

## **DECLARATION OF CONFORMITY OF EUROKAI GMBH & CO. KGAA WITH THE GERMAN CORPORATE GOVERNANCE CODE**

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The Management Board of Kurt F.W.A. Eckelmann GmbH, Hamburg, as Personally Liable General Partner and the Supervisory Board of EUROKAI GmbH & Co. KGaA have issued a Declaration of Conformity with the German Corporate Governance Code as required by Section 161 of the German Stock Corporation Act (AktG). In this document – taking into account the specific organisational distinctions of the legal form of a partnership limited by shares (KGaA) as set out in the following and the structuring of this legal form through the Articles of Association – they declare that with the deviations set out below, EUROKAI GmbH & Co. KGaA (hereinafter the “Company”)

- in the period between the last Declaration of Conformity of April 2014 and the coming into force of the new version of the German Corporate Governance Code dated 24 June 2014 on 30 September 2014, (hereinafter the “Code”) complied with the recommendations of the Code in the superseded version dated 13 May 2013 (cf. B below), and
- in the period between the coming into force of the Code of 24 June 2014 until the present has complied in full with the recommendations of the Code of 24 June 2014 (cf. C below), and
- currently complies with and will continue to comply with the recommendations of the Code of 24 June 2014 as amended (cf. D below).

### **A SPECIFIC ORGANISATIONAL DISTINCTIONS OF THE LEGAL FORM OF A PARTNERSHIP LIMITED BY SHARES (KGAA)**

- The Company is a Kommanditgesellschaft auf Aktien – (“KGaA” – partnership limited by shares). In a KGaA, the duties of the management board of a stock corporation (“AG”) are the responsibility of the personally liable general partner. The sole Personally Liable General Partner of the Company is Kurt F.W.A. Eckelmann GmbH, Hamburg, whose Managing Directors are thus responsible for conducting the business of the Company. The Company does not hold an interest in the Personally Liable General Partner. The sole shareholder of the Personally Liable General Partner is the Thomas Eckelmann GmbH & Co. KG family, Hamburg, which is controlled entirely by the family of Mr Thomas H. Eckelmann.
- In comparison with the supervisory board of a German stock corporation, the role of a supervisory board of a KGaA is limited. In particular, the Supervisory Board is not responsible for appointing or dismissing general partners or for regulating the terms and conditions of their contracts, issuing rules of procedure for the Management Board or determining business transactions requiring approval. For this reason, Section 7 of the Company’s Articles of Association requires that the Personally Liable General Partner obtain the prior approval of the Supervisory Board for all extraordinary transactions. To this end Section 7 of the Articles of Association contains a catalogue of business transactions requiring approval.

- The general meeting of a KGaA fundamentally has the same rights as the general meeting of an AG; it additionally resolves on the adoption of the annual financial statements of the Company. Many of the resolutions made by the General Meeting require the consent of the Personally Liable General Partner; particularly the adoption of the Company’s annual financial statements.
- Although the concrete wording of the recommendations of the Code does not in all instances take into account the specific organisational distinctions of the legal form of a KGaA, the sole Personally Liable General Partner, Kurt F.W.A. Eckelmann GmbH, and the Supervisory Board have agreed to currently and in future comply with the recommendations of the Code with the deviations stated in Section D below.

### **B. DEVIATIONS FROM THE RECOMMENDATIONS OF THE SUPERSEDED CODE OF 13 MAY 2013 IN THE PERIOD BETWEEN SUBMISSION OF THE LAST DECLARATION OF CONFORMITY OF APRIL 2014 AND THE COMING INTO FORCE OF THE VERSION AS AMENDED ON 24 JUNE 2014 PUBLISHED ON 30 SEPTEMBER 2014**

The Personally Liable General Partner and the Supervisory Board declare that in the period between submission of the last declaration of April 2014 and the coming into force of the version as amended on 24 June 2014 published on 30 September 2014 the Company complied in full with the recommendations of the Code in the superseded version dated 13 May 2013, with the deviations set down below:

#### **B. 1 Article 3.8 (3) – Deductible in the D&O (directors’ and officers’ liability insurance) policy for the Supervisory Board**

No deductible has been agreed upon in the D&O policy for the Supervisory Board because neither the Personally Liable General Partner nor the Supervisory Board believe that the motivation and responsibility which the Supervisory Board brings to the fulfilment of its duties can be improved by any such deductible.

