

Dear Shareholders,

In the following I would like to report on the work performed by the Supervisory Board in the 2015 financial year.

On behalf of the Supervisory Board, I would also like to take this opportunity to thank the members of the Executive Board and all Group employees for their work in the 2015 financial year, and our shareholders and business partners for the trust they have placed in us.

Working Relationship between the Supervisory Board and the Executive Board

In the 2015 financial year, the Supervisory Board fulfilled the responsibilities entrusted to it by law, the company articles of association and rules of procedure, and the **German Corporate Governance Code**. It carefully and regularly monitored the Executive Board's management of business, provided advice on the company's further strategic development as well as on important individual measures, and concluded that the management of the company is lawful, proper and appropriate. The Supervisory Board also continuously monitored the organisation of the company and the Group, the risk management system and the economic viability of management activities.

At the Supervisory Board's meetings, as well as in written and verbal reports, the Executive Board provided the Supervisory Board with prompt, regular and comprehensive information, especially on the situation of HHLA and the Group, corporate planning, fundamental issues of company policy and strategy, investment plans and personnel. The Chairman of the Supervisory Board was also regularly in touch with the Executive Board between meetings and was informed about the Group's planning and strategy, the current business situation, significant transactions, the risk position, risk management and compliance. The Supervisory Board was involved in all decisions of major significance for HHLA and the HHLA Group. On the basis of its own thorough examination and in-depth discussions with the Executive Board, the Supervisory Board approved all measures submitted to it for approval by the Executive Board in accordance with the law, the articles of association and the Executive Board's rules of procedure.

The Work of the Full Supervisory Board

The Supervisory Board held four routine meetings and one special meeting in the 2015 financial year.

At each meeting, the Supervisory Board received timely and detailed reports from the Executive Board on the current revenue, earnings and liquidity trend, on budget planning, the current business situation of the company, the Group and the individual segments, including the risk position and risk management as well as Group-wide compliance, strategic targets and all significant organisational and personnel

changes. During the Supervisory Board meetings, the Executive Board informed the Supervisory Board about the economic, financial and strategic position of the company and the Group, the company's strategy in Germany and abroad, as well as significant developments and events.

Furthermore, individual meetings concentrated especially on the following items:

The financial statements meeting held on 24 March 2015

focused on the reporting, auditing and approval of the Annual Financial Statements of HHLA, including the individual divisional financial statements for the A and S divisions, the Consolidated Financial Statements including the subgroup financial statements, the Combined Management Report of HHLA and the Group, as well as the reports on transactions with related parties and on the relationship between the A and S divisions for the 2014 financial year. Representatives of the auditors were present at this meeting. They reported on the main results of their audit and were available to answer questions. The Supervisory Board also discussed the Executive Board's proposal on the appropriation of profit and the proposal made by the Audit Committee regarding the choice of auditor for the 2015 financial year. Other topics included the Supervisory Board's report to the Annual General Meeting, the Corporate Governance Report and the agenda for the 2015 Annual General Meeting. The Supervisory Board also addressed the implementation of the functional management structure in the Group and an intra-group transfer of fixed assets to Unikai Lagerei- und Speditionsgesellschaft mbH at this meeting.

At its **meeting on 3 June 2015**, the Supervisory Board addressed the situation of the HHLA Group, the granting of general commercial power of attorney to two individuals, as well as the issuing of a comfort letter in support of HHLA Container Terminal Burchardkai GmbH in connection with an order for container stacking cranes, among other topics. It also dealt with Executive Board matters as well as the status of the efficiency review of the Supervisory Board.

At its **special meeting on 28 July 2015**, the Supervisory Board considered Executive Board matters in detail, particularly the upcoming decisions on the extension of the terms of office of current members of the Executive Board, Executive Board remuneration matters and other amendments to the Executive Board contracts in line with the recommendations of the German Corporate Governance Code. Another focus of this meeting was the discussion on the findings of the efficiency review of the Supervisory Board and its committees, which was performed with the help of an independent consultant. Overall, cooperation was rated very good and efficient.

The main topics at the third regular **meeting on 11 September 2015** were the approval of a loan to be taken out by the Real Estate segment as well as the approval of the acquisition of additional locomotives by Metrans a. s. The Supervisory Board also addressed corporate governance issues in detail, particularly the changes to the German Corporate Governance Code and the effects of the German Act on the Equal Participation of Women and Men in Leadership Positions, and the implementation of each of these in the HHLA Group. In connection with this, the rules of procedure of the Supervisory Board and the code of practice of the Executive Board were adapted and a target for the proportion of women on the Executive Board resolved, ► see also the Corporate Governance Report and the Corporate Management Declaration, page 51. Finally, the Supervisory Board addressed the results of the invitation to tender for audit services from 2016 onwards.

