

Declaration of Conformity with the Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Board of Management and Supervisory Board of HORNBACH HOLDING Aktiengesellschaft hereby declare pursuant to Section 161 of the German Stock Corporation Act (AktG) that the recommendations of the “German Corporate Governance Code” government commission, as outlined in the version dated June 6, 2008 and published on August 8, 2008, were basically met from the previous Declaration of Conformity until August 5, 2009. Application was not made of the recommendations included in Points 4.2.3, Paragraphs 4 and 5, 5.3.3, 5.4.1 Sentence 2, and 5.4.6 Paragraph 3, Sentences 1 and 2.

Since August 5, 2009, the recommendations in the version dated June 18, 2009 and published on August 5, 2009, have been and are basically met. Application has not been made and is not made of the recommendations included in Points 3.8 Paragraph 2, Sentence 2, 4.2.3 Paragraphs 4 and 5, 5.3.3, 5.4.1 Sentence 2, and 5.4.6 Paragraph 3, Sentences 1 and 2.

The aforementioned deviations from the recommendations have arisen on account of the following considerations:

a) Point 3.8 Paragraph 2 Sentence 2:

In Point 3.8, Paragraph 2, Sentence 2, the Code recommends agreeing a specified deductible in a D&O insurance policy. This should be based for supervisory board members as well on the new legal requirements for management board members arising due to the Act on the Appropriateness of Management Board Compensation (VorstAG) dated July 31, 2009. No such deductible is to be agreed at the expense of members of the Supervisory Board. This would reduce the attractiveness of Supervisory Board activities, and thus also the company’s chances in the competition for qualified candidates. The recommendation made in Point 3.8, Paragraph 2, Sentence 2 has therefore not been and is not followed.

b) Point 4.2.3 Paragraphs 4 and 5:

No application has been or is made of the recommendations included in Point 4.2.3 Paragraphs 4 and 5 of the Code (“severance pay cap”). The legal enforceability of the recommendations in Point 4.2.3 Paragraphs 4 and 5 is still disputed. It will be necessary to await further developments in this respect. Moreover, the deviation from Point 4.2.3 Paragraphs 4 and 5 is also due to competition-related factors.

c) Point 5.3.3:

In Point 5.3.3, the Code recommends that the Supervisory Board should form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. The company's Supervisory Board has not formed such a committee. Based on our experience to date, the establishment of such a committee would not appear to be necessary.

d) Point 5.4.1 Sentence 2:

The recommendations in Point 5.4.1 Sentence 2 of the Code include setting an age limit for Supervisory Board members. In the interests of securing experience and competence to the benefit of the company, this recommendation has not been and is not followed.

e) Point 5.4.6 Paragraph 3 Sentence 1:

In Point 5.4.6 Paragraph 3 Sentence 1, the Code recommends that the compensation of the members of the Supervisory Board be reported in the corporate governance report on an individual basis and broken down into its constituent components. On account of the overall level of compensation for the Supervisory Board, which in our opinion is unobjectionable, we see no necessity for the disclosure of individual compensation packages.

f) Point 5.4.6 Paragraph 3 Sentence 2:

In Point 5.4.6 Paragraph 3 Sentence 2, the Code further recommends that compensation paid or benefits granted by the company to members of the Supervisory Board for services rendered personally, especially advisory and mediation services, are to be reported separately in the corporate governance report on an individual basis. HORNBAACH HOLDING Aktiengesellschaft makes use in one case of the opportunity of drawing on the expertise of a member of the Supervisory Board in specific areas. This cooperation is undertaken on the basis of symbolic compensation. We see no need to provide individual disclosures in this respect.

Neustadt an der Weinstrasse, December 18, 2009

HORNBAACH HOLDING Aktiengesellschaft

The Supervisory Board

The Board of Management