

**Declaration by the Executive Board and the Supervisory Board  
of Beiersdorf Aktiengesellschaft  
on the Recommendations of the  
“Government Commission on the German Corporate Governance Code”  
in accordance with § 161 of the Aktiengesetz (German Stock Corporation Act, AktG)**

In fiscal year 2016, Beiersdorf Aktiengesellschaft complied with, and continues to comply with, all recommendations of the “Government Commission on the German Corporate Governance Code” in the version dated May 5, 2015 with the following exceptions:

In accordance with section 4.2.3 (2) sentence 6 of the German Corporate Governance Code, the amount of remuneration of Executive Board members should be capped, both overall and with respect to the variable remuneration components.

The remuneration of the Executive Board members is limited by such a cap. The Enterprise Value Component granted to the members of the Executive Board, alongside the regular, variable remuneration, which is based on voluntary personal investment by the Executive Board members concerned (*Covered Virtual Units*), participates in positive and negative changes in the enterprise value and is not capped in respect of increases in value. The Supervisory Board considers it appropriate that members of the Executive Board who contribute their own money – comparable to an investment – should be allowed to participate in positive changes in enterprise value without restriction. The Supervisory Board and Executive Board have resolved to declare a corresponding deviation from the recommendation of the German Corporate Governance Code.

Section 4.2.3 (2) sentence 8 of the German Corporate Governance Code states that performance targets or comparison parameters for the variable remuneration of the members of the Executive Board shall not be changed retroactively.

However, the following adjustments have been made to the remuneration system for active members of the Executive Board for simplification reasons:

- Starting with financial year 2016, the Variable Bonus payable to members of the Executive Board depending on achievement of the performance targets will be paid out in full annually and will no longer be tied to the achievement of further long-term targets. A further purpose of this adjustment is to ensure a reasonable balance between annual and long-term variable remuneration.
- Reaching or exceeding specific market shares in the core skin care categories for the key European markets has been eliminated as one of several performance targets for the Matching Virtual Units, i.e. the virtual Enterprise Value Component granted as part of variable remuneration. This will bring them into line with the other Enterprise Value Components (Virtual Units, Covered Virtual Units).
- For the purposes of calculating the enterprise value for the Enterprise Value Component, EBIT, which is taken into account alongside sales, is adjusted for any deviations from the plan for marketing expenses among other things. This has now been rendered more precise through the stipulation that adjustments are based on deviations from a fixed ratio for marketing expenses.

As a result of the adjustments described above, the Chairman of the Executive Board has, among other things, been awarded a base amount under the Enterprise Value Components granted to him in addition to a once-only payment contingent upon full completion of the period of his contract. This is to make up for the lost possibility of obtaining a higher payout under the Matching Virtual Units granted to him in the event of an increase in market share and to provide reasonable incentive. In the light of the appreciation in enterprise value achieved to date, this base amount is below the value of the Enterprise Value Components currently expected for the payout date.

Hamburg, December 2016

For the Supervisory Board



Prof. Dr. Reinhard Pöllath

For the Executive Board



Stefan F. Heidenreich



Jesper Andersen