

Declaration of Compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG)

The Board of Managing Directors and the Supervisory Board of comdirect bank AG declare that the recommendations of the "Government Commission for the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are still observed with the exception of the following recommendations. This refers to the German Corporate Governance Code in the version dated 15 May 2012 for the period from 21 March 2013 (date of publication of last Declaration of Compliance) until 9 June 2013 (day preceding publication of the new version of the Code). With regard to the Corporate Governance practice of comdirect bank AG since 10 June 2013 (date of publication of the new version of the Code), the Declaration refers to the recommendations in the German Corporate Governance Code in the version dated 13 May 2013:

With regard to the compensation for the Board of Managing Directors, according to **Section 4.2.3 (2) clause 8** of the Code, retroactive changes to the performance targets or the comparison parameters for the variable compensation components should be excluded. When implementing legal regulations which stipulate that for extraordinary developments, the management or supervisory body should agree a possibility of limitation (cap) with regard to the variable compensation, the Supervisory Board of comdirect bank AG is authorised to adjust the targets and other parameters for the variable compensation components in the event of extraordinary developments in order to appropriately neutralise both positive and negative impacts on the attainment of targets.

In Section 4.2.3 (3), the Code recommends that for pension schemes in favour of the Management Board, the Supervisory Board shall establish the level of provision aimed for in each case – also considering the length of time for which the individual has been a Management Board member – and take into account the resulting annual and longterm expense for the company. At comdirect bank AG, the pension system was changed to a defined contribution pension scheme in 2011. A specific benefit level is therefore no longer defined. Instead each member of the Board of Managing Directors is entitled to an annual pension element, the level of which is determined according to a fixed percentage of the basic annual salary of the individual member of the Board of Managing Directors. Once this percentage has been defined - and excluding other actuarial influences – the final amount of the pension entitlement attained by a member of the Board of Managing Directors thus depends solely on the length of time they have been a member of the Board. Using a fixed percentage of the respective basic annual salary gives the Supervisory Board an accurate picture as possible of the annual and long-term expense for the company. The actual annual expense for the company due to the recognition of provisions is dependent on actuarial influences. Refraining from defining the level of provision aimed for in conjunction with changing over to a defined contribution pension scheme is becoming increasingly common practice in business.

According to **Section 5.3.3** of the Code, the Supervisory Board should form a Nomination Committee, which is composed solely of representatives of the shareholders and which suggests suitable candidates to the Supervisory Board for its election proposals to the annual general meeting. The Supervisory Board of comdirect bank AG comprises a total of six members, four of whom are shareholder representatives. Forming an additional committee from its membership would in our opinion be an "excessive structuring" of the Board. In addition, there are no apparent reasons as to why the full Supervisory Board should not itself be able to achieve the improved transparency of the selection procedure intended by the Government Commission through the introduction of nomination committees.

comdirect bank AG
Quickborn, 27 March 2014
The Board of Managing Directors The Supervisory Board