

Declaration of Conformity

On February 16, 2012, the Executive and Supervisory Boards of VTG AG issued a declaration of conformity in accordance with § 161 of the German Stock Corporation Act. VTG AG complies to a large extent with the recommendations of the Commission of the German Corporate Governance Code as amended on May 26, 2010 and has largely complied with these since the issue of the last declaration of conformity on February 10, 2011. The following recommendations have not been or are not being implemented:

1. Section 3.8 paragraphs 2 and 3 of the Code

The directors' and officers' liability insurance taken out by the company until December 31, 2011 did not provide for any deductible for one member of the Executive Board.

Under one contractual agreement concluded prior to August 5, 2009, the company until December 31, 2011 was still obliged to grant directors' and officers' liability insurance without a deductible for one member of the Executive Board. The company continued to meet this obligation in accordance with § 23 of the Introductory Law to the German Stock Corporation Act (AktG) for the term of this contract until December 31, 2011. In the contracts concluded with members of the Executive Board after August 4, 2009, a deductible in accordance with § 93 (2) sentence 3 of the German Stock Corporation Act was agreed.

The directors' and officers' liability insurance taken out by the company for the members of the Supervisory Board does not provide for any deductible for the members of the Supervisory Board since such deductible in the view of the company is not necessary to increase the feeling of responsibility and motivation of the members of the Supervisory Board in the performance of their duties.

2. Section 4.2.3 paragraph 4 of the Code

Until December 31, 2011 two of the existing executive board contracts contained no multi-year assessment base in the sense of § 87 (1) sentence 3 clause 1 of the German Stock Corporation Act with regard to their variable compensation elements. In one case this was due to the circumstance that the contract was concluded prior to August 5, 2009. In the other case this was due to the fact that the contract was prolonged only for a period of less than one year which did not justify changing the assessment base for the variable compensation component, the maximum amount of which was limited, to periods of more than a year. In the opinion of the Supervisory Board this was not necessary in both cases in order to ensure a dutiful, responsible and sustainable work of the Executive Board members.

The existing executive board contracts do not include a "severance payment cap". In future too, the Supervisory Board cannot rule out concluding executive board contracts with provisions that in this respect do not accord with the code. The Supervisory Board is of the opinion that, in the interest of finding the optimal candidates for membership of the Executive Board, the existing freedom in the formulation of such contracts should not be restricted in advance in terms of individual elements thereof.

3. Section 4.2.4 of the Code

As a result of a resolution to this effect of the Annual General Meeting of June 18, 2010, the company has not published individual reports on the remuneration of the members of the Executive Board. In accordance with this decision the compensation of the Executive Board will not be individually disclosed also in the annual financial statements and in the consolidated financial statements of the company for the financial years through and including 2014.

4. Section 5.3.2 of the Code

The company has decided, instead of setting up an audit committee, to entrust the Supervisory Board with all monitoring activities, since this is a central task of the Supervisory Board. Moreover, the company is of the opinion that the setting up of an audit committee with at least 3 members would hardly relieve the existing Supervisory Board of any work, as it has only 6 members.

5. Section 5.3.3 of the Code

In view of the small size of the Supervisory Board, the company has refrained from setting up its own nomination committee. The tasks of the nomination committee as provided for in the Code have been assigned to the Executive Committee, which, as with the Supervisory Board, comprises only representatives of the shareholders.

6. Section 5.4.1 paragraph 2 of the Code

The objectives, which the Supervisory Board specified for its composition, do not provide for any age limit and do not contain concrete objectives regarding diversity. The Supervisory Board is of the opinion that age is not a suitable criterion for selecting qualified female or male candidates. Regarding its composition the Supervisory Board attaches importance to diversity and is open for the objectives insofar pursued by the Code, including the objective of an appropriate degree of female representation. In the opinion of the Supervisory Board concrete objectives in terms of quota systems are however problematic; a practicable and adequately flexible selection of its members will thus be complicated.

7. Section 5.4.6 paragraph 2 of the Code

The company considers that a fixed remuneration amount for supervisory board members is more suitable than a performance-related type of remuneration in terms of properly exercising the control function of the Supervisory Board independently of the company's success.

8. Section 7.1.2 sentence 2 of the Code

The company's Supervisory Board is of the opinion that, due to the continuous reporting received by the Supervisory Board on all important events and due to the constant development of the business, a discussion of the half-year and quarterly reports with the Supervisory Board prior to publication is not absolutely necessary in order to enable the Supervisory Board to properly exercise its function of monitoring and control.

9. Section 7.1.2 sentence 4 of the Code

The legal requirements are being observed. The company intends to come closer to meeting the deadlines set out in the Code in order to meet this recommendation as soon as possible.