

## Declaration of Conformity

As a Luxembourg *société anonyme* (S.A.) listed solely in Germany, SAF-HOLLAND S.A. (“**SAF-HOLLAND**” or “**Company**”) is neither subject to the Luxembourg nor the German standards for corporate governance. Nevertheless, the Company’s Board of Directors (“**Board of Directors**”) as well as the Management Board of SAF-HOLLAND GmbH (“**Management Board**”), acting as the operational management for the Group like the executive board of a German stock corporation (*Vorstand*), are committed to responsible and transparent corporate governance, business integrity, sustainability and compliance with ethical values. Therefore, SAF-HOLLAND complies with the recommendations and suggestions of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) on a voluntary basis to the extent allowed by Luxembourg corporate law and the Company’s single-tier board structure. The existing limitations are reflected in the following Declaration of Conformity.

### Declaration of Conformity with the recommendations of the German Corporate Governance Code

The Board of Directors declares that SAF-HOLLAND has complied and will comply with the recommendations of the Government Commission’s German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) (“**Code**”) in its version of 7 February 2017 as published by the Federal Ministry of Justice and Consumer Protection (*Bundesministerium der Justiz und für Verbraucherschutz*) on 24 April 2017 in the official section the German Federal Gazette (*Bundesanzeiger*), taking into account the above-mentioned particularities of its legal structure, with the following exceptions:

- Number 3.8 para. 2 and 3 of the Code: The D&O liability insurance policies taken out for members of the Board of Directors and the Executive Board do not provide for a deductible. In the view of the company, a deductible does not appear necessary to ensure that members of the Board of Directors and the Executive Board act responsibly and solely in the interest of the Company.
- Number 3.10 of the Code: The Company’s Annual Report contains statements on corporate governance in the group management report (*Konzernlagebericht*). However, this information is provided solely for the purpose of complying with the applicable Luxembourg law. As far as the Code contains recommendations for a corporate governance report beyond the scope of the requirements of the applicable Luxembourg law, compliance with those exceeding recommendations of the Code will only be ensured as far as this corresponds with the Company’s interests (Number 3.10). Shareholders’ need for information is ensured by full compliance with disclosures required by law.
- Number 4.1.3 of the Code: SAF-HOLLAND provides information on its Compliance Management System (CMS) in generalized manner. One of the CMS measures in 2017 at SAF-HOLLAND was the decision by the Board of Directors and the Management Board to introduce of a whistleblower system – open to employees and to third parties – to report, in a protected manner, suspected breaches of the law within the company being implemented via an electronic system in 2018.
- Numbers 4.2.4 and 4.2.5 of the Code: The compensation of the Management Board will not be listed individually in the Company’s annual report but rather in total. Rather, the annual report (group management report: section “Corporate Governance”, subsection “remuneration system”) of the Company shows and explains the remuneration structure of the Management Board, in order to achieve the transparency required by investors. In the Company’s opinion, the disclosure of the total compensation seems sufficient to meet the shareholders’ interest for information in full compliance with disclosures required by law.

- Number 5.3.2 of the Code: The Chairman of the Audit Committee is not independent because he is at the same time partner of a firm advising the Company. However, the Board of Directors believes that this fact does neither constitute a conflict of interests nor affect its exercise of duty. At the same time, the audit committee can in this manner also rely on a proven financial expert with specific industry knowledge.
- Number 5.3.3 of the Code: Before the financial year 2017 the Nomination Committee of the Board of Directors was dissolved. However, in the financial year 2017 the Board of Directors completed preparations for the establishment of a Nomination Committee. The Nomination Committee will begin its work in early 2018.
- Number 5.4.4 of the Code: The Board of Directors considers that in some cases, it may prove beneficial for former Executive Board or Management Board members to transfer to the Board of Directors and, if necessary, even chair the Board of Directors or certain of its committees. The internal knowledge of former Executive Board or Management Board members about SAF-HOLLAND increases the efficiency of the Board of Directors. The Board of Directors does not see any disadvantage here.
- Number 5.4.6 para. 3 of the Code: In principle, the compensation of the Board of Directors is listed individually in the Company's annual report (group management report: section "Corporate Governance", subsection "remuneration system"). The only exception is the remuneration of the CEO of the Management Board of the Company, - who is also a member to the Board of Directors – which is part of the description of the remuneration of the Management Board. In the Company's opinion, the disclosure of all other Members of the Board of Directors is sufficient to meet the shareholders' interest for information in full compliance with disclosures required by law.
- Number 7.1.3 of the Code: As described in the Company's annual report (group management report: section "Corporate Governance", subsection "remuneration system"), the Company does not offer a stock option program. Information on similar securities-based incentive systems of the corporation for the Management Board of the Company are essentially contained in general terms in the Company's annual report (group management report: section "Corporate Governance" (subsection "remuneration system") (please see numbers 4.2.4 and 4.2.5), but are not individualized due to the reasons set out above.

Luxembourg, March 15, 2018

Martina Merz  
Chairwoman of the Board of Directors