



BERENTZEN-GRUPPE

Thirst for life

Corporate  
Governance  
Report

2019



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## Corporate governance

### (1) Corporate governance at the Berentzen Group

Corporate governance refers to the legal and practical regulatory framework for responsible, transparent corporate management and supervision aimed at sustainable value creation. Encompassing all areas of the Company, it comprises corporate management aligned with the interests of all stakeholders, transparency and responsibility in all business decisions, compliance with applicable laws, the appropriate management of risks, trusting cooperation between both the Executive Board and the Supervisory Board and among the employees, and transparent reporting and corporate communication.

The implementation of corporate governance at Berentzen-Gruppe Aktiengesellschaft and within the Berentzen Group is continually reviewed and adapted to suit new developments.

The term Berentzen Group refers to Berentzen-Gruppe Aktiengesellschaft and its Group companies and subsidiaries. Berentzen-Gruppe Aktiengesellschaft is a stock corporation under German law with its registered office in Haselünne, Germany. Therefore, it has three governing bodies: the General Meeting of Shareholders, the Supervisory Board and the Executive Board. Their duties and authorities are based on the German Stock Corporations Act and the Articles of Association of Berentzen-Gruppe Aktiengesellschaft.

The German Corporate Governance Code aims at making Germany's dual system of corporate governance involving the institutional separation of management and supervision of a stock corporation (Aktiengesellschaft) organised under German law clear and transparent. The Code contains principles, recommendations and suggestions on the management and supervision of German exchange-listed companies that are acknowledged nationally and internationally as standards for good and responsible corporate governance. The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft issue a joint declaration on the German Corporate Governance Code every year; this statement is additionally updated during the year when necessary.

The following Group Declaration on Corporate Governance and the Declaration on Corporate Governance pursuant to Section 315d and Section 289f of the German Commercial Code (HGB) and in accordance with Article 3.10 of the German Corporate Governance Code in the version of February 7, 2017 contains the Executive Board's report – at the same time to the Supervisory Board – on corporate governance at the Berentzen Group. The Group Declaration on Corporate Governance and the Declaration on Corporate Governance are an integral part of the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft. Unless indicated otherwise, the following statements apply both for the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft. According to Section 317 (2) sentence 6 HGB, the independent auditor's review of the statements pursuant to Sections 315d, 289f HGB is limited to verifying whether the statements were made.

## (2) (Group) Declaration on Corporate Governance and Corporate Governance Report

### (2.1) Declaration of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 German Stock Corporations Act (AktG)

The Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft also addressed the recommendations set out in the German Corporate Governance Code in the 2019 financial year. Previously in December 2018, the Executive Board and the Supervisory Board had jointly issued the annual declaration of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG on the basis of the Code version of February 7, 2017. The annual declaration of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG jointly issued by the Executive Board in November 2019 and the Supervisory Board, likewise on the basis of the Code version of February 7, 2017 is reprinted in the following.

#### **Declaration of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 German Stock Corporations Act (AktG)**

Pursuant to Section 161 AktG, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are obligated to annually declare that the recommendations of the “Government Commission on the German Corporate Governance Code” published by the Federal Ministry of Justice and Consumer Protection in the official part of the Federal Gazette were followed and will be followed, or which recommendations were not or will not be followed, and why not.

After due examination, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft jointly issue the following annual declaration on the German Corporate Governance Code pursuant to Section 161 AktG:

#### I.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that the recommendations of the “Government Commission on the German Corporate Governance Code” (Code version of February 7, 2017) published by the Federal Ministry of Justice and Consumer Protection in the official part of the Federal Gazette on April 24, 2017 are followed, with the following exceptions:

1. Contrary to No. 3.8 (2) and (3) of the Code version of February 7, 2017, the D&O insurance taken out by Berentzen-Gruppe Aktiengesellschaft for the members of its Supervisory Board does not include a deductible.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are fundamentally not of the opinion that the motivation and responsibility with which the members of the Supervisory Board perform their duties could be improved by such a deductible. Therefore, Berentzen-Gruppe Aktiengesellschaft also does not intend to change its current D&O insurance policies in this respect.

2. Contrary to No. 4.2.1 sentence 1 of the Code version of February 7, 2017, the Executive Board of Berentzen-Gruppe Aktiengesellschaft does not have a Chairman or Spokesman.

The Supervisory Board and Executive Board of Berentzen-Gruppe Aktiengesellschaft are of the opinion that the appointment of an Executive Board Chairman or Spokesman is not necessary due to the fact that the Executive Board currently has only two members. Also in this case, the existing rules of procedure for the Executive Board clearly and unambiguously govern communication with the Supervisory Board and representation of the Executive Board vis-à-vis the Supervisory Board and the areas of responsibility of the members of the Executive Board, and therefore also the representation of the Group and the Company .

3. Contrary to No. 4.2.2 (2) sentence 3 of the Code version of February 7, 2017, the ratio of Executive Board compensation to the compensation paid to the senior management and entire staff, including its development over time, is not considered in setting the compensation of the Executive Board.

No. 4.2.2 (2) sentence 3 of the German Corporate Governance Code contains the recommendation that the Supervisory Board consider the ratio of Executive Board compensation to the compensation of the senior management and entire staff, including its development over time. In concluding or extending the current Executive Board contracts, the Supervisory Board ensured, in accordance with the requirements of the Stock Corporations Act, that the relationship between the total compensation granted to Executive Board members and the general wage and salary structure within the Company is appropriate and therefore the so-called “vertical appropriateness” of Executive Board compensation is assured. To the extent that this review of vertical appropriateness of Executive Board compensation already required by the

Stock Corporations Act is concretized and the relevant comparison groups and time frame to be applied for the comparison are defined more precisely in the German Corporate Governance Code, an exception is declared by way of precaution. In concluding and extending the currently valid Executive Board contracts, the Supervisory Board did not distinguish between the comparison groups according to No. 4.2.2 (2) sentence 3 of the Code version of February 7, 2017 in reviewing the appropriateness and also did not conduct surveys of the development over time of the wage and salary structure. It also does not consider such a purely formal procedure to be necessary to ensure the appropriateness of Executive Board compensation.

4. Contrary to No. 4.2.3 (2) sentence 6 of the Code version of February 7, 2017, the compensation agreed in the Executive Board contracts is not capped at maximum levels for the aggregate compensation.

Whereas the Executive Board contracts include both maximum levels for both the fixed and the variable compensation components, they do not stipulate a maximum level for the aggregate compensation of the Executive Board. In this respect, the Supervisory Board is of the opinion that the maximum levels stipulated for both the fixed and the variable compensation components effectively lead to a cap on the aggregate compensation.

5. Contrary to No. 4.2.3 (3) of the Code version of February 7, 2017, no consideration was given to the target level of pension benefits and the resulting annual and long-term expense incurred in granting pension commitments to the Executive Board members.

The corresponding recommendation of the German Corporate Governance Code states that the Supervisory Board should establish the target level of pension benefits for every pension commitment – including based on the duration of membership on the Executive Board – and consider the resulting annual and long-term expense incurred by the Company. Each one of the currently valid Executive Board contracts includes a provision under which a fixed amount is granted to the Executive Board member for a life insurance policy or pension-suitable financial instrument to be taken out by the Executive Board member. At the choice of each Executive Board member, this amount can also be paid into a company pension plan. However, this provision does not grant a direct claim to pension benefits and does not lead to any future financial expense for the Company beyond the term of each Executive Board contract. Therefore, the Executive Board and Supervisory Board believe that this mere contribution commitment is not a pension commitment within the meaning of the German Corporate Governance Code. However, because the German Corporate Governance Code does not define the term “pension commitment,” an exception is declared by way of precaution.

6. Contrary to No. 4.2.5 (3) and (4) of the Code version of February 7, 2017, the compensation granted to Executive Board members is not disclosed individually for each Executive Board member in the Compensation Report and broken down by components – particularly including the benefits granted, benefits received and pension expense – using the model tables provided as appendices to the Code.

