4.2.4:* Compliance with the provision regarding the disclosure of compensation of individual members of the Board of Directors or the Senior Management does not seem necessary to meet the shareholders' interest for information.
- *Section 4.2.5:* Braas Monier Building Group S.A.'s annual report does not contain a compensation report containing the information recommended by the Code. Full compliance with disclosures required by law seem sufficient to meet the shareholders' interest for information.

- *Section 5.4.6 para. 3 sent. 1:* The compensation of the directors will not be listed individually in Braas Monier Building Group S.A.'s annual report but rather in aggregate. An aggregate disclosure seems sufficient to meet the shareholders' interest for information in full compliance with disclosures required by law.
- *Section 6.1 sent. 2, 6.2, 6.3, 7.1.2 sent. 2, 7.1.4, and 7.1.5:* Braas Monier Building Group S.A. will ensure adequate disclosure and publication of information and access to information in full compliance with applicable laws and regulation. This seems sufficient to meet shareholders' interest for information.

Luxembourg, 23 March 2016



Pierre-Marie De Leener

Chairman of the Board of Directors and Chief Executive Officer