

## **Declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act**

The Management and Supervisory Boards at Bertrandt AG declare herewith that, in compliance with § 161 of the German Stock Corporation Act (AktG) the recommendations from the governing commission of the German Corporate Governance Code (GCGC) in the version dated May 26, 2010 and released in the electronic version of the German Federal Gazette on July 2, 2010 were generally adhered to. The recommendations listed under Sections 2.3.3 Sentence 2, 3.8 Para. 3, 4.1.5, 4.2.3, 5.4.1 Para. 2 and 3, 5.5.2, 5.5.3 Sentence 1 and 7.1.2 Sentence 4 of the GCGC were not applied.

The recommendations from the governing commission of the German Corporate Governance Code (GCGC) in the version dated May 15, 2012 and released in the electronic version of the German Federal Gazette on July 15, 2012 were and are generally adhered to. Since June 15, 2012 the recommendations listed under Sections 3.8 Para. 3, 4.1.5, 4.2.3, 5.2 Para. 2 Sentence 2, 5.3.2 Sentence 3, 5.4.1 Para. 2 and 3, Sections 5.4.2 Sentence 1, 5.4.6 Para. 2 Sentence 2, 5.5.2, 5.5.3 Sentence 1 and 7.1.2 Sentence 4 of the German Corporate Governance Code (GCGC) were and are not applied. From October 01, 2012 on Section 4.2.3 Para. 2 and 3 will also be adhered to.

The deviations from the individual recommendations were based and shall only be based on the following arguments:

### **Section 2.3.3 Sentence 2 GCGC old version till June 15, 2012**

The Articles of Association of Bertrandt AG have no provisions for an absentee ballot, meaning that legally no absentee balloting may take place. It is also the case that participation in the annual general meeting allows shareholders to make a well-founded decision. Furthermore, the presentations from the Management Board and the Supervisory Board can be taken into consideration as well as the contributions from other shareholders or spokespersons for shareholder associations. Due to the clarification in Section 2.3.3 Sentence 2 GCGC in the version of May 15, 2012 this precautionary declared deviation shall be inapplicable.

### **Section 3.8 Para. 3 GCGC**

Bertrandt AG has taken out a pecuniary damage liability insurance policy (a so called directors and officers insurance policy). In deviation from Section 3.8 Para. 3 of the GCGC, the policy has no deductible for supervisory board members. Bertrandt AG took out the insurance policy to preserve its interests in the event of hypothetical damage.

### **Section 4.2.3 GCGC**

The total remuneration of the management board generally conforms to the recommendation in Section 4.2.3 of the GCGC; it includes fixed and variable portions. The principles behind remuneration are also explained in more detail in the Bertrandt AG management report. However, the remuneration did not and does not contain, till the expiration of the business year on September 30, 2012, any components with a long-term impetus and risk characteristics as defined in Section 4.2.3 Para. 3 of the GCGC.

Whether and how the recommendations from Section 4.2.3 Para. 4 of the GCGC can be legally implemented is still not entirely clear. The Company also reserves the right to deviate from Section 4.2.3 Para. 4 of the GCGC in order to remain competitive.

Due to competitive reasons, the release of the Management Board's remuneration was only made and shall only be made to the extent legally required by the accounting regulations. The Annual General Meeting decided on February 18, 2009 to continue with the long-standing disclosure practice with a further decision to suspend disclosure in accordance with the stipulations in the German Management Board Remuneration Act (VorstOG).

### **Section 5.2 Para. 2 Sentence 2 GCGC new version**

The chairman of the Supervisory Board is for many years at the same time chairman of the examination board. This has proved itself and therefore deviations will be made to Section 5.2 Para. 2 Sentence 2 of the GCGC.

**Section 5.3.2 Sentence 3 new version, 4.1 Para. 2 and 3, 5.4.2 Sentence 1 new version as well as 4.1.5 GCGC**

Deviations were made and will be made to Section 5.3.2 Sentence 3, 5.4.1 Para. 2 and 3, 5.4.2 Sentence 1 as well as 4.1.5 of the DCGC. Bertrandt AG places primarily great emphasis on experience, capability and individual knowledge when hiring members of the Management Board and Supervisory Board as well as for any other leadership position material to the company.

The Company believes that its Supervisory Board consists of an appropriate number of independent members. As the term “independent members” isn’t yet finally clarified the Company declares with utmost precaution, and because of the fact that three of the four members who are appointed by the capital side, among these the Chairman, are already members of the Supervisory Board for three or more electoral periods, that deviations will be made to Section 5.3.2 Sentence 3, 5.4.2 Sentence 1 GCGC as well as to Section 5.4.1 Para. 2 GCGC.

**Section 5.4.6 Para. 2 Sentence 2 GCGC new version**

The remuneration of the Supervisory Board of the Company with its fixed and variable portions exists in principle, except for minor changes, for many years and proved itself.

The remuneration of the Supervisory Board will be released in an individualized manner in the Company management report. However, the remuneration does not contain any components which are aligned to a sustainable development of the Company. Therefore deviations will be made to Section 5.4.6 Para. 2 Sentence 2 of the GCGC.

**Section 5.5.2 and Section 5.5.3 Sentence 1 GCGC**

The Supervisory Board has in its Rules of Procedure independently formulated its own regulations governing the handling of conflicts of interest which deviates from the recommendations in Section 5.5.2 and 5.5.3 Sentence 1 of the GCGC. The Supervisory Board's Rules of Procedure obliges every Supervisory Board Member to disclose conflicts of interest to the Chairman of the Supervisory Board; the Chairman of the Supervisory Board is obliged to provide disclosure to the Vice-Chairman. Such stipulations exceed Section 5.5.3 Sentence 1 of the GCGC and do not differentiate as to whether the conflict of interest is material or only temporary but include every possible conflict. The waiving of the public disclosure of such statements also allows the supervi-

sory board members to confidentially discuss violations that are in reality not violations but merely appear so in full confidentiality with the chairperson.

**Section 7.1.2 Sentence 4 GCGC**

As long as the German Corporate Governance Code is not synchronised with the regulations of the Prime Standards of the German Stock Exchange, Bertrandt AG reserves the right to deviate from Section 7.1.2 Sentence 4 of the GCGC.

The Bertrandt AG did not make use of this reservation in the reporting period.

Cologne, September 17, 2012

The Management Board

The Supervisory Board

Dietmar Bichler  
Chairman

Dr. Klaus Bleyer  
Chairman