On May 12, 2016, the annual general meeting of Berentzen-Gruppe Aktiengesellschaft resolved in accordance with Section 286 (5) of the German Commercial Code (HGB) not to disclose the compensation of individual Executive Board members and to only state the aggregate Executive Board compensation in the notes to the financial statements and in the management report of the Company and the Group. Therefore, the compensation also cannot be disclosed individually in the Compensation Report using the model tables provided as appendices to the German Corporate Governance Code because that would lead to an individualized disclosure of Executive Board compensation and contravene the General Meeting resolution of May 12, 2016. Furthermore, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are of the opinion that the information provided on Executive Board compensation in accordance with the relevant financial reporting regulations observed by Berentzen-Gruppe Aktiengesellschaft is sufficient. Breaking down the compensation of Executive Board members by components – particularly including the benefits granted, benefits received and pension expense – using the model tables in the Compensation Report provided as appendices to the Code – which may not be done on an individualized basis due to the aforementioned resolution of the General Meeting of May 12, 2016 – would not deliver any additional, capital market-relevant information.

7. Contrary to No. 5.4.6 (3) sentence 1 of the Code version of February 7, 2017, the compensation of Supervisory Board members is not disclosed individually and classified by components either in the notes to the financial statements or in the management report.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are of the opinion that the resulting infringements of the privacy of Supervisory Board members would not be proportionate to the benefits of such a practice. The aggregate Supervisory Board compensation is presented in the notes to the separate and consolidated financial statements and in the separate management report, which is combined with the Group management report. Furthermore, the compensation is known by reason of the fact that the Company's Articles of Association are publicly accessible. An individualized disclosure would not deliver any additional, capital market-relevant information.

## II.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft declare that, since the issuance of their last annual declaration on the German Corporate Governance Code pursuant to Section 161 AktG in December 2018, the recommendations of the "Government Commission on the German Corporate Governance Code" (Code version of February 7, 2017) published by the Federal Ministry of Justice and Consumer Protection in the official part of the Federal Gazette on April 24, 2017 are followed, with the following exceptions:

1. Contrary to No. 3.8 (2) and (3) of the Code version of February 7, 2017, the D&O insurance taken out by Berentzen-Gruppe Aktiengesellschaft for the members of its Supervisory Board did not include a deductible, for the reasons described in No. I. 1.
2. Contrary to No. 4.2.1 sentence 1 of the Code version of February 7, 2017, the Executive Board of Berentzen-Gruppe Aktiengesellschaft did not have a Chairman or Spokesman for the reasons described in No. I. 2.
3. Contrary to No. 4.2.2 (2) sentence 3 of the Code version of February 7, 2017, the ratio of Executive Board compensation to the compensation of the senior management and entire staff, including the development over time, was not also considered in setting the compensation of the Executive Board, for the reasons described in No. I. 3..
4. Contrary to No. 4.2.3 (2) sentence 6 of the Code version of February 7, 2017, the compensation agreed in the Executive Board contracts was not capped at maximum levels for the aggregate compensation, for the reasons described in No. I. 4.
5. Contrary to No. 4.2.3 (3) of the Code version of February 7, 2017, no consideration was given to the target level of pension benefits and the resulting annual and long-term expense for the Company in granting pension commitments to the Executive Board members, for the reasons described in No. I. 5.
6. Contrary to No. 4.2.5 (3) and (4) of the Code version of February 7, 2017, the compensation granted to the Executive Board was not disclosed individually for each Executive Board member in the Compensation Report and broken down by components – particularly including the benefits granted, benefits received and pension expense – using the model tables provided as appendices to the Code, in line with the resolution adopted in accordance with Section 286 (5) HGB by the Company's annual general meeting on May 12, 2016 not to disclose the Executive Board compensation individually and to only state the aggregate Executive Board compensation in the notes to the financial statements and management report of the Company and the Group, for the reasons described in No. I. 6.

7. Contrary to No. 5.4.6 (3) sentence 1 of the Code version of February 7, 2017, the compensation of Supervisory Board members was not disclosed individually for each Supervisory Board member and broken down by components in the notes to the financial statements or in the management report, for the reasons described in No. I. 7.

## (2.2) Relevant disclosures on corporate governance practices

Berentzen-Gruppe Aktiengesellschaft observes all legal requirements for corporate governance and also follows the recommendations of the German Corporate Governance Code – subject to the exceptions indicated and justified in the declaration of conformity pursuant to Section 161 AktG.

Haselünne, November 2019

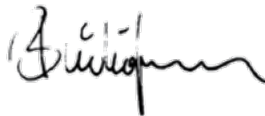
### Berentzen-Gruppe Aktiengesellschaft

For the Executive Board



Oliver Schwegmann

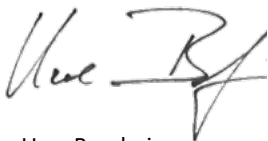
Member of the Executive Board



Ralf Brühöfner

Member of the Executive Board

For the Supervisory Board



Uwe Bergheim

Chairman of the Supervisory Board

In order to implement good corporate governance, Berentzen-Gruppe Aktiengesellschaft has adopted a Code of Conduct binding on all employees of the Berentzen Group, which sets out binding rules for lawful and ethical behaviour. Furthermore, another two Codes were established, namely the Berentzen Group Marketing Code and the Berentzen Group Supplier Code. These three Codes contain the guidelines for responsible conduct at Berentzen-Gruppe Aktiengesellschaft and its subsidiaries. They are based on applicable laws and established standards and express the expectations that the corporate group has for its employees, suppliers, marketing and communication partners, and third parties who are involved in the value chain of Berentzen Group's products. The principles described in these Codes are all minimum standards.

The Berentzen Group Code of Conduct contains a summary of corporate principles. It defines the guidelines to be followed in the areas of lawful and responsible conduct, business and personal integrity, employees and employment conditions, assets and information, and quality and environmental protection.

The joint declaration of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 AktG have been made permanently accessible to the public on Berentzen-Gruppe Aktiengesellschaft's corporate website at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en).



The Berentzen Group Marketing Code is modelled after the rules of conduct of the German Advertising Standards Council (Deutscher Werberat). In awareness of the social responsibility of the corporate group, it contains guidelines for product-related communication and the responsible handling of its products.

The Supplier Code of the Berentzen Group creates a shared understanding of appropriate living and working conditions of employees, which is supported by all suppliers of the Berentzen Group and their employees. The Berentzen Group Supplier Code is modelled after the currently valid versions of the Ethical Trading Initiative Base Code (ETI Base Code), the principles of the International Labour Organisation (ILO), and the Ten Principles of the United Nations Global Compact. It forms the basis for long-term, sustainable business relationships.

Tips of violations of the principles set out in the Berentzen Group Codes or suspicions of such violations may be communicated – also anonymously – to the independent, external notification centre engaged for this purpose by the Executive Board of Berentzen-Gruppe Aktiengesellschaft. Both the employees of Berentzen Group and third parties are able to contact the notification centre; all tips are kept confidential.

The Berentzen Group Codes, including the contact data of the external notification centre, are posted on the corporate website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en) and are also available to employees on the social intranet of the Berentzen Group, among other places.

## **(2.3) Compliance and risk management**

### **(2.3.1) Compliance**

The business activities conducted by the Berentzen Group in numerous countries and regions and therefore in different legal jurisdictions are subject to many national and international laws and regulations. Compliance in the Berentzen Group means compliance with all national and international laws and regulations applicable in every place, as well as industry standards, its Codes and its voluntarily assumed obligations and internal guidelines. Compliance by all companies of the Berentzen Group is an essential management responsibility of the Executive Board of Berentzen-Gruppe Aktiengesellschaft.

The Group's three Codes, the Berentzen Group Code of Conduct, the Berentzen Group Marketing Code, and the Berentzen Group Supplier Code form an important basis for compliance in the Berentzen Group. Particularly the guidelines for lawful and responsible conduct and business and personal integrity that make up the core of the Berentzen Group Code of Conduct, which is binding on all companies of the Berentzen Group and their employees, constitute the main corporate principles for ensuring compliance. In addition, a number of other internally established guidelines serve to prevent compliance violations.

The responsibility for all topics and concerns related to compliance is organizationally assigned to the Corporate Legal Department of Berentzen-Gruppe Aktiengesellschaft. The Compliance Committee composed of individual members of this department is supervised by the Executive Board member in charge of the Legal Department and reports to the full Executive Board of

Berentzen-Gruppe Aktiengesellschaft through the Chief Compliance Officer. For its part, the full Executive Board reports on compliance in the Berentzen Group to the Supervisory Board's Finance and Audit Committee at regular intervals and whenever warranted.