At its **last meeting in the reporting period on 9 December 2015**, the Supervisory Board concentrated on the 2016 budget for the Group and the Port Logistics and Real Estate subgroups, each of which were approved by the Supervisory Board, as well as the position of the HHLA Group. Another focus was the findings of the risk inventory and the risk management system. Moreover, the Supervisory Board's diversity objectives were updated and the annual declaration of compliance with the German Corporate Governance Code was discussed and adopted. Finally, the Supervisory Board considered an acquisition opportunity, the granting of a general commercial power of attorney as well as personnel matters relating to the Executive Board and Supervisory Board.

As a general rule, Supervisory Board meetings are attended by all of its members and – provided Executive Board matters or internal Supervisory Board topics are not discussed – all of the members of the Executive Board as well.

The average attendance at the meetings of the Supervisory Board and its committees in the reporting period was 91 %. None of the Supervisory Board members attended only half or fewer of the meetings of the Supervisory Board or committees of which they are members. No conflicts of interest regarding members of the Executive Board or the Supervisory Board arose in the reporting period. The Supervisory Board does not include any former members of the company's Executive Board.

Prof. Dr. Peer Witten

Chairman of the Supervisory Board



Committee Work

The Supervisory Board has set up a total of six committees: the Finance Committee, the Audit Committee, the Real Estate Committee, the Personnel Committee, the Nomination Committee and the Arbitration Committee. They prepare the resolutions of the Supervisory Board in full council and, if permitted, make decisions on behalf of the Supervisory Board in certain cases. With the exception of the Nomination Committee, all of the committees include an equal number of shareholder and employee representatives. For details on the composition of the committees, ► see also Note 49 in the Notes to the Consolidated Financial Statements, Board Members and Mandates, page 146

The **Finance Committee** met a total of four times in the reporting period: in March, May, September and December 2015. It regularly looked at the Group's financial results as well as its general financial position and investments. In the reporting period, the Finance Committee also addressed the intra-group transfer of fixed assets to Unikai Lagerei- und Speditionsgesellschaft mbH, the issuing of a comfort letter in support of HHLA Container Terminal Burchardkai GmbH in connection with an order for container stacking cranes, the approval of a loan to be taken out by the Real Estate segment as well as the approval of the acquisition of additional locomotives by Metrans a. s. Finally, the December meeting focused on the detailed preliminary review of the budget for 2016 and the medium-term planning for 2017 to 2020.

The **Audit Committee** also held one meeting per quarter, or a total of four meetings in the reporting period. Significant agenda items at the first meeting in March included an in-depth discussion and examination of HHLA's Annual Financial Statements, Consolidated Financial Statements and Combined Management Report for the 2014 financial year. The committee also recommended that the Supervisory Board should submit a proposal to the Annual General Meeting regarding the choice of auditor for the 2015 financial year, as well as for the auditor's review of the Condensed Financial Statements and Interim Management Report for the first half of the 2015 financial year. Representatives of the auditors were present when the Annual and Consolidated Financial Statements were discussed. They reported on the results of the audit and were available to answer questions. The second meeting in May focused on the Interim Report for the first quarter of 2015, the report on the

compliance management system audit, the work performed by Internal Audit and the report on the internal control system. The Head of Internal Audit attended this meeting in a reporting capacity and provided comprehensive information. At its third meeting in September, the Audit Committee mainly dealt with the auditor's review of the Interim Report for the first half of 2015, the changes to the German Corporate Governance Code and the effects of the German Act on the Equal Participation of Women and Men in Leadership Positions, as well as the results of the invitation to tender for audit services from the 2016 financial year onwards. Representatives of the auditors were present when the auditors' review was discussed. They reported on the results of the review and were available to answer questions. At its last meeting in the reporting period, the Audit Committee primarily addressed the Interim Report for the third quarter of 2015, a discussion of the auditors' focus points for the audit of the 2015 Annual and Consolidated Financial Statements, the findings of the 2015 risk inventory as well as the planning of the 2016 audit. The meeting also focused on preparations for the declaration of compliance with the German Corporate Governance Code and the annual report of HHLA's Compliance Officer.

In addition to the committee members, the meetings of both the Finance Committee and the Audit Committee are regularly attended by the Chairman of the Executive Board and the Chief Financial Officer. HHLA's Compliance Officer also regularly attended the meetings of the Audit Committee, where he spoke about his role, kept the committee abreast of current developments, and was available to answer questions. Other participants such as representatives from the auditors or Internal Audit attend meetings as necessary. Representatives of the auditors were present at all Audit Committee meetings in the period under review.

