

► **Declaration on Corporate Governance in Accordance with § 289a German Commercial Code [HGB]**

**Compliance Declaration in Accordance with Sec. 161 German Stock Corporation Act (AktG)**

The Management Board and Supervisory Board of a German stock corporation listed on a stock exchange are obligated in accordance with Sec. 161 German Stock Corporation Act (AktG) to declare once annually whether the recommendations of the Government Commission on the German Corporate Governance Code have been observed and will be observed, or which recommendations have not been applied or will not be applied. The following Declaration of Compliance was made accessible on the Company's website on March 26, 2015, along with the last five years' Declarations of Compliance.

"The Management Board and the Supervisory Board of Vita 34 AG declare in accordance with Sec. 161 German Stock Corporation Act (AktG) that the recommendations of the Government Commission German Corporate Governance Code (DCGK) in the version dated May 13, 2013 have been observed since the issuance of the last compliance declaration on May 13, 2014, with the following exceptions. Moreover, Vita 34 AG complies with the recommendations of the code in the version dated June 26, 2014, since its publication in the German Federal Gazette, and will continue to comply with these, with the exception of the items listed below:

- Sec. 3.8 Para. 3 DCGK: No separate deductible has been agreed upon with the Supervisory Board, since we are not of the opinion that the diligence and sense of responsibility exercised by the members of the Supervisory Board in performing their duties could be further enhanced by agreeing to a deductible.
- Sec. 4.1.5 DCGK: In filling management positions in the Company, the Management Board takes both company-specific circumstances, as well as commensurate variety into consideration. In our opinion, however, the specifications of the DCGK restrict the Management Board too greatly in its selection of the suitable candidates for the management positions to be filled.
- Sec. 4.2.3 Para. 4 DCGK: In deviation from the Corporate Governance Code no severance cap was agreed to with one Management Board member. He was granted grandfathered terms, since he had started his third term of office.
- A specification for the composition of the Management Board, as called for in Sec. 5.1.2 Para. 1 DCGK, limits the Supervisory Board inappropriately in its selection of suitable Management Board members. The same applies accordingly for a target regarding the structure of the Supervisory Board membership, as called for in Sec. 5.4.1, Para. 2 and 3. We are fundamentally of the opinion that this represents too broad a limitation in the selection of suitable Supervisory Board members in individual cases. In addition, such a target also impairs the right of our shareholders to elect the members of the Supervisory Board.

- Sec. 5.1.2 Para. 2 Sentence 3 and Sec. 5.4.1 Para. 2 Sentence 1 DCGK: An age limit for Management and Supervisory Board members has not been established. The determining factor for the capability of the members of these bodies is not age; therefore, we do not consider an age limit to be sensible. The composition of the Supervisory Board should continue to occur, taking the availability, professional suitability and contribution to the company into consideration. On account of this, and the low number of Supervisory Board members, we see the absolute determination of a number of female members as not expedient.
- Secs. 5.3.1, 5.3.2 and Sec. 5.3.3 DCGK: The establishment of committees (i.e. a body that is only comprised of part of the members of the Supervisory Board), especially an Audit Committee, and a Nominating Committee does not make sense due to the size of the Vita 34 AG Supervisory Board of only three board members. A committee capable of making a decision must also have three members, therefore, the people would be identical.”

Leipzig, March 19, 2015

The Supervisory Board

The Management Board”

### **Corporate Governance Practices**

At Vita 34 AG, the principles of good Corporate Governance are a significant foundation of cooperation with our shareholders, employees and business partners. Corporate Governance practices, which go beyond the legal requirements, are not implemented.

### **Management and Supervisory Board Procedure**

Both bodies work together for the benefit of the company. The Management Board is responsible for running the Company; the Supervisory Board advises and controls the Management Board. The Management Board and the Supervisory Board observe the rules of orderly company management.

The Vita 34 AG Management Board consists of 2 members. The Chairman of the Management Board is Dr. André Gerth; an additional Management Board member is Mr. Jörg Ulbrich. The Management Board leads Vita 34 AG under its own responsibility, thereby orienting itself on a continuous increase in company value.

The work of the Management Board in general is regulated by rules of operation. The rules of operation contain the fundamentals of management of the Management Board members, those matters reserved for the entire Management Board, as well as the majority required to pass a Management Board resolution.

The Management Board regularly informs the Supervisory Board concerning all of the issues relevant to the company related to strategy, planning, business development, risk and risk management, as well as compliance, in a timely and comprehensive manner. Currently no member of the Management Board is active as a Supervisory Board member of a company outside the group.

The Supervisory Board of Vita 34 AG comprises three members. It supervises and advises the Management Board regarding the management of the business. To this end, the Supervisory Board regularly discusses the development of business, as well as planning, strategy and its implementation. It approves the annual plan prepared by the Management Board, accepts the annual financial statements and acknowledges the consolidated financial statements acceptingly. Furthermore, it is responsible for appointing and removing the members of the Management Board, as well as for representing the Company in dealings with the Management Board.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, directs the meetings and handles the external affairs of the Supervisory Board. The members of the Supervisory Board are independent in their decisions and are not bound to specifications or instructions from third parties.

The Supervisory Board has not received any notice of conflicts of interest from either the Management Board or from Supervisory Board members. To date, no Management Board member of Vita 34 AG has moved into the Supervisory Board.

The compensation of Management Board members consists of a performance-independent component and a success-dependent component. Vita 34 AG publishes the Management Board compensation individually.

Supervisory Board compensation is regulated in Sec. 18 of the bylaws. The Supervisory Board members at Vita 34 AG receive a fixed compensation. Performance-based compensation is not provided for. Additional details on the compensation of the Management and Supervisory Boards can be found in the notes under text number 26.

The Management Board publishes insider information that pertains to Vita 34 AG immediately, to the extent it is not exempt from doing so in individual cases. In addition, the company keeps an insider directory, which comprises all persons who have access to insider information.

A solid principle of the communications policy of Vita 34 AG is that all shareholders and interest groups are treated equally when publishing information, which pertains to the company and is significant for evaluating the development of the company.

All mandatory publications, as well as additional investor relations publications of the company are issued in German and in English. All information relevant for capital markets is available in German and English on the Vita 34 AG website at [www.vita34group.de](http://www.vita34group.de).

In accordance with Sec 15a of the German Securities Trading Act (WpHG), the members of the Management Board and the Supervisory Board, as well as certain employees with management duties and persons who are close to them, must disclose the purchase and sale of Vita 34 AG stock and financial instruments based on it (Directors' Dealings). The following securities transactions requiring notification took place in fiscal year 2014, and were also published on the company's website. The publication documentation, as well as the corresponding announcements, was sent to the German Federal Agency for Financial Services Supervision.

The percentage of stock owned by Management Board and Supervisory Board members at Vita 34 AG is greater than 1 percent. Here, Management Board member Dr. André Gerth held 383,600 shares as of 31 December 2014, which is equivalent to 12.67 percent. 103,870 shares, equivalent to 3.43 percent, were attributable to Supervisory Board Member Dr. Holger Födisch, and 40,000 shares, equivalent to 1.32 percent, were owned by Supervisory Board Chairman Dr. Hans-Georg Giering.