The employees of the Berentzen Group usually receive instruction on compliance-related topics in classroom training courses that serve to raise awareness for compliance with all relevant legal requirements. If they have questions about lawful conduct or questions related to the understanding or interpretation of the Berentzen Group Codes, employees can turn to their supervising manager, the Compliance Committee, or the Corporate Legal Department of Berentzen-Gruppe Aktiengesellschaft.

Furthermore, an independent, external notification centre has been established to receive tips of compliance violations or related suspicions. More detailed information about the Berentzen Group Codes and the external notification centre can be found in the preceding Section (2.2).

### **(2.3.2) Risk management**

Good corporate governance also encompasses the responsible management of risks by the Company. The Executive Board of Berentzen-Gruppe Aktiengesellschaft ensures appropriate risk management and risk controlling in the Company and the Group. Systematic risk management in line with the values-based management philosophy of the Berentzen Group ensures that risks are detected and assessed at an early stage and risk positions are optimized through limitation. The Executive Board regularly informs the Supervisory Board's Finance and Audit Committee of existing risks and their development.

Information on risk management, the risk management system, and the risks and opportunities arising in the course of the Berentzen Group's business activities can be found in the "Report on risks and opportunities" section of the Annual Report 2019 of Berentzen-Gruppe Aktiengesellschaft, which is available at the corporate website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en) and is an integral part of the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft.

### **(2.3.3) Internal Audit**

Other integral elements of compliance and risk management are the Internal Audit Department of the corporate group and its internal control system, which are centrally organized at Berentzen-Gruppe Aktiengesellschaft.

Internal Audit is particularly charged with auditing important internal business processes, performing ad-hoc audits, and auditing the control mechanisms of the internal control system – either in connection with or separately from the other audits.

Internal Audit also reports to the Executive Board member of Berentzen-Gruppe Aktiengesellschaft in charge of the Legal Department, among other things. The audit subjects and results of Internal Audit are also the subject of deliberations in the Supervisory Board's Finance and Audit Committee.

### **(2.4) Composition and procedures of the Executive Board and Supervisory Board and the committees of the Supervisory Board**

The management and supervision structure of Berentzen-Gruppe Aktiengesellschaft and the Berentzen Group is detailed below:

### **(2.4.1) Dual governance system**

In accordance with legal requirements, Berentzen-Gruppe Aktiengesellschaft maintains a dual governance system under which the Executive Board manages the Company and the Supervisory Board supervises the management. The authorities and members of both these bodies are strictly separate.

### **(2.4.2) Executive Board**

#### **Work of the Executive Board**

As the management body of Berentzen-Gruppe Aktiengesellschaft, the Executive Board manages the Berentzen Group under its own responsibility and in the Company's interest, thus with due regard to the interests of the shareholders, its employees and other stakeholder groups, with the obligation of ensuring the corporate group continued existence and its sustainable value creation.

The management function of the Executive Board includes a responsible approach to the risks inherent in the corporate group's business activities within the scope of suitable and effective control and risk management system. The Executive Board further ensures compliance with the provisions of law and internal guidelines and works towards compliance with the same within the corporate group. Correspondingly, the Executive Board makes sure that there is a compliance management system commensurate with the Company's risk situation.

The Executive Board informs the Supervisory Board regularly, promptly, and extensively on all issues relevant to the Berentzen Group, specifically relating to strategy, planning, business developments, cash flows and profits, level of risk, risk management, and compliance.

According to the rules of procedure for the Executive Board of Berentzen-Gruppe Aktiengesellschaft adopted by the Supervisory Board, certain transactions and measures of fundamental importance to be taken by the Executive Board require the approval of the Supervisory Board, or if the Supervisory Board has delegated the authority to adopt resolutions of approval to one of its committees, they require the approval of the competent Supervisory Board committee. The Supervisory Board may expand or limit the scope of transactions or measures requiring approval at any time.

In filling managerial positions within the Company, the Executive Board gives due consideration to diversity. The Executive Board adopts targets for the proportion of positions held by women in the two management levels beneath the Executive Board; these gender-related targets, the other targets to be adopted under this law, and the corresponding statements to be included in the (Group) Declaration on Corporate Governance are summarized in the following Section (2.6).

Executive Board meetings are held regularly, if possible at least once a month. Resolutions are adopted by a simple majority of votes cast. In case of a tie, the Executive Board Chairman, if one has been appointed, casts the deciding vote. In case of an uneven number of Executive Board members, the Executive Board Chairman is entitled to veto all resolutions.

More detailed rules governing the work of this governing body, including (for example) the division of responsibilities by management division and the matters reserved for the full Executive Board, are set out in the Articles of Association of Berentzen-Gruppe Aktiengesellschaft and the rules of procedure and executive organization chart of the Executive Board.

### Composition of the Executive Board

In accordance with the Articles of Association, the Executive Board of Berentzen-Gruppe Aktiengesellschaft is composed of at least two members. In particular, the Supervisory Board may appoint a Chairman of the Executive Board. If an Executive Board Chairman has been appointed, he acts as Spokesman of the Executive Board vis-à-vis the Supervisory Board. If no such appointment has been made, the rules of procedure for the Executive Board contain detailed rules on the representation of the Executive Board vis-à-vis the Supervisory Board and the performance of duties that are otherwise fundamentally assigned to the Chairman of the Executive Board.

Notwithstanding their overall responsibility for the management of Berentzen-Gruppe Aktiengesellschaft and the corporate group, the individual members of the Executive Board manage the divisions assigned to them independently and under their own responsibility. The Executive Board members work together as a team and

keep each other informed of important measures and operations in their divisions.

The diversity plan adopted by the Supervisory Board, which is described in Section (2.5.1), sets out other important aspects or goals related to the composition of the Executive Board.

In accordance with its obligation under the Stock Corporations Act, the Supervisory Board has adopted targets for the percentage of women on the Executive Board. These gender-related targets, the other targets to be adopted under this law, and the corresponding statements to be included in the (Group) Declaration on Corporate Governance are summarized in the following Section (2.6).

Over the period from January 1 to December 31, 2019 the following persons were members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft:

Name	Term of Board membership	Position held Responsibilities	Supervisory Board mandates
<b>Ralf Brühöfner</b>  Lingen, Germany	since June 18, 2007	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft  Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communications, Investor Relations, Corporate Social Responsibility	Doornkaat Aktiengesellschaft, Norden, Germany (Deputy Chairman of the Supervisory Board)
<b>Oliver Schwegmann</b>  Timmendorfer Strand, Germany	since June 1, 2017	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft  Marketing, Sales, Production and Logistics, Purchasing, Research and Development	Doornkaat Aktiengesellschaft, Norden, Germany (Chairman of the Supervisory Board)

### **(2.4.3) Supervisory Board**

#### **Work of the Supervisory Board**

The Supervisory Board supervises and advises the Executive Board, whose members it appoints, on the management of the Company and the corporate group. It is involved in decisions of fundamental importance for the Berentzen Group; details are set out in the rules of procedure for the Supervisory Board and Executive Board.

Supplementary to the duties incumbent upon the Executive Board to inform and report to the Supervisory Board, the latter in turn ensures that it is provided with information in an appropriate manner; for this purpose, the Executive Board's rules of procedure contains more detailed rules to this end.

The Supervisory Board reviews the separate financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft as well as the proposal on the utilisation of the distributable profit of Berentzen-Gruppe Aktiengesellschaft. Furthermore, it basically approves the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft. It performs this task on the basis of and taking account of the audit reports of the independent auditor and the findings of the prior discussions held for this purpose by the Finance and Audit Committee and its recommendations in this regard.

Details concerning the duties of the Supervisory Board and its committees, as well as its composition, are set out in the law, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the rules of procedure of the Supervisory Board. This document and the rules of procedure for the Executive Board also stipulate that the Supervisory Board's approval is required for transactions

and measures of fundamental importance, among other things. In addition, the German Corporate Governance Code provides further recommendations on the work of the Supervisory Board and its committees.

