

The Board of Management and the Supervisory Board submit the following Declaration of Compliance pursuant to Clause § 161 sentence 1 Stock Corporation Act (AktG) for the fiscal year 2010:

“Declaration on the German Corporate Governance Code pursuant to Clause § 161 sentence 1 Stock Corporation Act (AktG)”

- I. The Board of Management and the Supervisory Board declare that the recommendations issued by the Federal Ministry of Justice on conduct by the “Government Committee on the German Corporate Governance Code” in the version dated 26 May 2010 published in the electronic Federal Law Gazette (Bundesanzeiger) were implemented in full during the business year 2010 with the following deviations:
1. In accordance with the resolution of the Annual General Meeting adopted on 24 June 2008, details of remuneration for Members of the Board of Management are not listed individually. The principles of the compensation system are not disclosed, in particular this information is not published on the Internet site of the company and details are not explained in the Annual Report. The Chairman of the Supervisory Board does not inform the Annual General Meeting of the principles of the remuneration system and their modification (deviation from section 4.2.3 last subsection, 4.2.4 and 4.2.5 of the Code).
 2. A Nomination Committee of the Supervisory Board was not set up – notwithstanding section 5.3.3 of the Code.
 3. Elections to the Supervisory Board are only carried out on the basis of an individual vote if a shareholder requests this procedure at the Annual General meeting (deviation from section 5.4.3 sentence 1 of the Code).
 4. In accordance with the resolution of the Annual General Meeting adopted on 24 June 2008, details of remuneration for Members of the Supervisory Board in the Corporate Governance Report (section 5.4.6 subsection 3 of the Code) are not listed individually and broken down according to components.
 5. The consolidated financial statements will be published on the Internet site of the company (deviation from section 7.1.2 of the Code) within 120 days of the close of the fiscal year.
 6. Half-yearly and quarterly financial reports were only discussed with the Board of Management by the Chairman of the Audit Committee of the Supervisory Board before they are published. The chairman reports promptly in writing to the other members of the Audit Committee on the essential issues included in his discussion with the Board of Management (deviation from section 7.1.2 sentence 2 of the Code).

- II. The recommendations of the German Corporate Governance Code in the version dated 26 May 2010 have been complied with since this date and such compliance will continue with the following deviations:
1. A Nomination Committee of the Supervisory Board is not being set up – notwithstanding section 5.3.3 of the Code.
 2. Elections to the Supervisory Board are only carried out on the basis of an individual vote if a shareholder requests this procedure at the Annual General meeting (deviation from section 5.4.3 sentence 1 of the Code).
 3. The consolidated financial statements will be published on the Internet site of the company (deviation from section 7.1.2 of the Code) within 120 of the close of a fiscal year.
 4. Half-yearly and quarterly financial reports are only discussed with the Board of Management by the Chairman of the Audit Committee of the Supervisory Board before they are published. The chairman reports promptly in writing to the other members of the Audit Committee on the essential issues included in his discussion with the Board of Management (deviation from section 7.1.2 sentence 2 of the Code).

SURTECO SE
Board of Management and Supervisory Board”

Buttenwiesen-Pfaffenhofen, 22 December 2010

Explanation of the deviations from the German Corporate Governance Code

SURTECO SE complies in the main with the recommendations of the Germany Corporate Governance Code. This also includes the recommendations of the Code newly incorporated in May 2010. If there are any deviations from the recommendations, we explain these pursuant to section 3.10 of the Code as follows:

1. The deviation in part I sections 1 and 4 of the Declaration of Compliance (no individual disclosure of the compensation for the Members of the Board of Management) is based on the resolution by the Annual General Meeting held on 24 June 2008. In the case of the other deviations in section 1 and in section 4, this relates to subsequent regulations to the effect that the resolution by the Annual General Meeting cannot be circumvented by reports generated in some other way. The restrictions on disclosure are applicable for the last time for the annual financial statements relating to the business year ending on 31 December 2009. The deviation in sections 1 and 4 is therefore relevant for the last time for 2010. In 2011, SURTECO SE will follow these recommendations.
2. A Nomination Committee of the Supervisory Board has not yet been set up, because there is currently no requirement for this in view of the size of the Supervisory Board and the existing shareholder structure (deviation in accordance with part I section 2 and part II section 1 of the Declaration of Compliance).
3. Elections to the Supervisory Board at SURTECO are hence only carried out on the basis of an individual vote, if a shareholder requests this procedure at the Annual General Meeting (part I section 3 and part II section 2 of the Declaration of Compliance). Experiences in the past indicate that there is generally no requirement for an individual vote so that a collective vote is preferable as the default option compared with an individual vote and this enables business at the Annual General Meeting to proceed more quickly. An individual vote is carried out if a shareholder requests this at the Annual General Meeting.
4. Section 7.1.2 of the Code provides for publication of consolidated financial statements within 90 days of the end of the reporting period. This deadline has been extended to 120 days in the case of SURTECO, in order to permit continuation of internal operations for drawing up the annual financial statements and the consolidated financial statements. An information deficit is not incurred as a result, since the relevant figures are in any case available in good time for the ordinary Annual General Meeting. The corresponding deviation is in part I section 5 and part II section 3 of the Declaration of Compliance.

5. The deviation in accordance with part I section 6 and part II section 4 of the Declaration of Compliance (discussion of the half-yearly and quarterly financial reports only with the Chairman of the Audit Committee) corresponds with the previous practice at SURTECO which has proven effective in the opinion of the Supervisory Board and the Board of Management. The inclusion of the entire Audit Committee or even the Supervisory Board before each disclosure of interim reports would be associated with expenditure which would not be commensurate with a corresponding benefit. The Chairman of the Audit Committee is kept thoroughly informed about the details of the accounts of the company and is available as the contact for the Board of Management prior to publication of interim reports.