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

The Board of Directors (”**Board of Directors**”) of SAF-HOLLAND S.A. (”**company**”) declares that SAF-HOLLAND has complied and will comply with the recommendations of the Government Commission’s German Corporate Governance Code (”**Code**”) in its version of May 5, 2015 as published by the Federal Ministry of Justice in the official section the German Federal Gazette, taking into account the above-mentioned particularities of its legal structure, with the following exceptions:

• Number 3.8 Paragraphs 2 and 3 of the Code: The D&O liability insurance policies taken out for members of the Board of Directors and the Management 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 Management Board act responsibly and solely in the interest of the Company.

• Numbers 3.10, 4.2.5, 5.4.6, 6.2 and 7.1.3 of the Code: The Company’s Annual Report does not contain a separate corporate governance report (Number 3.10). As a result there is no section containing detailed disclosures regarding the remuneration of members of the Board of Directors and the Management Board (Numbers 4.2.5 and 5.4.6) nor are stock option programs and similar securities-based incentive systems of the Company listed (Number 7.1.3). Consequently, no disclosure will continue to be made of the ownership of shares in our Company or related financial instruments by the members of the Board of Directors or the Management Board if these directly or indirectly exceed 1% of the shares issued by the Company; correspondingly, separate disclosure broken down by members of the Board of Directors or the Management Board will not be made if the entire holdings of all members of the Board of Directors or the Management Board exceed 1% of the shares issued by the Company (Number 6.2). The expenses associated with creating a separate Corporate Governance Report seem unreasonable. Shareholders‘ need for information is ensured by full compliance with disclosures required by law.

• Number 5.4.6 Paragraph 2 of the Code: Members of the Board of Directors do not receive any performance-based compensation for their work in that body. The Board of Directors is of the opinion that no additional incentives through variable remuneration components are necessary for an efficient commission of duties in the Board of Directors.

• Number 4.2.3 Paragraphs 4 and 5 of the Code: The task of the Board of Directors consists of providing advice to the Management Board, which is assigned to it and appointed by it from among managing directors of operating companies, relating to the operational management of the business and the monitoring of corporate governance. It therefore corresponds more closely to the activities of the Supervisory Board of a German stock company. The recommendations of the Code in Number 4.2.3 Paragraphs 4 and 5 are therefore not suitable for the compensation of the Board of Directors.

• Number 4.2.3 Paragraph 4 of the Code: Contracts for members of the Management Board have a term of up to three years and do not contain any arrangements to limit the amount of a possible severance compensation in the case of a premature termination of their work to the value of two years remuneration (severance cap). The company is convinced that as a result of the limitation of the contract period to three years, the interests of the company have already been sufficiently considered and therefore no inappropriate severance will be granted.

• Number 4.2.3 Paragraph 5 of the Code: In the case of service in the executive management ending prematurely as a result of a change in control, the contractual obligation of the Company may exceed 150% of the severance cap of two years' compensation.

• Number 5.3.3 of the Code: The Nomination Committee of the Board of Directors was dissolved. Due to the structure of the Board of Directors, the forming of a Nomination Committee does not appear purposeful.

• Number 5.1.2 Paragraph 2 Sentence 3 and 5.4.1 Paragraph 2 Sentence 1 of the Code: A member of the Board of Directors may not be older than 68 years of age at the time of appointment. The Company reserves the right to make exceptions. No age limits have been defined for the Management Board. Strict age limits appear unreasonable because they do not allow a sufficient conclusion based on the competence and performance of the relevant member of the Board of Directors or the Management Board.

• Number 5.4.1 Paragraph 2 of the Code: Of the six members of the Board of Directors, there are currently two women, which corresponds to a share of 1/3. Against this background, the Board of Directors therefore feels that it is not necessary to define specific targets for the share of women in the Board of Directors.

The Board of Directors will, also in the future, take diversity aspects into consideration to as great an extent as possible. The Board of Directors is, however, of the opinion that the setting and publication of specific goals for the composition of the Board of Directors as well as its regular review would require an expenditure, the benefits of which appear questionable with a view to the structure of the company and the current composition of the Board of Directors. In the interest of the Company, the Board of Directors believes that it would instead continue to be appropriate to make future proposals for members not on the basis of, for example, individual orientation or race, but with a greater focus on the personality, experience, skills and knowledge of the individual.

Luxembourg, March 9, 2016

Bernhard Schneider
Chairman of the Board of Directors