The regular meetings of the Supervisory Board are called in writing with advance notice of 21 days, with the meeting agenda attached to the notice of meeting. The documents produced in preparation for the meetings, including all draft resolutions, are forwarded to the Supervisory Board members in due time. The Supervisory Board meets at least four times a year, i.e. once per calendar quarter.

As a rule, resolutions of the Supervisory Board are adopted at in-person meetings. Between in-person meetings, resolutions can also be adopted in writing, by telephone or in another comparable form, particularly including video-conferences, at the order of the Supervisory Board Chairman. As a rule, this option is exercised only in cases that are especially urgent. The Supervisory Board has a quorum when at least four of its members participate in the adoption of resolutions. Absent members may participate by way of written votes. In case of a tied vote, the vote of the Supervisory Board Chairman is determining; the same rule applies for elections. If the Supervisory Board Chairman does not participate in the vote, the vote of his deputy is determining in case of a tied vote.

#### **Composition of the Supervisory Board**

In accordance with the resolution to change the Articles of Association passed by the scheduled annual general meeting on May 3, 2018, the Supervisory Board has generally consisted of six members since the close of the scheduled annual general meeting on May 22, 2019 and thereafter; of these six members, four are elected individually at an annual general meeting (Supervisory Board members of the shareholders

or shareholder representatives). Two members are elected by the employees (Supervisory Board members of the employees or employee representatives) in accordance with the German One-third Participation Act (Drittelbeteiligungsgesetz).

Until the close of the scheduled annual general meeting on May 22, 2019, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft generally consisted of nine members, of whom six members are elected individually as Supervisory Board members of the shareholders and three members are elected by the employees of the Company as Supervisory Board members of the employees in accordance with the German One-third Participation Act.

The Chairman is elected from the ranks of the Supervisory Board members. The term of office of Supervisory Board members is five years; the term of office of currently serving Supervisory Board members ends upon the close of the annual general meeting of Berentzen-Gruppe Aktiengesellschaft that will vote on ratification of the actions of the Supervisory Board members for the 2023 financial year.

According to the provisions of the Stock Corporations Act, the members of the Supervisory Board must be familiar as a group with the sector in which the Company operates; furthermore, at least one member of the Supervisory Board must possess expertise in the fields of financial reporting or auditing. In its current composition, which has been in place since December 31, 2019, the Supervisory Board meets these legal requirements.

Another basis for the composition of the Supervisory Board is the diversity plan adopted by the Supervisory Board, which sets out important aspects or goals for the composition of the Supervisory Board. The diversity plan is described in Section (2.5.2).

In fulfilment of its obligation under the Stock Corporations Act, the Supervisory Board has adopted targets for the percentage of women on this board. These gender-related targets, the other targets to be adopted under the law, and the corresponding statements to be included in the (Group) Declaration on Corporate Governance are summarized in the following Section (2.6).

The following persons were members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft over the period from January 1 to December 31, 2019 – unless indicated otherwise:

Name	Term of Supervisory Board membership	Position held	Other Supervisory Board mandates
<b>Uwe Bergheim</b>  Dusseldorf, Germany  Chairman of the Supervisory Board	since May 3, 2018	Self-employed corporate consultant, Dusseldorf, Germany	
<b>Frank Schübel</b>  Gräfelting, Germany  Deputy Chairman of the Supervisory Board	since May 19, 2017	Managing Director of TEEKANNE Holding GmbH, Dusseldorf, Germany, as general partner of TEEKANNE GmbH & Co. KG, Dusseldorf, Germany	

Name	Term of Supervisory Board membership	Position held	Other Supervisory Board mandates
<b>Johannes C.G. Boot</b> London, United Kingdom	from June 3, 2009 to May 22, 2019	Chief Investment Officer of Lotus Aktiengesellschaft, Grünwald, Germany	Deutsche Konsum REIT-AG, Broderstorf, Germany (Member of the Supervisory Board)  Gerlin NV, Maarsbergen, The Netherlands (Member of the Supervisory Board, since February 14, 2019)
<b>Heike Brandt</b> Minden, Germany	since May 22, 2014	Commercial employee at Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany	
<b>Bernhard Düing</b> Herzlake, Germany	since June 24, 1999	Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
<b>Adolf Fischer</b> Lähden, Germany	from June 3, 2009 to May 22, 2019	Production employee at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
<b>Prof Dr Roland Klose</b> Würzburg, Germany	from May 19, 2017 to May 22, 2019	Professor of Business Administration at FOM University of Economics & Management, Essen / Nuremberg, Germany	
<b>Hendrik H. van der Lof</b> Almelo, The Netherlands	since May 19, 2017	Managing Director of Via Finis Invest B.V., Almelo, The Netherlands	Monolith N.V., Amsterdam, The Netherlands (Member of the Supervisory Board)  TIIN Buy Out and Growth fund B.V., Naarden, The Netherlands (Chairman of the Supervisory Board)
<b>Daniël M.G. van Vlaardingen</b> Hilversum, The Netherlands	since September 1, 2016	Managing Director of Monolith Investment Management B.V., Amsterdam, The Netherlands	

#### **(2.4.4) Committees of the Supervisory Board**

In order to perform its tasks efficiently and to increase the effectiveness of its work, the Supervisory Board has established a Personnel and Nomination Committee and a Finance and Audit Committee as standing committees to

prepare and supplement its work. Certain decision-making powers of the Supervisory Board have been delegated to the committees within the legally permitted framework. Detailed provisions on the work of the committees of the Supervisory Board, including for example on the composition and authorities of the committees, are set

out in the rules of procedure of the Supervisory Board. The provisions on the preparation of meetings and the adoption of Supervisory Board resolutions apply also to the work of the committees.

### **Personnel and Nomination Committee of the Supervisory Board**

#### ***Work of the Personnel and Nomination Committee***

The Personnel Committee is responsible for preparing resolutions to be voted on by the Supervisory Board and for recommending resolutions pertaining to the appointment and dismissal of Executive Board members, as well as other resolutions involving Executive Board matters. The following resolution authorities in particular are delegated to the Personnel Committee: conclusion, amendment, and termination of contracts, particularly employment contracts, with Executive Board members, with the exception of resolutions setting the overall compensation of individual Executive Board members and resolutions that reduce compensation and benefits, which are the sole responsibility of the Supervisory Board by virtue of Section 107 (3) sentence 4 AktG; also the approval of material transactions with persons or companies closely associated with a member of the Executive Board, carrying out other legal transactions vis-à-vis the Executive Board pursuant to Section 112 AktG, and of contracts with Supervisory Board members or persons or companies closely associated with them within the meaning of Section 114 AktG, and the granting of loans to board members within the meaning of Sections 89 and 115 AktG.

The Personnel Committee is at the same time the Nomination Committee within the meaning of the German Corporate Governance Code. In this function, it deals with the selection of candidates for membership on the Supervisory Board as shareholder representatives. To the extent that the Personnel Committee acts as the Nomination Committee, it will only be composed of the committee members who represent the shareholders. The Nominating Committee is a preparatory committee; it cannot adopt any resolutions for the Supervisory Board.

The participation of at least three committee members is required for the adoption of resolutions by the Personnel and Nomination Committee.

#### ***Composition of the Personnel and Nomination Committee***

The Personnel and Nomination Committee of Berentzen-Gruppe Aktiengesellschaft is composed of at least three members of the Supervisory Board, including the Chairman and Deputy Chairman. The committee chair is the Chairman of the Supervisory Board. The Chairman of the Personnel and Nomination Committee reports to the full Supervisory Board.

The Personnel and Nomination Committee was composed of the following members in the period from January 1 to December 31, 2019:



Name	Term of Supervisory Board Committee membership	Committee function
<b>Uwe Bergheim</b>  Chairman of the Supervisory Board	since May 3, 2018	Chairman of the Personnel and Nomination Committee
<b>Heike Brandt</b>	since May 19, 2017	Member of the Personnel Committee
<b>Frank Schübel</b>  Deputy Chairman of the Supervisory Board	since May 19, 2017	Member of the Personnel and Nomination Committee
<b>Daniël M.G. van Vlaardingen</b>	since May 19, 2017	Member of the Personnel and Nomination Committee

### Finance and Audit Committee of the Supervisory Board

#### *Work of the Finance and Audit Committee*

The Finance and Audit Committee deals in particular with reviewing the financial reporting, monitoring the financial reporting process, the effectiveness of the internal control system, the risk management system, the internal audit system and the audit of the financial statements, as well as compliance.

