

CORPORATE GOVERNANCE AT DIC ASSET AG

DECLARATION OF CONFORMITY

Declaration of Conformity pursuant to § 161 AktG

The Management Board and the Supervisory Board declare that DIC Asset AG complied and will continue to comply with the recommendations of the German Corporate Governance Code as published on 26 May 2010 from the date of submission of its previous Declaration of Conformity on 8 December 2011 until the announcement of the new version of the Code in the Federal Gazette on 15 June 2012 and since then with the recommendations as published on 15 May 2012. The following exceptions applied or apply:

- In filling management positions and in the composition of the Management Board and the Supervisory Board of DIC Asset AG, the Management Board and the Supervisory Board have focused and will in the future continue to focus on the interests of the company and the statutory provisions and in doing so will concentrate on the professional and personal qualifications of the candidate - irrespective of gender. In this respect, in deviation from clause 4.1.5 and clause 5.1.2 sentence 1 of the Code, priority was and is not given to achieving an appropriate participation of women in filling management positions and in the composition of the Management Board. Accordingly, in deviation from clause 5.4.1 of the Code, the specific targets for an appropriate participation of women in the Supervisory Board are not viewed as a priority and account was and is not taken of such target, as a priority in nominations for elections by the Supervisory Board to the General Shareholders' Meeting.
- The members of the Management Board have been promised performance-related payments (profit-sharing bonuses) and options on so-called virtual shares as variable remuneration components. In accordance with clause 4.2.3 paragraph 2 of the Code, both positive and negative developments within the agreed assessment period are taken into consideration when determining the variable remuneration components, insofar as the payments may turn out to be correspondingly higher or lower, or may not be made at all. When they exercise the options, the members of the Management Board receive share-price-dependent payments which are based solely on the company's share price within a reference period. In deviation from clause 4.2.3 paragraph 3 of the Code, these options on virtual shares were not and are not based on "demanding, relevant comparison parameters" within the meaning of the Code. We are of the opinion that incorporating additional comparison parameters will not bring about any greater motivation or sense of responsibility.
- When concluding Management Board contracts, care should be taken to ensure that payments made to members of the Management Board upon the prior termination of their work for the Management Board should not exceed two years' pay, including ancillary benefits (severance cap), and should remunerate no more than the residual term of the contract of employment. In deviation from clause 4.2.3 paragraph 4 of the Code, no severance cap was or is agreed when contracts are concluded with the Management Board. An agreement of this kind runs counter to the basic understanding of a Management Board contract that is routinely concluded for the duration of the period of appointment and can, in principle, not be terminated ordinarily. In addition, the company cannot enforce a cap to the severance payment unilaterally in the event a member's work for the Management Board is terminated by mutual agreement, as is frequently the case in practice. In the event of a Management Board contract being terminated prematurely, we shall endeavour to take account of the underlying principle of the recommendation.
- The Supervisory Board is required to propose suitable candidates for new appointments or reappointments to positions on the Supervisory Board by the General Shareholders' Meeting. In deviation from clause 5.3.3 of the Code, no nomination committee was or is formed for this purpose. As the six members of the Supervisory Board are only representatives of the shareholders, and the current practice of voting proposals being prepared by the full Supervisory Board has proved to be efficient, the Supervisory Board sees no need to form a nomination committee.
- In deviation from clause 5.4.1 paragraph 2 of the Code, the Supervisory Board has not set a specific target that takes into account the number of independent members of the Supervisory Board as defined in clause 5.4.2 of the Code and will not specify such target. Although the Supervisory Board believes that it has an appropriate number of independent members at present, the Code as published on 15 May 2012 no longer regulates the term independence of members of the Supervisory Board conclusively but defines the term by a negative distinction with presumptive examples specifying in which cases "in particular" independence no longer exists. In addition, independence shall already not exist if material conflicts of interest that are not only temporary may potentially arise, regardless of whether they actually do arise or not. The question of when independence in accordance with clause 5.4.2 of the Code is to be assumed in an individual case is

thus fraught with too much legal uncertainty for the Supervisory Board as to make it seem advisable to set a specific number of independent members. For this reason, the Supervisory Board has chosen not to set any targets in this respect. In the absence of a corresponding target, in deviation from clause 5.4.1 paragraph 3 of the Code, this aspect is also not taken into account in the Supervisory Board's nominations for elections to the General Shareholders' Meeting, nor is information on the status of its implementation published.

- In deviation from clause 5.4.6 paragraph 1 of the Code, the position of Deputy Chairman of the Supervisory Board was not and is not considered in the remuneration of the Supervisory Board. In the past we have considered such separate remuneration unnecessary, since the Deputy Chairman has only rarely been required to step in to date. The Management Board and the Supervisory Board intend to propose to the next General Shareholders' Meeting in 2013 that the Articles of Association be amended to adjust the Supervisory Board's remuneration in order to take into account the position of Deputy Chairman of the Supervisory Board through an appropriate increasing factor.
- According to the current Articles of Association, members of the Supervisory Board are granted performance-related remuneration that is based on the annual dividend payment and may thus deviate from clause 5.4.6 paragraph 2 of the Code, which recommends that remuneration be linked to long-term business performance. The dividend payment is a key measure of success for the shareholders. We consider it appropriate that members of the Supervisory Board be remunerated in accordance with criteria that are also of significance for the shareholders. In addition, no generally accepted model for implementing a variable remuneration for the Supervisory Board based on long-term business performance has yet been established on the capital market. The company will continue to monitor developments for the time being.

Frankfurt am Main, 7 December 2012

Management Board and Supervisory Board of DIC Asset AG