

Declaration of Compliance pursuant to article 161 of the German Stock Corporation Act (AktG)

H&R WASAG AG complied with the recommendations of the Government Commission on Corporate Governance embodied in the German Corporate Governance Code as amended on 6 June 2008, and complies with the version of the code amended on 18 June 2009, with the following exceptions:

- Code Section 3.8, Paragraph 2: The D&O insurance policies for Executive and Supervisory Board members do not include a deductible. The company intends to amend this in all Executive Board policies by 30 June 2010.
- Code Section 4.2.3, Paragraph 2: Remuneration for two members of the Executive Board does not include any performance-based components. Mr. Niels H. Hansen relinquishes his right to performance-based remuneration due to his position at Hansen & Rosenthal Group. Mr. Wendroth did not receive any performance-based remuneration until 30 June 2009 due to H&R WASAG AG taking over his pension commitments.
- Code Section 5.1.2 and 5.4.1, Sentence 2: There are no age limits on membership of the Executive or Supervisory Board. The choice of persons put forward for election to the Supervisory Board is made on the basis of the requisite knowledge, abilities and professional experience. Likewise, the appointment of Executive Board members by the Supervisory Board is based on these same criteria. As in the opinion of the Supervisory Board these criteria are more important than age, there are no plans to set an age limit as a criterion for exclusion. Likewise, the Supervisory Board deems the new recommendations of Sections 5.1.2, Sentence 2 and 5.4.1, Sentence 2 on "Diversity" to be of little importance for small Executive Boards and Supervisory Boards, such as those of H&R WASAG Aktiengesellschaft, and has therefore not followed these recommendations.
- Code Section 5.3.2: The Supervisory Board has not formed an audit committee. The areas of focus proposed for such a committee in the Corporate Governance Code put forward by the Government Commission are dealt with intensively at H&R WASAG AG by the Supervisory Board in its entirety.
- Code Section 5.3.3: The Supervisory Board has not formed a nomination committee, exclusively comprising representatives of the Company's shareholders, which suggests suitable candidates to the Supervisory Board for putting forward at the Annual Shareholders' Meeting.
- Code Section 5.4.5, Sentence 2: The Chairman of the Supervisory Board of H&R WASAG AG is the managing director of a listed stock corporation and is a member of more than three supervisory boards of other listed companies not belonging to H&R WASAG AG.
- Code Section 5.4.6, Paragraph 3, Sentence 2: The Company paid remuneration or granted advantages to Supervisory Board members for their personal services, particularly consultancy and agency services. These payments and advantages were not stated separately in the Corporate Governance Report.

- Code Section 6.6: Executive and Supervisory Board members' shareholdings larger than 1% of the shares issued by the Company were not reported. The total number of shares held by Executive and Supervisory Board members was not stated separately for Executive and Supervisory Board members, although it exceeded 1% of shares issued by the company, neither were these figures disclosed in the Corporate Governance Report. Executive and Supervisory board member shareholdings are reported in line with legal regulations.

The Executive Board and Supervisory Board of H&R WASAG AG

Salzbergen, 23 December 2009