In this context, the tasks of the Finance and Audit Committee include the preparation of the Supervisory Board meeting called to adopt the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, which it does particularly through a prior discussion of the separate and consolidated financial statements including the management reporting and the reports on the audits thereof with the independent auditor. The preparatory discussions also include the Sustainability Report of the Berentzen Group prepared separately on a voluntary basis. Over and above this, the Finance and Audit Committee deals with the auditing of interim financial information.

With regard to the audit of the financial statements, it is additionally the duty of the Finance and Audit Committee to issue a proposal to the Supervisory Board for its recommendation for election of the auditor to the annual general meeting, taking into account the relevant provisions of Regulation (EU) No. 537/2014 dated April 16, 2014 on specific requirements regarding statutory audits of public-interest entities (Regulation (EU) No. 537/2014). Moreover, the Finance and Audit Committee monitors the independence of the financial statements auditor and further deals with the additional services rendered by such auditor, the granting of the audit engagement to the auditor, the establishment of audit priorities, and the agreement of fees. This also includes the requirement of the Finance and Audit Committee's approval for the rendering of other than prohibited non-auditing services within the meaning of the aforementioned Regulation in conjunction with the German Commercial Code by the financial statements auditor.

The participation of at least three committee members is required for resolutions to be adopted by the Finance and Audit Committee.

### **Composition of the Finance and Audit Committee**

The Finance and Audit Committee of Berentzen-Gruppe Aktiengesellschaft is composed of at least three members of the Supervisory Board, including the Chairman of the Supervisory Board. The committee is chaired by a representative of the shareholders. The Chairman of the Finance and Audit Committee reports to the full Supervisory Board.

In accordance with the Stock Corporations Act, the members of the Finance and Audit Committee must be familiar as a group with the sector in which the Company operates; at least one member of the Finance and Audit Committee must possess expertise in the fields of financial reporting or auditing (financial expert). According to the recommendations of the German Corporate Governance Code, the Chairman of the Finance and Audit Committee should possess particular knowledge and experience in the application of financial reporting principles and

internal control procedures, as well as being familiar with the audit of financial statements and being independent. Furthermore, the Chairman of the Supervisory Board should not be the Chairman of the Finance and Audit Committee.

The current composition of the Finance and Audit Committee meets the two aforementioned legal requirements. The current Chairman of the Finance and Audit Committee, Hendrik H. van der Lof, is a financial expert within the meaning of Sections 100 (5), 107 (4) AktG and also fulfils the corresponding recommendations of the German Corporate Governance Code, which are more demanding in part.

Unless indicated otherwise, the following persons belonged to the Finance and Audit Committee over the period from January 1 to December 31, 2019:

<b>Name</b>	<b>Term of Supervisory Board Committee membership</b>	<b>Committee function</b>
<b>Hendrik H. van der Lof</b>	since May 19, 2017	Chairman of the Finance and Audit Committee
<b>Johannes C.G. Boot</b>	from June 3, 2009 to May 22, 2019	Deputy Chairman of the Finance and Audit Committee
<b>Uwe Bergheim</b> Chairman of the Supervisory Board	since May 3, 2018	Member of the Finance and Audit Committee
<b>Bernhard Düing</b>	since June 3, 2009	Member of the Finance and Audit Committee
<b>Frank Schübel</b> Deputy Chairman of the Supervisory Board	since May 22, 2019	Member of the Finance and Audit Committee

**(2.4.5) *Self-assessment of the Supervisory Board and its committees***

The Supervisory Board makes a regular assessment of how effective the Supervisory Board as a whole and its committees fulfil their duties.

This self-assessment is made in the form of an internal ongoing self-evaluation and serves to measure the effectiveness and efficacy of the work of these bodies and their cooperation with the Executive Board with the objective of ensuring that duties are fulfilled in an efficient and proper manner and optimising the same. Relevant aspects, findings and any expedient measures required are discussed in the Supervisory Board, which passes and implements any necessary resolutions.

**(2.4.6) *Cooperation between the Executive Board and Supervisory Board***

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft engage in close cooperation for the good of the Company. The Executive Board coordinates the strategic orientation of the Company with the Supervisory Board and regularly discusses the status of strategy implementation with it. The Executive Board informs the Supervisory Board regularly, promptly, and extensively on all questions of strategy, planning, business developments, the risk situation, risk management, and compliance relevant to the Berentzen Group. Deviations from the prepared plans and goals of the Company and the Group are likewise reported and explained immediately to the Supervisory Board.

In principle, the members of the Executive Board attend the meetings of the Supervisory Board, provide written and oral reports on the individual agenda items and draft resolutions, and answer the questions of the Supervisory Board.

In addition, the Chairman of the Executive Board regularly informs the Chairman of Supervisory Board of current developments orally and whenever appropriate also in writing. The Chairman of the Supervisory Board is immediately informed by the Chairman of the Executive Board about important events that are of material significance to assessing the situation and development of the Company and to managing the Company or the Group.

The Chairman of the Supervisory Board maintains regular contact with the Executive Board outside of meetings and discusses with them issues of the Company's strategy, business developments, the risk situation, risk management and compliance.

To the extent that transactions of the Executive Board require the consent of the Supervisory Board, the Chairman of the Executive Board provides extensive information about the intended transaction to the Supervisory Board and obtains the consent of the Supervisory Board.

If an Executive Board Chairman has not been appointed, the rules of procedure for the Executive Board set out detailed rules on the representation of the Executive Board vis-à-vis the Supervisory Board and the performance of duties that are otherwise fundamentally assigned to the Chairman of the Executive Board.

The members of the Executive Board and the Supervisory Board must immediately report any conflicts of interest in connection with their activities for Berentzen-Gruppe Aktiengesellschaft to the Chairman of the Supervisory Board and the members of the Executive Board must additionally report them to the Chairman of the Executive Board or the respective other member of the Executive Board.

## **(2.5) Diversity plans for the composition of the Executive Board and Supervisory Board**

Once again in the 2019 financial year, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft intensively addressed the goals for the composition of Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, which are described in the diversity concepts passed by the Supervisory Board and presented in the following. In accordance with the voluntarily commitment stated therein, the Supervisory Board has reviewed them in depth once again in the 2019 financial year again both in terms of content and with regard to the results achieved.

The diversity plans encompass the diversity aspects pursuant to Sections 315d, 289f HGB, as well as – generally on the basis of the Code version of February 7, 2017 as applicable in the 2019 financial year – the corresponding or supplementary recommendations of the German Corporate Governance Code, particularly those pertaining to the adoption of concrete targets for the composition of the Supervisory Board. Therefore, the following report serves equally to fulfil the statutory reporting obligation and the implementation of the corresponding recommendations of the German Corporate Governance Code.

### **(2.5.1) Executive Board**

#### **Description of the diversity plan**

The diversity plan for the composition of the Executive Board covers the following aspects and targets, for the attainment of which a time period or time frame of up to December 31, 2019 was established.

As part of the Supervisory Board's further deliberations in the 2019 financial year on the targets for the composition of the Executive Board, another time period or time frame for this was set until December 31, 2020. In terms of content, the diversity plan for the composition of the Executive Board remained unchanged in this context.

An exception was or is made in each case with regard to the specification of the time period or time frame for achievement of the target for the percentage of women on the Executive Board.

#### **Age**

The diversity plan includes an age limit for Executive Board members. Only those persons who will not yet complete their 65th year of life at the end of the regular term of office for which they were either appointed for the first time or re-appointed should be appointed to the Executive Board.

#### **Gender**

The independently adopted target for the percentage of women on the Executive Board, which the Supervisory Board is specifically obligated to do under the Stock Corporations Act, covers the aspect of gender.

Information on this subject can be found in the following Section (2.6), together with the other gender-related targets to be adopted by law and the corresponding disclosures to be included in the (Group) Declaration on Corporate Governance.

