

# **Declaration of Conformity 2015**

## **CropEnergies AG**

On 9 November 2015, the executive board and the supervisory board of CropEnergies AG, Mannheim, adopted the resolution to issue the following Declaration of Conformity regarding the German Corporate Governance Code, in accordance with Section 161 of the German Stock Corporation Act (AktG):

CropEnergies AG complied with the recommendations of the “Government Commission German Corporate Governance Code” in the Code version of 24 June 2014 and will comply in future with the recommendations in the Code version of 5 May 2015, with the following exceptions:

### **Paragraph 4.2.1 (executive board chairman or spokesman):**

The election of a chairman or speaker was not necessary at first. Until 30 April 2015, the executive board of CropEnergies AG had two members who managed the enterprise with equal executive powers and with clearly defined areas of responsibilities. Since 30 April 2015, the executive board of CropEnergies AG comprises three members, one of whom has the position of spokesman of the executive board. As a consequence, in the future there will no longer be a deviation from the recommendation in paragraph 4.2.1 of the Code.

### **Paragraph 4.2.2 (vertical comparison of executive remuneration):**

The supervisory board is charged with assessing the appropriateness of the executive board's remuneration. In doing so, it takes into consideration the company's salary and wage structure. The supervisory board's view is that the formal procedure recommended in paragraph 4.2.2, item 2, clause 3 is superfluous, since it would not improve the quality of its decisions.

**Paragraph 4.2.3, item 4 (severance cap in contractual agreements with board members):**

The contracts of employment with the members of the executive board do not contain a severance cap. We do not see a necessity for this in future, either, especially since there are significant legal reservations against such contract clauses.

**Paragraphs 4.2.4 and 4.2.5 (individualised remuneration of board members):**

The general shareholders' meeting of CropEnergies AG most recently resolved on 19 July 2011 to waive individualised disclosure of management earnings for a period of five years. The company therefore does not disclose executive board members' individual remuneration in its compensation report.

**Paragraph 4.3.3 sentence 4 (management board/conflicts of interest)**

The new recommendation in the Code, according to which important transactions with persons closely associated with a member of the management board shall only be carried out with the consent of the supervisory board, will be complied with by CropEnergies AG in the future, after a corresponding amendment of the by-laws of its executive board. As a precaution, a deviation is declared until the implementation of this new requirement in the by-laws of the executive board.

**Paragraph 5.3.2 sentence 3 (autonomy of the audit committee chairman):**

Mr. Thomas Kölbl is chairman of the audit committee. He is simultaneously a member of the executive board of Südzucker AG, which holds a majority interest in CropEnergies AG. In our view, it makes sense that a majority shareholder is appropriately represented on the supervisory board of a company and its committees. It is our conviction that it is in the interests of the company and all its shareholders for Mr. Kölbl to exercise this office as audit committee chairman.

**Paragraph 5.4.1 item 2 (diversity goals for composition of the supervisory board):**

The supervisory board strives for sufficient diversity in the composition of the supervisory board and, in particular, an appropriate quota of women. The supervisory board has oriented the decision with regard to its own composition primarily to the qualification of the available persons and not their gender, and it intends to continue to do so within the framework of applicable laws.

A regular limit of length of membership on the supervisory board is not specified. This facilitates continuity and the preservation of long-term experience in the supervisory board in the interest of the company.

**Paragraph 5.4.6 (remuneration of supervisory board members):**

Our company's Articles of Incorporation foresee a results-related supervisory board remuneration oriented to dividends (see paragraph 5.4.6, item 2, clause 2). We believe that especially the concurrence with the interests of the shareholders speaks in favour of this structure.

We disclose the supervisory board's remuneration as a total (see paragraph 5.4.6, item 3). In our view, the privacy violations associated with the disclosure of remuneration on an individual basis cannot be reasonably justified by any benefits there may be from this kind of practice. The remuneration regulations are already transparent and therefore any segmentation according to fixed remuneration and results-related components would not imply any additional informative worth. Accordingly, the Corporate Governance Report, Appendix and Management Report contain no individualised disclosures of supervisory board remunerations and no segmentation according to fixed remuneration and results-related components.