

# Corporate Governance Statement 2009

## Declaration of Conformity issued by RENK AG's Executive and Supervisory Boards on the recommendations of the German Corporate Governance Code Government Commission pursuant to Art. 161 Stock Corporation Act ("AktG")

RENK AG's Executive and Supervisory Boards issued the following Declaration of Conformity in December 2009.

"RENK AG adopted the recommendations of the German Corporate Governance Code Government Commission subject to its declaration of conformity of December 3, 2008, and will implement the recommendations of the Code as amended up to June 18, 2009, with the following exceptions:

Besides the existing Presidential Committee (in charge of Executive Board staffing issues), no further Supervisory Board committees are or will be established (§ 5.3.1–3 of the Code). With a membership of only six, neither efficiency nor any other reasons would support the formation of such additional committees from among the Supervisory Board members. Presidential Committee chairmanship and membership will not be remunerated (§ 5.4.6 of the Code) since committee work has not and will not within the foreseeable future be of any significant extent."

Augsburg, December 11, 2009

The Supervisory Board  
By: Dr.-Ing. Georg Pachta-Reyhofen

The Executive Board  
By: Florian Hofbauer

### **Corporate governance practices**

Current legislation, the articles of incorporation and bylaws, as well as internationally accepted standards as summarized in the German Corporate Governance Code (the "Code"), have all laid the cornerstone for building a responsible, transparent and value-adding corporate governance system at RENK. Subjecting the key functions of our corporate management and control systems to ongoing reviews and adapting them to current requirements give us virtually full assurance that we will achieve our business goals and targets and thus meet the legitimate expectations of our stakeholders.

RENK's good reputation and the trust placed in us by our customers, investors, workforce and the general public pivot on the proper behavior of all RENK Group employees.

As an MAN Group company, RENK is in its day-to-day business subject to the unconditional application and stringent implementation of the MAN Group's Code of Conduct (as amended). A key objective of the Code of Conduct is to strictly bar the granting and acceptance of benefits from being used as a means of business target achievement. RENK has always held its own among competitors by providing products and services in sound quality and with specific customer benefits—an approach that is instilled into our employees mainly by the impeccable actions and model activities of management but also by training.

Respect for our employees—irrespective of nationality, culture, religion, gender or age—is of the utmost concern to RENK management. We treat our employees in a fair and forthright manner, with understanding and tolerance, and we expect them to replicate this attitude in their relationship with coworkers, business associates and third parties. Our responsibility to society is also reflected in wide-ranging preventive measures relating to occupational safety and the organization of work. These latter ensure best-possible job safety and a positive working environment. We expect our employees to display an entrepreneurial attitude in the way they think and act. In return, they share in our corporate success.

Another essential aspect in the way RENK is run is our responsibility to investors as quantified in the profitability benchmarks. In the continuous pursuance of these goals, it is necessary for us to strengthen our market positions in our core businesses. In doing so and in addition to the opportunities of internal expansion we repeatedly review the applicable external growth strategies such as alliance, joint venture, M&A options plus the establishment of worldwide sales bases. Within the scope of our financial resources such options are selected and seized.

## **Functions, duties, responsibilities and membership of the Executive and Supervisory Boards**

### **Executive Board**

The Executive Board is RENK AG's top management body and has two members (as of December 31, 2009) who transact RENK's business under their joint responsibility. Executive Board members are appointed by the Supervisory Board. The Executive Board's work is governed by rules of procedure.

RENK AG's Executive Board members at December 31, 2009:

Florian Hofbauer, Spokesman, responsible for Engineering and Marketing

Ulrich Sauter, responsible for Production and Administration

The Executive Board determines the business goals and aims for the entire RENK Group and is accountable for good corporate governance. A directors & officers (D&O) insurance policy has been taken out to cover liability claims, the deductible for RENK AG Executive Board members being capped at 3 fixed salaries. The risk management system is designed to assist the Executive Board in early identifying any business and financial risks.

The Executive Board duly complies with its reporting obligations to the Supervisory Board. The acceptance by an Executive Board member of any sideline activity (including the membership in another corporation's supervisory board) is subject to Supervisory Board approval. Moreover, Executive Board members are obligated to report any conflicts of interests promptly to the Supervisory Board and to their peers on the Executive Board. In the year under review, no company of the RENK Group transacted any business with RENK AG's Executive Board members or parties related to these.

### **Supervisory Board**

As another corporate body, the Supervisory Board performs monitoring and advisory functions at RENK AG and is composed of four stockholder and two employee representatives. Stockholder representatives are elected by the general meeting, employee representatives by the workforce. Supervisory Board members are elected individually (i.e., not by collective slate). In 2009, two stockholder representatives left the Supervisory Board whereupon MAN SE appointed a new stockholder representative in accordance with RENK AG's bylaws.

RENK AG's Supervisory Board members at December 31, 2009:

Dr.- Ing. Georg Pachta-Reyhofen, Chairman  
Prof. Dipl.-Ing. (FH) Gerd Finkbeiner  
Dipl.-Ök. Anton Weinmann  
Klaus Ketterle  
Robert Strixner

In the year under review, neither were any clashing interests reported by Supervisory Board members, nor did any consultancy agreement or other contract for work or services exist between a Supervisory Board member and the Company.

Memberships of Supervisory Board members in boards of other enterprises are listed after the notes to the consolidated financial statements. No Supervisory Board member holds any office on a board of, or provides any consultancy services to, major RENK competitors.

Supervisory Board members are answerable for the due and proper performance of their functions. A directors & officers (D&O) insurance policy has been taken out to cover liability claims, the deductible for RENK AG Supervisory Board members corresponding to the total of the Supervisory Board members' annual fees.