### **Educational background**

In the opinion of the Supervisory Board, managing a nationally and internationally active enterprise requires an appropriate level of education for the members of its governing bodies. Therefore, at least two members of the Executive Board should have a university or technical college degree or a comparable international academic degree.

### **Professional background**

In relation to their professional background, the Executive Board should only have members with experience in the management or supervision of other medium-sized or large corporations.

Moreover, the members of the Executive Board should have experience from different professional activities, if possible; in this respect, the Executive Board should have at least one member who has professional experience in operational functions in the sector in which the Company operates, and at least one member who has experience from professional activity in administrative and especially business administration functions.

### **Internationality**

Also in view of the requirements for managing an internationally active enterprise, the Executive Board should have at least one member with international experience. In this respect, international experience does not necessarily or exclusively mean a foreign nationality, but it particularly means relevant, work-related experience in an international context.

### **Other aspects**

Another specification pertains to the aspect of potential conflicts of interest for Executive Board members. They are obligated to serve the Company's interests, they may not pursue personal interests in their decisions nor exploit for themselves business opportunities to which

the Berentzen Group is entitled and are subject to a comprehensive competition ban during their employment with the Company. Every member of the Executive Board is obligated to observe the code of conduct relative to conflicts of interest that is recommended in the German Corporate Governance Code, which is also completely incorporated into the rules of procedure for the Executive Board. In consideration of the foregoing, the diversity plan states that the Executive Board shall have no member in whom material and not only temporary conflicts of interest could arise as a result of their activities and functions outside of Berentzen-Gruppe Aktiengesellschaft and its affiliated companies, particularly by reason of exercising consulting or governing body functions with customers, suppliers, lenders, or other third parties.

### **Goals of the diversity plan**

In its entirety, the diversity plan for the Executive Board described above primarily pursues the goal of staffing the Executive Board in such a way that its members as a whole possess the necessary knowledge, skills, and specialized experience for managing the Company by promoting the internal diversity of opinions and knowledge as a means of achieving that goal.

### **Manner of implementing the diversity plan**

The diversity plan is to be implemented primarily by means of the involvement of the Supervisory Board in staffing the Executive Board, as required by the German Stock Corporations Act, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the rules of procedure for the Supervisory Board, as well as in the process of the long-term succession planning for the Executive Board to be organised by the Supervisory Board. The decision on the composition of the Executive Board is made by the Supervisory Board in the Company's interest and after giving due consideration to all the circumstances of each case.

The appointment of Executive Board members by the Supervisory Board – and the preparatory proposals or recommendations of the Supervisory Board’s Personnel Committee made in this context – should be done in consideration of the specified diversity aspects.

Furthermore, it is specified that the Supervisory Board should review the diversity plan with respect to the composition of the Executive Board and the results achieved, whenever warranted, particularly when new Executive Board members are appointed or the composition of the Executive Board changes, and at regular intervals of time, at least once a year.

#### Results achieved in the financial year

In the judgment of the Supervisory Board, the composition of the Executive Board of Berentzen-Gruppe Aktiengesellschaft at December 31, 2019 fulfils all aspects of the diversity plan described above. With regard to the aspect of gender, please refer in this context to the comments made in the following section (2.6). This section also contains separate information on achievement of the targets for the percentage of women on the Executive Board to the extent that reporting is required within the scope of the specifications made in this (Group) Declaration on Corporate Governance.

Further information about the members of the Executive Board can be found in the foregoing Section (2.4.2) and in their curricula vitae published on the corporate website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en).

#### Long-term succession planning for the Executive Board

With the involvement of its Personnel Committee and acting together with the Executive Board, the Supervisory Board brings about a long-term Executive Board succession planning.

The aspects and objectives set out in the diversity plan for the composition of the Executive Board described above are taken into consideration within the scope of the long-term succession planning, alongside the requirements of the German Stock Corporation Act, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft and the recommendations of the German Corporate Governance Code as well as the rules of procedure of the Supervisory Board and the Executive Board.

Using the specific qualifications demanded as a basis and taking account of the aforementioned requirements, aspects and objectives, the Personnel Committee of the Supervisory Board – on occasion working together and exchanging ideas and information with the Executive Board – develops a qualification profile for Executive Board positions to be filled. This is the starting point for making a selection of those available candidates coming into question with regard to their professional and personal suitability for the position as part of a structured selection process. As part of this process, the Personnel Committee presents a corresponding recommendation to the Supervisory Board, which makes the final decision and passes the necessary resolution. Where necessary, external advisers are brought into the selection process to support the bodies involved in developing qualification profiles and in candidate selection and – where necessary – to provide advice in the decision-making process with regard to appointments to Executive Board positions.

## **(2.5.2) Supervisory Board**

### **Description of the diversity plan**

The diversity plan for the composition of the Supervisory Board covers the following aspects and targets.

The diversity plan for the composition of the Supervisory Board was updated in the 2018 financial year not least in light of the reduction in the number of Supervisory Board members that came into effect from the close of the scheduled annual general meeting held on May 22, 2019 from nine up to that date to six thereafter. For additional information, please refer to the comments contained in section (2.4.3). A time period or time frame until December 31, 2019 was stipulated for achievement of the aspects and objectives, some of the content of which had been amended to allow for the reduction since then in the number of Supervisory Board members to six.

As part of the Supervisory Board's further deliberations in the 2019 financial year on the targets for its composition, another time period or time frame was set until December 31, 2020. In terms of content, the diversity plan for the composition of the Supervisory Board remained unchanged in this context.

An exception was or is made in each case with regard to the specification of the time period or time frame for achievement of the target for the percentage of women on the Supervisory Board.

### **Age**

According to the specification in the diversity plan, the members of the Supervisory Board should not be older than 65 years of age when appointed for the first time or re-appointed, as a general rule.

### **Gender**

The independently adopted target for the percentage of women on the Supervisory Board, which the Supervisory Board is specifically obligated to do under the Stock Corporations Act, covers the aspect of gender.

Information on this subject can be found in the following Section (2.6), together with the other gender-related targets to be adopted by law and the corresponding disclosures to be included in the (Group) Declaration on Corporate Governance.

### **Educational background**

Given the growing importance and complexity of the duties and activities of the Supervisory Board and its members in the regular advisement and supervision of the Executive Board in its management of the Company, the diversity plan specifies that at least three members of the Supervisory Board should have a university or technical college degree or comparable international academic degree.

### **Professional background**

With respect to the professional background of its members, the Supervisory Board should have at least two shareholder representatives who possess experience in the management or supervision of other medium-sized or large corporations, but should also have no more than one member who is former members of the Executive Board. Furthermore, members of the Supervisory Board should not exercise any governing body or consulting functions with important competitors of the Company.

### *Internationality*

With due regard for the operational and strategic orientation of the business activity of the Berentzen Group, the Supervisory Board strives to have at least one member representing the shareholders who possesses international experience. In this respect, international experience does not necessarily or exclusively mean a foreign nationality, but particularly relevant, work-related experience in an international context.

### *Other aspects*

Other aspects of the diversity plan include specifications relating to potential conflicts of interest and independence and a standard limit on the duration of service on the Supervisory Board as well as on the number of its members that must be familiar with the sector in which the Company operates.

All members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft are obligated to observe the code of conduct relative to conflicts of interest prescribed in the German Corporate Governance Code, which is also completely incorporated in the rules of procedure for the Supervisory Board, and must respond to conflicts of interest that arise in accordance with the recommendations in this context contained in the German Corporate Governance Code. Thus, the members of the Supervisory Board must immediately disclose potential conflicts of interest having to do with their person or function to the Chairman of the Supervisory Board and abstain from deliberations and votes on matters in which they are not impartial and resign from the Supervisory Board in the event of a not only temporary conflict of interest. In consideration of the foregoing, the diversity plan stipulates that the Supervisory Board should have no member in whom material and not only temporary conflicts of interest could arise as a result of his activities and functions outside of Berentzen-Gruppe Aktiengesellschaft and its affiliated

companies, particularly by reason of exercising consulting or governing body functions with customers, suppliers, lenders or other third parties.

