

DECLARATION OF COMPLIANCE

The Management Board and Supervisory Board of a German stock corporation listed on a stock exchange are obligated in accordance with § 161 German Stock Act [AktG] to declare once annually whether the “Recommendations of the Government Commission on the German Corporate Governance Code” have been observed and will be observed, or which recommendations have not been applied or will not be applied. The following Declaration of Compliance was made permanently accessible on the company’s website, along with the prior year’s Declaration of Compliance:

Vita 34 AG, or before the merger Vita 34 International AG, complied with the valid version of the code (status: May 26, 2010) since issuing the last declaration, and will continue to comply with the recommendations, with the exceptions listed as follows:

- :: Sec. 3.8 para. 3 DCGK: No special deductible was agreed upon with the Supervisory Board, since we are not of the opinion that the care and responsibility the members of the Supervisory Board exercise in fulfilling their duties could be further enhanced by agreeing to a deductible.
- :: Sec. 4.1.5 DCGK: In filling management positions within the company, the Management Board takes both company-specific circumstances, as well as commensurate variety into consideration. In our opinion, however, the specifications of the DCGK restrict the Management Board too greatly in its selection of the suitable candidates for the management positions to be fulfilled.
- :: Sec. 4.2.3 para. 2 Sentence 4 and Sec. 4.2.3 para. 4 DCGK: In contrast with the Corporate Governance Code, the design of the variable compensation does not take negative developments into consideration. A settlement cap was not agreed to. The arrangement of variable compensation and agreeing to a settlement cap in accordance with the specifications of the DCGK could impair the recruitment of highly qualified employees.
- :: Sec. 5.1.2 para. 1 and Sec. 5.4.1 para. 2 and para. 3 DCGK: A specification for the composition of the Management Board, as called for in Sec. 5.1.2 para. 1 DCGK, limits the Supervisory Board inappropriately in its selection of suitable Management Board members. The same applies accordingly for a target regarding the structure of the Supervisory Board membership, as called for in Sec. 5.4.1, para. 2 and 3. We are fundamentally of the opinion that this represents too broad a limitation in individual cases of the selection of suitable Supervisory Board members. In addition, such a target also impairs the right of our shareholders to elect the members of the Supervisory Board.
- :: Sec. 5.1.2 para. 2 sentence 3 / 5.4.1 para. 2 sentence 1 DCGK: An age limit for Management and Supervisory Board members has not been established. The determining factor for the capability of the members of these bodies is not age; therefore, we do not consider an age limit to be sensible.
- :: Sec. 5.3.1, 5.3.2 and 5.3.3 DCGK: The establishment of committees, especially an Audit Committee, and a Nominating Committee is difficult to manage due to the size of the Vita 34 AG Supervisory Board of only three board members. The increase in efficiency in auditing the accounting intended by the code with the establishment of an Audit Committee would not be achieved, since the Audit Committee would need to be filled with nearly all plenum members. Likewise, the Nominating Committee would need to be filled with nearly all plenum members which, however, would not lead to any improved preparation of the proposed resolutions of the Supervisory Board regarding the election proposals of the shareholders.

- :: Sec. 5.4.3 sentence 3 DCGK: The recommendation of making candidate proposals for the chairmanship of the Supervisory Board known to the shareholders is not followed, since according to Sec. 14, para 1 of the by-laws of the company, the Supervisory Board elects a chairperson from amongst its midst. Announcement of proposed candidates cannot be implemented on account of this.

- :: Sec. 5.4.6 para. 1 sentence 3 and para. 2 DCGK: The company complies with the recommendations of the code with regard to the compensation of the Chairperson of the Supervisory Board and of the Vice Chairperson, with the exception that the chair and membership in committees is not particularly taken into consideration due to the lack of committees formed. The members of the Supervisory Board receive a fixed rate compensation. The amount of compensation currently does not warrant a change to a performance-based compensation model.

For the Supervisory Board

Dr. Holger Födisch
Chairman

The Management Board

Dr. med. Eberhard F. Lampeter
CEO

Jörg Ulbrich