

## Declaration on Compliance 2015

### Declaration on compliance pursuant to Section 161 AktG

In the year under review, the company essentially complied with the recommendations of the German Corporate Governance Code. Only in a few, well-founded exceptions did the company deviate from the recommendations.

On December 3, 2014, the Board of Management and the Supervisory Board issued the following declaration of compliance for the company in accordance with section 161 of the German Stock Corporation Act (Aktiengesetz), in which, among other things, the deviations from the recommendations are presented and the reasons for these deviations are explained:

### **Declaration on the Corporate Governance Code pursuant to § 161 AktG**

*The Executive Board and Supervisory Board of Eckert & Ziegler Strahlen- und Medizintechnik AG hereby issue the following declaration in accordance with § 161 AktG:*

*Eckert & Ziegler Strahlen- und Medizintechnik AG will comply with the recommendations of the German Corporate Governance Code - as amended on June 24, 2014 - with the following deviations:*

- **Deductible for D&O insurance:** *The D&O insurance policy taken out by the company for the Supervisory Board does not provide for a deductible.*

*The agreement of a deductible in the D&O insurance (liability insurance for members of the executive bodies) for the Supervisory Board is therefore not being considered, as it is not apparent that this would fundamentally improve the motivation and sense of responsibility of the members of the Supervisory Board. Furthermore, the Board of Management and the Supervisory Board do not consider a deductible to be appropriate in view of the comparatively low level of remuneration of the Supervisory Board.*

- **Formation of committees:** *The Supervisory Board has not established any committees, in particular an audit committee or nomination committee.*

*The need to form committees, and an audit committee or a nomination committee, is not considered urgent by the Supervisory Board due to the small number of Supervisory Board members and the specific circumstances of the company. All tasks of these committees are therefore performed by the Supervisory Board as a whole.*

- **Age limit for members of the Management and Supervisory Boards, ethnic or cultural diversity:** *No age limits have been set either for members of the Board of Management or for members of the Supervisory Board. At the same time, the Supervisory Board has refrained from stipulating the number of independent members of the Supervisory Board, ethnic or cultural diversity or the appropriate participation of women when setting concrete targets for its composition.*

*The Executive Board and the Supervisory Board are of the opinion that people should neither be privileged nor disadvantaged because of their age, skin colour, origin or gender. The only guideline for filling positions on the management and supervisory boards can be to select from the largest possible pool of candidates those persons who, on the basis of their knowledge,*

*skills and professional experience, promise the most in a given situation to strengthen the board and thus the competitiveness of the company.*

*Eckert & Ziegler Strahlen- und Medizintechnik AG has fully complied with the recommendations of the German Corporate Governance Code - in the version of May 13, 2013 - since its declaration of compliance of December 3, 2013, except for the deviations notified in this declaration. Regarding the reasons for these deviations, reference is made to the explanations provided in this declaration.*

### **Working methods of the Executive Board and Supervisory Board**

In accordance with the provisions of the German Stock Corporation Act, the company is subject to the so-called "dual management system", which is characterised by a separation of personnel between the Board of Management as the management body and the Supervisory Board as the supervisory body. The Board of Management manages the company with the aim of creating sustainable value, develops the corporate strategy and ensures its implementation in coordination with the Supervisory Board. The Supervisory Board, on the other hand, has the task of monitoring and advising the Executive Board on an ongoing basis. The Executive Board and Supervisory Board work closely together in the interests of the company.

The Executive Board of the company currently consists of three members. The members of the Executive Board are jointly responsible for the management of the company. Without prejudice to the overall responsibility of all members of the Executive Board, each member of the Executive Board is responsible for managing the business area assigned to him.

The principles of cooperation between the members of the Executive Board are set out in detail in the rules of procedure of the Executive Board. In particular, these rules govern the departmental responsibilities of the individual members of the Board of Management, matters reserved for the Board of Management as a whole, the passing of resolutions, the majorities required for resolutions and the rights and duties of the Chairman of the Board of Management. In addition, the rules of procedure define a catalogue of transactions of fundamental importance for which the Board of Management requires the approval of the Supervisory Board.

The Board of Management informs the Supervisory Board regularly, promptly and comprehensively of all aspects of business development of significance to the Group, significant business transactions and the current earnings situation, including the risk situation and risk management. Deviations during business from earlier plans and targets are explained and justified.

In accordance with the Articles of Association, the Supervisory Board consists of six members and is composed exclusively of shareholder representatives. The Supervisory Board is directly involved in decisions of fundamental importance to the company. This includes the strategic orientation of the company. The Supervisory Board appoints and dismisses the members of the Board of Management, decides on the remuneration system for the members of the Board of Management and determines their respective total remuneration.

The procedural rules regarding the conduct of meetings and the adoption of resolutions by the Supervisory Board are summarised in rules of procedure for the Supervisory Board. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board and chairs the meetings. There are currently no committees within the Supervisory Board.

## **Objectives for the composition of the Supervisory Board and status of implementation**

The Supervisory Board must be composed in such a way that its members have the knowledge, skills and professional experience required to properly perform their duties. At the same time, the aim is to ensure that the Supervisory Board has all the knowledge and experience that is considered essential in view of the activities of the company. Furthermore, in view of the international activities of the company, it is intended that the Supervisory Board should always be composed of several members with international business experience or other international connections.

In the opinion of the company, the Supervisory Board is made up of individuals who have a broad spectrum of experience in areas of importance to the company. In addition to members with expertise in the areas of accounting and auditing, the Supervisory Board currently has members with proven specialist knowledge in the health care system, the natural sciences and the waste management industry. In addition, several members have international business experience or other international connections as a result of past or present professional activities.

The Supervisory Board should also have an appropriate number of independent members. A member is considered to be independent if he or she has no business or personal relationship with the company, its executive bodies, a controlling shareholder or an affiliated company that could give rise to a conflict of interest. The Supervisory Board considers a two-thirds majority of independent members to be an appropriate number. However, there are currently no known business or personal relationships of the kind mentioned above that would indicate a lack of independence.

When appointing members to the Supervisory Board, care should also be taken to ensure an appropriate number of women, although no quota has been set. Accordingly, the essential criterion for proposals for the election of the supervisory board remains the expertise in the areas important to the company.

One woman is currently a member of the Supervisory Board. With a total number of six members of the Supervisory Board, this corresponds to a share of 17%.