According to the recommendations of the German Corporate Governance Code, the Supervisory Board should have an appropriate number of independent members (on the shareholder side) according to its judgment, in consideration of the ownership structure. Therefore, according to the recommendations contained in the German Corporate Governance Code in the version of February 7, 2017 on which the diversity plan is based, a Supervisory Board member is to be regarded as not independent particularly when he/she maintains a personal or business relationship with the Company, its governing bodies, a controlling shareholder, or affiliated company related to a controlling shareholder, which could give rise to a material and not only temporary conflict of interest. On this basis, the Supervisory Board has specified in relation to the aspect of independence of its members that the Supervisory Board should have at least five independent members within the meaning of the aforementioned recommendations of the German Corporate Governance Code in total and at the same time have at least three independent members, within the same meaning, representing the shareholders, subject to otherwise unchanged conditions.

Furthermore, the corresponding specification in the diversity plan sets a standard limit of 15 years on the duration of service for any one Supervisory Board member, regardless of the number of appointments.

With a view to specifying the provisions of the Stock Corporations Act according to which the members of the Supervisory Board as a group must be familiar with the sector in which the Company operates, the diversity plan stipulates that the Supervisory Board should have at least two members with such sector knowledge.



### Goals of the diversity plan

The overriding goal of the diversity plan for the Supervisory Board and the aspects considered therein is that its members as a whole possess the necessary knowledge, skills, and specialized experience for properly performing the task incumbent on the Supervisory Board of advising and supervising the Executive Board in the management of the Company. In this respect, appropriate consideration of diversity aspects in the context of the Company's specific situation promotes the internal diversity of opinions and experience.

### Manner of implementing the diversity plan

The diversity plan is implemented primarily within the scope of the requirements of the Stock Corporations Act, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the rules of procedure for the Supervisory Board.

As representatives of the shareholders, two thirds of the Supervisory Board members are elected by the annual general meeting, to which the Supervisory Board makes suitable election proposals. On the other hand, the Supervisory Board has no influence by law on the appointment of the third of the seats to which the representatives of the employees are entitled: the freedom of employees to elect the Supervisory Board members who represent the employees is protected under the One-Third Participation Act; in this respect, the Supervisory Board has no right to propose candidates. Insofar as the aspects of the diversity plan refer to or include the Supervisory Board members who represent the employees, the diversity plan is not to be understood as a directive to those entitled to elect their representatives or a restriction of the freedom to vote.

Proposals for the election of Supervisory Board members who represent the shareholders by the Supervisory Board to the annual general meeting – and the preparatory work done for the Supervisory Board by its Nomination Committee and the latter's proposals and

recommendations – should take diversity aspects into consideration, so that the annual general meeting can contribute to the implementation of such aspects by adopting appropriate resolutions. However, the annual general meeting is not bound by the election proposals of the Supervisory Board.

Furthermore, it is specified that the Supervisory Board should review the diversity plan with respect to the composition of the Supervisory Board and the status of implementation or the results achieved whenever warranted, particularly in the case of proposals to the annual general meeting for the election of new Supervisory Board members representing the shareholders or a change in the composition of the Supervisory Board, and at regular intervals of time, at least once a year.

The profile of required skills and expertise of the members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, which is described separately below, also serves the purpose of implementing the diversity plan.

### Results achieved in the financial year

In its own judgment, the composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft at December 31, 2019 fulfils all the aspects of the diversity plan described above, with the sole qualification that one Supervisory Board member representing the employees has exceeded the standard limit of 15 years for the duration of service on the Supervisory Board, by way of exception.

Accordingly, the specifications set out in the diversity plan regarding the independence of Supervisory Board members are also fulfilled in the meaning of the recommendations of the German Corporate Governance Code in the version of February 7, 2017 on which the diversity plan is based. In the judgment of the Supervisory Board, all its current members are independent in the

meaning of the aforementioned recommendations, i.e. the body has a total of six independent members in this meaning and thus, at the same time, four members representing the shareholders who are independent in the same meaning. The members referred to in this context are named in Section (2.4.3) above.

With regard to the aspect of gender, including separate information on achievement of the targets for the percentage of women on the Shares – to the extent that reporting is required within the scope of the specifications made in this (Group) Declaration on Corporate Governance, please refer to the following section (2.6).

Further information about the members of the Supervisory Board can be found in their curricula vitae published on the corporate website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en).

#### **Profile of required skills and expertise**

In accordance with the corresponding recommendation of the German Corporate Governance Code, the Supervisory Board has also prepared a profile of required skills and expertise for its members, which is closely related to the diversity plan. This profile is meant to ensure an orderly selection process on the basis of objective requirements criteria for the Supervisory Board's proposal to the annual general meeting for the election of members to the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft; the proposals should strive to meet the criteria set out in the profile of required skills and expertise for the Supervisory Board as a whole. If the Supervisory Board also includes Supervisory Board members who represent the employees, they should also meet the main criteria of the profile of required skills and expertise.

The profile of required skills and expertise defines both general and particular personal requirements for membership on the Supervisory Board, as well as the necessary knowledge, skills and specialized experience; it also covers the individual aspects for the composition of the Supervisory Board set out in the diversity plan. Furthermore, it is explicitly specified that the Supervisory Board and the Supervisory Board's Nomination Committee performing preparatory work for the Supervisory Board should assure itself in making its proposals to the annual general meeting for the election of new Supervisory Board members that each candidate will be able to devote the necessary time to properly exercise the mandate.

In its own judgment, the current composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft fulfils the criteria of the profile of required skills and expertise applicable for the current composition of the Supervisory Board, subject to the qualification stated above for the fulfilment of the diversity plan.

### **(2.6) Disclosures on the adoption of targets for the percentage of women pursuant to Section 111 (5) AktG and Section 76 (4) AktG and the deadlines set for the attainment of these targets**

#### **(2.6.1) Overview**

For companies that are exchange-listed or not subject to the parity codetermination requirement, Section 111 (5) AktG prescribes that the Supervisory Board adopt targets for the percentage of women on the Supervisory Board and Executive Board and concurrently also set time periods for the attainment of these targets. For companies that are exchange-listed or subject to the codetermination requirement, Section 76 (4) AktG also prescribes that the Executive Board of such companies adopt targets for the percentage of women holding positions in the two management levels beneath the Executive Board and concurrently also set time periods for the attainment of these targets. The time periods for the achievement of the targets may not be longer than five years.

Berentzen-Gruppe Aktiengesellschaft is the only company of the Berentzen-Gruppe affected by these obligations.

Within their respective areas of responsibility, the Supervisory Board and Executive Board of Berentzen-Gruppe Aktiengesellschaft correspondingly adopted targets for the percentage of women. The targets were set in observance of the legal requirements that the targets

may not be less than the percentage already achieved in each case if the percentage of women was less than 30 percent at the time the target was set.

The table below provides information on the most recent targets and time periods for their attainment set by the Supervisory Board and Executive Board in June 2017.

		Adopted target by 12/31/2021
Supervisory Board	No. (≅ %)	1 (17)
Executive Board	No. (≅ %)	0 (0) / 1 (≤ 33) 1)
First management level beneath the Executive Board	%	20
Second management level beneath the Executive Board	%	30

<sup>1)</sup> Executive Board: If the Executive Board has not more than two members, it does not need to have a female member. If the Executive Board has more than two members, at least one member of the Executive Board should be a woman.

### **(2.6.2) Supervisory Board**

The targets adopted by the Supervisory Board for the percentage of women on the Supervisory Board were established in consideration of the size and number of employees of comparable companies, particularly in the spirits and beverages industry, and the currently limited availability of qualified female candidates to exercise Supervisory Board mandates. With respect to the attainment of the targets, the Supervisory Board expressly makes no distinction between the Supervisory Board seats to be appointed by the representatives of the shareholders and those to be appointed by the representatives of the employees.

members, in accordance with the Articles of Association, particularly also in view of the Company's size. In the opinion of the Supervisory Board, however, establishing a target of at least one female member of an Executive Board composed of only two members would lead to an undue limitation in the selection of suitable, qualified candidates. Mindful of the statutory regulations of the Stock Corporations Act and in view of the realistic possibility of increasing the number of Executive Board members, the Supervisory Board found it appropriate to resolve as its target for the percentage of women on the Executive Board that at least one member of the Company's Executive Board should be a woman.

