



BILFINGER

**Declaration of the Executive Board and the Supervisory Board
of Bilfinger SE
concerning the recommendations by the
"Government Commission on the German Corporate Governance Code"
pursuant to section 161 of the German Stock Corporation Act (*Aktiengesetz*)**

Bilfinger SE complies with all recommendations of the German Corporate Governance Code (GCGC) as amended on May 5, 2015, with the following exceptions:

- The recommendation in section 4.2.3 paragraph 2 sentence 6 (limitations on the maximum amount of Executive Board remuneration in general and the variable components of that remuneration) is not followed. As part of the long-term incentive (LTI), the variable remuneration component for members of the Executive Board of the company which has been valid since 2015, virtual shares in the company, so-called performance share units (PSU) are allocated each year, the number of which is subject to adjustment during a three-year performance period depending on the achievement of the average ROCE target value as determined by the Supervisory Board as well as the development of the total shareholder return value (TSR value) of the company's share in relation to the TSR value of the shares of the remaining MDAX listed companies. The final number of units is subject to a cap which limits the final number of units to 150% of the original number of units. The share price of the company that is relevant for the value of the PSU at the conclusion of the three-year performance period is not subject to any limitation because an upper limit in this respect contradicts the basic principle of a share-based remuneration. The Supervisory Board is authorized however, in the case of extraordinary events or developments, especially in the case of extreme increases in the share price, to appropriately reduce the mathematical final number of PSU's.

- In addition, there is also a deviation from the recommendation in section 4.2.3 paragraph 2 sentence 8 (exclusion of retroactive changes to performance targets or comparison parameters) as relates to financial year 2016. The Short Term Incentive (STI), the variable remuneration component in place since 2015 for members of the Executive Board with a one-year assessment basis, is based on the achievement of the economic success targets adjusted EBITA and free cash flow from operating activities of the Bilfinger Group. The Supervisory Board has retroactively adjusted the target values for

these economic success targets determined for financial year 2016. The same shall apply for the ROCE target value determined for financial year 2016 within the scope of the LTI. The corporate planning that had served as the basis for the original determination of the target values became largely obsolete as a result of extensive divestments and restructurings in the Group over the course of the 2016 financial year. Adhering to these target values would have, in the view of the Supervisory Board, led to a result for the measurement of the STI and LTI that did not sufficiently take into account the situation of the company and the activities of the members of the Executive Board and, accordingly, could not develop an incentive effect with regard to the LTI. The divestments and restructurings were carried out in the interests of a sustainable development of the company within an assessment period for the variable remuneration components. The Supervisory Board believes that the retroactive adjustment for the financial year is necessary and appropriate in the well-understood interests of the company, also in consideration of the fact that the current members of the Executive Board were not involved in the original corporate planning for 2016. Therefore, the Supervisory Board has defined a 100 percent target achievement of the ROCE parameters for 2016 also for two current Executive Board members, deviating from the actual figures.

Since issuing the declaration of compliance of December 16, 2016, the Company has complied with all recommendations of the GCGC as amended on May 5, 2015 until the current date, with the exception of the recommendation in section 4.2.3 para. 2 sentence 6.

Mannheim, March 9, 2017

For the Supervisory Board



- Dr. Eckhard Cordes -

For the Executive Board



- Tom Blades -