#### **B. 2 Article 4.2.4, 4.2.5 (3) – Separate disclosure of the total compensation of each of the Managing Directors of the Personally Liable General Partner**

Separate disclosure of the total compensation of each of the Managing Directors of the Personally Liable General Partner in the notes or the management report is dispensed with. Section 9 of the Company’s Articles of Association provides that the compensation of the Managing Directors of the Personally Liable General Partner is determined by the Company’s Supervisory Board and is granted and paid to them directly by the Company. To date no use has been made of this option. The Company pays no compensation either to the Managing Directors of the Personally Liable General Partner or to the Personally Liable General Partner itself. As a precautionary measure however, in application of Sections 286 (5), 314 (2) sentence 2 of the German Commercial Code (HGB), the General Meeting of the Com-

pany of 18 August 2010 decided that in the annual and consolidated financial statements for the Company to be prepared for the years 2010 to 2014 the disclosures required under Section 285 sentence 1 no. 9 letter a) sentence 5 to 8 and under Section 314 (1) no. 6 letter a) sentence 5 to 8 HGB shall be omitted.

**B. 3 Article 5.3.3 –  
Nomination Committee**

Pursuant to Article 5.3.3 of the Code, the Supervisory Board is to form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting.

The Personally Liable General Partner and the Supervisory Board are of the opinion that a nomination committee is not required since the Supervisory Board is composed of only six representatives of the shareholders and is therefore in a position to directly and efficiently make election recommendations to the General Meeting.

**B. 4 Article 6.3 –  
Disclosure of the Ownership of Shares**

Pursuant to Article 6.3 of the Code, beyond the statutory obligation to report and disclose dealings in shares of the company without delay, the ownership of shares in the company or related financial instruments by management board and supervisory board members shall be reported if these directly or indirectly exceed 1% of the shares issued by the company. If the entire holdings of all members of the management board and supervisory board exceed 1% of the shares issued by the Company, these shall be reported separately in the Corporate Governance report according to management board and supervisory board.

Both the Personally Liable General Partner and the Supervisory Board consider the relevant statutory obligation to report and disclose dealings in shares of the Company without delay to be adequate. It therefore did not apply this recommendation.

**B. 5 Article 7.1.2 –  
Reporting**

Pursuant to Article 7.1.2 of the Code, the consolidated financial statements shall be publicly accessible within 90 days of the end of the financial year; interim reports (half-yearly and any quarterly reports) shall be publicly accessible within 45 days of the end of the reporting period.

The Company does not apply this recommendation, and practically is not in a position to do so. The Company is a pure financial holding company and therefore relies on the figures provided by its investment holdings, which it regularly does not receive in time to comply with the recommendation. The consolidated financial statements are published pursuant to the requirements under Section 15 of the Company Disclosure Act (PublG) and Section 325 (4) of the German Commercial Code (HGB) and the interim reports pursuant

to the requirements under Sections 37w f. of the German Securities Trading Act (WpHG).

**C. DEVIATIONS FROM THE RECOMMENDATIONS OF THE CODE AS AMENDED ON 24 JUNE 2014 IN THE PERIOD BETWEEN THE COMING INTO FORCE OF THE CODE OF 24 JUNE 2014 AND THE PRESENT**

On 24 June 2014, the “Government Commission on the German Corporate Governance Code” presented a new version of the Code that was published in the Federal Gazette on 30 September 2014 and thereby came into force. The Personally Liable General Partner and the Supervisory Board of the Company declare that in the period between 30 September 2014 and the present day, the new version of the Code has been complied with in full with the deviations under B. 1 to B. 5 set out above.

**D. CURRENT AND FUTURE DEVIATIONS FROM THE RECOMMENDATIONS OF THE CODE IN THE AMENDED VERSION DATED 24 JUNE 2014**

The Personally Liable General Partner and the Supervisory Board of the Company declare that the Company currently complies with and will continue to comply with the recommendations in the Code in the current version dated 24 June 2014, with the deviations under B. 1 to B. 5 set out above.

Hamburg, Germany, April 2015

Personally Liable General Partner  
Kurt F. W. A. Eckelmann GmbH, Hamburg

Thomas H. Eckelmann  
Cecilia E. M. Eckelmann-Battistello

Supervisory Board