

DECLARATION ON CORPORATE GOVERNANCE

The declaration on corporate governance in accordance with Section 289a of the German Commercial Code includes the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act, relevant disclosures relating to corporate governance practices, a description of the workings of the Executive Board and Supervisory Board, including the composition and workings of their committees. In accordance with Item 3.10 of the German Corporate Governance Code (GCGC), the declaration on corporate governance of Tognum AG also reports on corporate governance in the company (Corporate Governance Report).

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- » Details of the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act
- » Details of relevant disclosures relating to corporate governance practices
- » Details of the workings of the Executive Board and Supervisory Board, including the composition and workings of their committees
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DECLARATION OF COMPLIANCE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT. The complete text of the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act is included beginning on page 67 of the annual report.

DETAILS OF RELEVANT DISCLOSURES RELATING TO CORPORATE GOVERNANCE PRACTICES. Tognum AG recognises its responsibility to society and is convinced that social responsibility is an important factor for the company's long-term success. Tognum AG, therefore, supports the principles of the Global Compact, an initiative of the United Nations for businesses in areas such as environment, human rights and labour standards.

Initiative and personal responsibility

Tognum AG's commitment in the areas of environment, human rights and labour standards is based on its support for personal initiative and personal responsibility. Only internationally competitive and financially sound companies can contribute to solving society's problems. The social responsibility a company exercises is dependent on the business sector and the markets in which it operates. The focus a company places on specific ecological and social activities lead to competition for the most sustainable business practices. Examples of good practice, external codes, guidelines or standards can help a company to formulate its internal principles and create management systems.

Guidelines summarised in a code of conduct

For Tognum AG, acting in a financially, ecologically and socially responsible way means securing the future competence and innovative ability on the basis of financial success.

Tognum AG has also summarised key guidelines in a code of conduct called "Integrity Code", which is valid for each individual employee within the Group and includes the following core statements:

- » In all dealings with business partners, competitors, governments and authorities, Tognum AG specifies clear rules and modes of behaviour.
- » Tognum AG defends internationally recognised human rights, protects the health and safety of its employees and respects the principle of partnership-based cooperation and equal opportunity in the workplace.
- » Tognum AG employs internal control systems for the protection of the company and to guarantee compliance with the law and internal regulations.
- » Tognum AG strives to bring about a continuous improvement in the quality of its products and services and supports the sustainable protection of the environment.
- » Tognum AG is opposed to discrimination, exploitative working conditions and corruption.

- » Company executives and departments set up specifically for this purpose are responsible for clarifying questions and pointing out the possible consequences of not complying with this code of conduct.

More detailed information relating to the above-mentioned corporate governance practices is available to the general public on the following websites:

- » Global Compact: www.unglobalcompact.org
- » Tognum Integrity Code: www.tognum.com/sustainability-innovation/integrity-code/

DETAILS OF THE WORKINGS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD, INCLUDING THE COMPOSITION AND WORKINGS OF THEIR COMMITTEES. The Executive Board and Supervisory Board work closely with each other in a spirit of trust and confidence to further the interests of Tognum AG. The Executive Board runs the company and manages its business. The Supervisory Board monitors and advises the Executive Board on a regular basis. The Executive Board informs the Supervisory Board regularly, promptly and in full on all issues of relevance to the company relating to corporate planning, including financial, investment and personnel planning, the business situation of the company and the Group, the risk situation, risk management and compliance, and thus complied fully with its reporting obligations. In the event that deviations occur between targets and forecasts in the course of the company's business, the Executive Board notifies the Supervisory Board immediately. This also applies when changes are made to the strategy and development of the Group. The Executive Board also reports regularly, both verbally and in writing, promptly and comprehensively on all transactions of significance to the company. Significant business transactions require the approval of the Supervisory Board. The Supervisory Board is involved in all decisions at an early stage. Outside meetings, the Executive Board and Supervisory Board regularly discuss matters relating to strategy and planning, in addition to current business developments. Particularly in view of the financial and economic crisis, the Supervisory Board maintains regular contact with the Executive Board to ensure that it is informed of current business developments and significant business transactions at an early stage and to take whatever action was considered necessary without delay.

Supervisory Board maintains regular contract with the Executive Board

DETAILS OF WORK IN THE COMMITTEES. To be in a position to perform its duties effectively, the Supervisory Board has set up a total of four committees (the Executive Committee, the Mediation Committee, the Audit Committee, and the Nominations Committee). The committees prepare specific topics for discussion in the plenary sessions and Supervisory Board resolutions. For specific issues, the Supervisory Board has delegated decision-making authority to the committees. A presentation of the individual committees and their members is included on page 174 of this annual report.

DETAILS OF THE CORPORATE GOVERNANCE REPORT. In the 2009 financial year, the Executive Board and Supervisory Board of Tognum AG once again took an in-depth look at Corporate Governance, in particular the recommendations of the German Corporate Governance Code, hereinafter referred to as the Code or GCGC. Corporate governance stands for management and control of companies that is geared towards responsible and sustained value creation. We therefore not only implement the recommendations of the Code in virtually every respect, but also the suggestions it contains. The basic principles and rules of the Code also determine the corporate guidelines of Tognum AG.

The complete Corporate Governance Report is included beginning on page 59 of the annual report.

EVENTS AFTER THE BALANCE SHEET DATE

There were no significant reportable events between the balance sheet date and the date on which this report was prepared.