

Investor Relations

Declaration of conformity 2014

## **December 2014**

On 10 November 2014, the Board of Management and the Supervisory Board of CropEnergies AG, Mannheim, adopted the resolution to issue the following Declaration of Compliance 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 13 May 2013 and will comply in future with the recommendations in the Code version of 24 June 2014, with the following exceptions:

### **Paragraph 4.2.1 (Board of Management Chairman or Speaker):**

The election of a chairman or speaker is not necessary. The Board of Management of CropEnergies AG has two members. These persons manage the enterprise with equal executive powers and with clearly defined areas of responsibilities.

### **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 Board of Management 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 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 Board of Management of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, which holds a majority

---

Declaration of conformity 2014 > Declarations of conformity > Corporate governance > Investor Relations > CropEnergies AG

[http://www.cropenergies.com/en/investorrelations/Corporate\\_Governance/Entsprechenserklärungen/Entsprechenserklärung\\_2014/](http://www.cropenergies.com/en/investorrelations/Corporate_Governance/Entsprechenserklärungen/Entsprechenserklärung_2014/)

Page last modified on 2014-12-10 10:58

Page 1

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 (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. However, the Supervisory Board will continue to orient the decision with regard to its own composition primarily to the qualification of the available persons and not their gender.

**Paragraph 5.4.6 (remuneration of Supervisory Board members):**

Our company's Articles of Incorporation foresee - in addition to a fixed remuneration - 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.