### **(2.6.3) Executive Board**

The targets adopted by the Supervisory Board for the percentage of women on the Executive Board reflect the fact that the Executive Board of Berentzen-Gruppe Aktiengesellschaft is adequately staffed with two

### **First and second management levels beneath the Executive Board**

The Executive Board has adopted targets for the percentage of women holding positions on the two management levels beneath the Executive Board. In determining the management levels and values for the targets to be adopted in this context, the Executive Board considered the circumstances of Berentzen-Gruppe Aktiengesellschaft as the only company affected by the relevant statutory provisions. The definition of the two management levels was based on the exercise of managerial duties in the sense of personnel and budget responsibility, as well as the hierarchical classification.

The Executive Board has adopted two concrete measures to attain its established targets for the percentage of women in the two management levels beneath the Executive Board: First, the intensification of internal employee development from the point of view of selecting, promoting, and preparing women for management duties, and second, the improved recruitment of external female candidates for open positions.

### **(2.7) Compensation of members of the Executive Board and Supervisory Board**

Information on the compensation of Executive Board and Supervisory Board members in the 2019 financial year is provided in the "Compensation Report" section of the combined management report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft, which is part of the Annual Report 2019 of Berentzen-Gruppe Aktiengesellschaft. The Annual Report 2019 is also available at the corporate website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en).

### **(2.8) Reportable securities trades (managers' transactions)**

Members of the Executive Board and Supervisory Board, as persons exercising management duties, are obligated pursuant to Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and the Council of April 16, 2014, on Market Abuse (Market Abuse Regulation - MAR) to disclose their own trades (e.g. purchases or sales) of shares of Berentzen-Gruppe Aktiengesellschaft or debt instruments or related financial instruments of Berentzen-Gruppe Aktiengesellschaft. This disclosure obligation also applies to persons closely associated with persons exercising management duties. A disclosure obligation only exists insofar as the total volume of the transactions within a calendar year reaches or exceeds an amount of EUR 20,000 (until December 31, 2019: 5,000). Until the beginning of July 2016, such a disclosure obligation existed on the basis of national provisions.

Berentzen-Gruppe Aktiengesellschaft has instituted a process for the due publication of the receipt of any such disclosures. Trades notified to the Company in this way are available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en).

### **(2.9) Shareholders and annual general meeting**

The shareholders of Berentzen-Gruppe Aktiengesellschaft regularly exercise their membership rights at the annual general meeting. The annual general meeting is the main forum for shareholders, particularly for exercising their voting rights, obtaining information, and conducting a dialogue with the Executive Board and Supervisory Board.

In accordance with the Articles of Association, the annual general meeting must be held in the first eight months, but is usually held in practice in the first five months of the financial year.

The annual general meeting decides on all matters reserved to it by law, particularly including the utilization of profit, the ratification of the actions of Executive Board and Supervisory Board members, the election of shareholder representatives to the Supervisory Board and the financial statements auditor, amendments to the Articles of Association, and important business measures such as capital measures, intercompany agreements and conversions. The annual general meeting is generally chaired by the Chairman of the Supervisory Board.

The annual general meeting of Berentzen-Gruppe Aktiengesellschaft is organized and conducted with the goal of providing prompt, extensive, and effective information about the Company's situation to all shareholders before and during the annual general meeting. The notice of meeting and meeting agenda are published in the Federal Gazette and are available to the shareholders and all other interested parties, along with further documentation, including but not limited to the reports, documents and other information which the law requires for the annual general meeting, on Berentzen-Gruppe Aktiengesellschaft's corporate website at [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en). The attendance at and the voting results of the annual general meeting can also be found on that website immediately after the annual general meeting.

To make it easier for shareholders to personally exercise their rights and have their voting rights represented, they are entitled at their own choice to authorize, for example, the custodial bank, a shareholders association or another person of their choice, or a Company-appointed proxy bound by the shareholder's instructions.

In addition, the current Articles of Association of Berentzen-Gruppe Aktiengesellschaft contains clauses authorizing the Executive Board to permit so-called online participation in the annual general meeting, audio-visual transmission of the annual general meeting, and postal voting.

## **(2.10) Financial reporting and audit of the financial statements**

The consolidated financial statements and consolidated semi-annual financial report of Berentzen-Gruppe Aktiengesellschaft are prepared by the Executive Board in accordance with the principles of International Financial Reporting Standards (IFRS), as they are to be applied in the European Union (EU), and in accordance with the German regulations to be applied additionally pursuant to Section 315e (1) HGB. The legally prescribed separate financial statements of Berentzen-Gruppe Aktiengesellschaft, which determine the dividend payment, are prepared in accordance with the German commercial-law regulations applicable to corporations and the provisions of German stock corporation law. The consolidated and separate financial statements are reviewed by the Supervisory Board and generally approved by the same.

The annual general meeting elected Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor of the consolidated and separate financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2019, after the auditor of the financial statements had previously declared in writing his independence according to No. 7.2.1 of the German Corporate Governance Code and Article 6 (2) letter a) of Regulation (EU) No. 537/2014, and after the Finance and Audit Committee of the Supervisory Board assured itself of the financial statements auditor's independence. Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft has been the auditor of the financial statements and the consolidated financial

statements of Berentzen-Gruppe Aktiengesellschaft since the 2016 financial year. The undersigning auditors responsible for the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2019 are Dr. Thomas Senger (since the 2016 financial year) and Mr. Ronald Rulfs (since the 2016 financial year). The legal requirements and rotation obligations pursuant to Sections 319 and 319a HGB in conjunction with Regulation (EU) No. 537/2014 have been satisfied.

It was further agreed with the auditor of the financial statements for the audit for the 2019 financial year that the Chairman of the of the Finance and Audit Committee of the Supervisory Board is to be informed immediately during the audit of any potential grounds for exclusion or conflicts of interest, unless they are rectified immediately. The auditor is also required to report immediately all findings and events of importance to the tasks of the Supervisory Board that arise during the audit of the financial statements to the Chairman of the Supervisory Board. Furthermore, the auditor is required to inform the Supervisory Board or document in the audit report all facts noted in the course of the audit that are not compatible with the declaration on the German Corporate Governance Code issued by the Executive Board and Supervisory Board in accordance with Section 161 AktG.

### (2.11) Transparent management

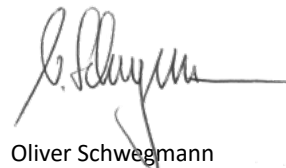
The Company informs shareholders, investors, analysts, and the public equally and promptly. The corporate website of Berentzen-Gruppe Aktiengesellschaft, [www.berentzen-gruppe.de/en](http://www.berentzen-gruppe.de/en), is an important communication and publication platform. Information about the Berentzen Group's business activities and corporate governance, including Declarations on Corporate Governance and Corporate Governance Reports, as well as declarations of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft on the German Corporate Governance

Code pursuant to Section 161 AktG, and particularly financial reports, sustainability reports, reports and documents for the annual general meeting, capital market-relevant announcements, are made permanently available on this medium within the scope of the relevant provisions applicable to publication deadlines and periods. A financial calendar made available there provides information on the Company's corresponding publication and event dates.

Haselünne, March 10, 2020

#### **Berentzen-Gruppe Aktiengesellschaft**

For the Executive Board



Oliver Schwegmann

Member of the Executive Board



Ralf Brühöfner

Member of the Executive Board

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## Financial calendar 2020

January 9, 2020	ODDO BHF Forum, Lyon, France
February 4, 2020	Publication of preliminary business figures 2019
March 18, 2020	Metzler MicroCap Days, Frankfurt am Main, Germany
March 26, 2020	Publication of consolidated and separate financial statements and 2019 Annual Report
May 6, 2020	Publication of the Q1/2020 Interim Report
May 13, 2020	Annual general meeting, Hanover, Germany
May 19/20, 2020	Equity Forum (DVFA) German Spring Conference, Frankfurt am Main, Germany
August 11, 2020	Publication of the 2020 Group Half-Yearly Financial Report
October 22, 2020	Publication of the Q3/2020 Interim Report

At March 11, 2020. The financial calendar is provided for information purposes only and will be regularly updated. It is subject to change.

## Disclaimer

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This report is also available in an English-language version for information purposes. In the event of discrepancies the German-language version alone is authoritative and takes precedence over the English-language version.

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