The **Real Estate Committee** met twice in the 2015 financial year. It focused on the general development of business and the discussion and audit of HHLA's Annual Financial Statements – including the separate financial statements of the S division – as well as the Consolidated Financial Statements, the Combined Management Report and the Separate Financial Statements of the real estate companies for the 2014 financial year (March meeting). The committee also dealt with the budget for 2016 and the medium-term planning for 2017 to 2020 (December meeting), each in relation to the Real Estate subgroup (S division).

The **Personnel Committee** convened a total of four times in the past financial year to prepare the personnel decisions to be taken by the Supervisory Board. Its work in the reporting period focused on the upcoming decisions to be made on the extension of Executive Board mandates and Executive Board remuneration matters.

Neither the **Nomination Committee** nor the **Arbitration Committee** convened in the reporting period.

Following each meeting, the chairpersons of the committees reported back to the Supervisory Board about the activity of each committee and their findings, and made recommendations on resolutions to be taken, where appropriate.

Corporate Governance

The annual declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) was discussed in detail and prepared together with the Executive Board at the Audit Committee meeting on 3 December 2015 before being adopted by the Supervisory Board at its meeting on 9 December 2015. The joint declaration of compliance of the Executive Board and the Supervisory Board dated 9 December 2015 is permanently available to the general public on the HHLA website www.hhla.de/corporate-governance

Detailed information about the declaration of compliance and corporate governance can also be found in the **Corporate Governance Report** for 2015, which also includes the corporate management declaration in accordance with Section 289a of the German Commercial Code (HGB). ► See also the Corporate Governance Report and the Corporate Management Declaration, page 51.

Audit of Financial Statements

Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Hamburg, were elected as auditors for the financial statements and for the auditor's review of the Condensed Financial Statements and the Interim Management Report for the first half of the 2015 financial year at the Annual General Meeting on 11 June 2015. The Audit Committee then negotiated the audit assignment, defined the focus areas of the audit and awarded the assignment in line with the recommendations of the German Corporate Governance Code. In particular, the Audit Committee satisfied itself of the independence of the auditors and acquired a declaration of independence to this effect before awarding the assignment.

The auditors carried out an audit of HHLA's Annual Financial Statements as provided by the Executive Board, including the divisional financial statements for the A division (Port Logistics subgroup) and the S division (Real Estate subgroup) presented as part of the Notes, in line with the provisions of the German Commercial Code (HGB), the Consolidated Financial Statements including the subgroup financial statements for the A and S divisions in accordance with International Financial Reporting Standards (IFRS), and the Combined Management Report for HHLA and the Group. They issued an unqualified opinion with respect to each of the foregoing.

The auditors also audited the report prepared by the Executive Board on company transactions with related parties for the 2015 financial year in line with Section 312 of the German Stock Corporation Act (AktG), delivered a written report on their findings and, having no objections to make, gave the Report the following unqualified opinion:

“On the basis of our audit and in our professional opinion we confirm that (1) the factual statements in the report are correct, (2) the consideration paid by the company for the transactions mentioned was not inappropriately high, and (3) the measures detailed in the report give us no grounds to reach a substantially different opinion to that of the Executive Board.”

In accordance with Article 4 (5) of the articles of association applied analogously to Section 312 AktG, the Executive Board of HHLA also prepared a report on the relationship between the A division and the S division in the 2015 financial year. Any expenses and income which could not be attributed directly to one division were divided among the divisions in line with the articles of association. The auditors audited this report, delivered a written report on their findings and, having no objections to make, gave the report the following unqualified opinion:

“On the basis of our audit and in our professional opinion we confirm that (1) the factual statements in the report are correct, (2) the consideration paid by the company for the transactions mentioned was not inappropriately high.”

The Annual Financial Statements including the divisional financial statements, the Consolidated Financial Statements including the subgroup financial statements, the Combined Management Report for HHLA and the Group, the report on transactions with related parties, the report on the relationship between the A and S divisions and the auditors' report were distributed to all members of the Supervisory Board as soon as they had been prepared and audited.

The Audit Committee and the Real Estate Committee each carried out a preliminary review of the financial statements and reports at their respective meetings on 17 March 2016. The committees reported on the review to the Supervisory Board in the financial statements meeting on 23 March 2016 and recommended that it approve the financial statements and reports. In the financial statements meeting of the Supervisory Board on 23 March 2016, the Supervisory Board examined in detail the aforementioned financial statements and reports and discussed them thoroughly. The Executive Board explained the individual financial statements and reports of HHLA and the Group, the corresponding divisional financial statements as well as the risk management system. Representatives of the auditors were also present at this meeting; they reported on the main results of their audit and were available to answer questions. They also reported on the auditors' findings on the accounting processes

within the internal accounting control and risk management systems and were available to answer questions in this connection. According to the auditor's representatives, there were no circumstances demonstrating any bias of the auditor. In addition to the audit of the Annual Financial Statements, the auditors completed a review of the Interim Financial Statements and provided a small number of other audit-related services to the company. The auditors gave comprehensive information to the Supervisory Board regarding the nature and extent of these services.

Having discussed the course and the results of the audit in detail, and after an in-depth review of the auditors' reports, and on the basis of its own review and evaluation of the Annual Financial Statements including the divisional financial statements, the Consolidated Financial Statements including the subgroup financial statements, the Combined Management Report for HHLA and the Group, the report on transactions with related parties and the report on the relationship between the A and S divisions, the Supervisory Board approved the results of the audit. The Supervisory Board concluded that in the final analysis it had no objections to make and, at the financial statements meeting held on 23 March 2016, approved the Annual Financial Statements, including the divisional financial statements, the Consolidated Financial Statements including the subgroup financial statements and the Combined Management Report as recommended by the Audit Committee and the Real Estate Committee. HHLA's Annual Financial Statements for the 2015 financial year have therefore been adopted. The Supervisory Board also concluded that following its review it had no objections to make to the Executive Board's statements on related parties and on the relationship between the A and S divisions.

The Executive Board's proposal for appropriation of the distributable profit was analysed in detail by the Audit Committee – for the A division – and the Real Estate Committee – for the S division – and discussed with the Executive Board in the committees' respective meetings on 17 March 2016, particularly with respect to the development in earnings and financial planning as well as shareholders' interests. Following this discussion and after carrying out their own audits, both committees endorsed the Executive Board's proposal for appropriation of the distributable profit. At its financial statement meeting on 23 March 2016, the full Supervisory Board concurred, after carrying out its own audit, with the Executive Board's suggestion to propose to the Annual General Meeting that a dividend of € 0.59 per dividend-entitled Class A share and € 1.75 per dividend-entitled Class S share be distributed from distributable profit for the 2015 financial year.

Personnel Changes

Mr. Michael Pirschel stepped down from the Supervisory Board effective 10 December 2015. The Supervisory Board would like to thank Mr. Pirschel for his good work and dedication. He was succeeded by Mr. Stephan Möller-Horns, who joined the Supervisory Board first effective 11 December 2015. Mr. Möller-Horns had already been elected as the substitute member for Mr. Pirschel by the Annual General Meeting on 14 June 2012. After Mr. Möller-Horns stepped down from the Supervisory Board with effect as of 9 February 2016, the Hamburg Local Court appointed Dr. Rolf Bösing as a member of the company's Supervisory Board effective until the close of the next Annual General Meeting.

The terms of office of two Executive Board members – Dr. Lappin and Dr. Behn – were extended by five and three years, respectively, in the reporting period. By contrast, at the Supervisory Board's December meeting, the Chairman of the Executive Board announced that he will not be at the company's disposal after his contract expires on 31 December 2016. The Supervisory Board accepted this decision with great regret. In their respective December meetings, the Supervisory Board and the Personnel Committee initiated the steps necessary to find a successor as Chairman of HHLA's Executive Board from 2017.

Hamburg, 23 March 2016
The Supervisory Board



Prof. Dr. Peer Witten
Chairman of the Supervisory Board

Members of the Supervisory Board

Prof. Dr. Peer Witten

Chairman of the Supervisory Board

Former member of the Otto Group Executive Board

Wolfgang Abel

Vice Chairman

Trade union secretary, ver.di Hamburg

Torsten Ballhause

Local manager of the Transport division, ver.di Hamburg

Petra Bödeker-Schoemann

Managing Director of Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV)

Dr. Rolf Bösing (since 18 February 2016)

State Secretary at the Hamburg Ministry for the Economy, Transport and Innovation (since 17 April 2015)

Dr. Bernd Egert

State Secretary at the Hamburg Ministry for the Economy, Transport and Innovation (until 16 March 2015)

Holger Heinzel

Director of Finance and Controlling at HHLA

Dr. Norbert Kloppenburg

Member of the Executive Board of KfW Bankengruppe

Frank Ladwig

Chairman of the Group works council and the works council of HHLA Container Terminal Tollerort GmbH

Stephan Möller-Horns

(11 December 2015 to 9 February 2016)

Departmental head at the Hamburg Ministry for the Economy, Transport and Innovation

Arno Münster

Port technician, Hamburg

Norbert Paulsen

Chairman of the joint works council of Hamburger Hafen und Logistik AG

Michael Pirschel (until 10 December 2015)

Departmental Head at the Hamburg Ministry for the Economy, Transport and Innovation (until 30 November 2015)

Dr. Sibylle Roggencamp

Head of the Office for Asset and Investment Management at the Hamburg Ministry of Finance

► See also Note 49 in the Notes to the Consolidated Financial Statements, Board Members and Mandates, page 146.