

Report of the Supervisory Board

2013



Dr. Franz-Stephan von Gronau
Chairman of the Supervisory Board

DEAR SHAREHOLDERS,

In fiscal 2013, euromicron AG rigorously continued to pursue the next stage of the Agenda 500 integration program. Alongside operational requirements, this represented a major challenge for all executives and employees. With the goal of achieving savings and synergies as well as optimizing processes, the integration measures were successfully consolidated and intensified further so as to create a stable basis for the next phase in the company's growth.

The Supervisory Board of euromicron AG once again discharged the tasks incumbent on it under the law, the Articles of Association, its bylaws and the corporate governance principles in this fiscal year.

Cooperation of the Executive Board and Supervisory Board

The Supervisory Board continuously monitored the Executive Board in running business. As part of that, the Executive Board regularly informed the Supervisory Board in writing and orally about the company's strategy, planning, development of its business, risks and risk management. It also provided reports on compliance and any deviations in business development from the original planning and important business transactions of the company and its subsidiaries.

The company's business development was discussed and reviewed on the basis of the Executive Board's reporting at every meeting of the Supervisory Board. In this regard, the Executive Board fulfilled its duties to provide the Supervisory Board with information promptly and fully and always met the requirements demanded by law and the principles of good corporate governance. In addition, the Supervisory Board obtained additional information from the Executive Board upon request. All information from the Executive Board was examined for plausibility, critically appraised and queried by the Supervisory Board. The members of the Supervisory Board had sufficient opportunity at all times to take a critical look at the reports by the Executive Board and contribute their own suggestions. The business transactions and measures that are of fundamental importance to the company and for which the Executive Board therefore requires the consent of the Supervisory Board pursuant to the bylaws were discussed by the Supervisory Board with the Executive and examined in detail by it. The Supervisory Board consented to each of the submitted business transactions and measures. Among other things, the Supervisory Board also examined the quarterly reports and gave its consent to the quarterly reporting.

Focus of deliberations in 2013

The Supervisory Board and Executive Board held five meetings in fiscal 2013 – on March 26, May 16, July 17, September 17 and December 11/12 – at which it discussed the company's planning, economic situation and strategic development, as well as the progress made in implementing the integration measures at the Group. All members of the Supervisory Board took part in all the meetings.

The focal subjects of the Supervisory Board meetings included the following:

- ▶ Deviation in planning in 2013 and operational planning for fiscal 2014
- ▶ Acquisition policy and integration of the acquired companies
- ▶ Human resources policy and personnel development
- ▶ Data protection and security
- ▶ The Group's financing structure and rating
- ▶ Questions of corporate planning and business policy
- ▶ Organizational development and strategy 2012 – 2015 and progress in implementation of the Agenda 500
- ▶ Risk management and the internal control system of the company
- ▶ Compliance activities and organization

The Supervisory Board satisfied itself that the Executive Board has conducted business correctly and has taken all necessary measures in good time. It supports the existing compliance organization of the Executive Board and in particular launch of an e-learning program on the subject of the Code of Conduct and basic knowledge of compliance for the entire Group. In addition, the Supervisory Board regularly obtained reports on risk management and risk controlling at the Group. One focus was to examine whether the risk management system was up-to-date and adequate.



The efficiency of the Supervisory Board's work and decision-making processes was regularly evaluated and optimized.

Corporate governance

The latest version of the German Corporate Governance Code, the amendments to it published on June, 10, 2013, and implementation of it at euromicron AG were a subject of the Supervisory Board meeting on December 12, 2013.

The Supervisory Board and Executive Board have analyzed the recommendations and suggestions of the "German Corporate Governance Code" (DCGK) and issued an updated declaration on conformance in accordance with Section 161 of the German Stock Corporation Law (AktG). Both bodies have thus fulfilled the obligation to ensure transparent and responsible management and control of the company. The declaration on conformance is contained in the 2013 Annual Report 2013 in the section "Corporate governance declaration in accordance with Section 289a HGB (German Commercial Code)" on page 42 and is available at all times on the company's Internet site.

Independent auditor

The independent auditor elected for the company and the Group by the 2013 General Meeting for fiscal year 2013 is PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main.

Annual financial statements of euromicron AG and the group

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, which was appointed as auditor of the financial statements for fiscal year 2013 by the Ordinary General Meeting in 2013, audited the annual financial statements for fiscal year 2013, which were prepared by the Executive Board in compliance with the rules of the German Commercial Code (HGB), and the management report. The auditor issued an unqualified audit opinion for them. The consolidated financial statements of euromicron AG for the fiscal year 2013 and the group management report were prepared in accordance with Section 315a HGB on the basis of International Financial Reporting Standards (IFRS), as are applicable in the European Union. The consolidated financial statements and group management report were also issued with an unqualified audit opinion.

The financial statement documents and audit reports for euromicron AG and the Group were available to the Supervisory Board in good time before the balance sheet meeting on March 28, 2014. The Supervisory Board examined the financial statements and the management report, as well as the consolidated financial statements and group management report of euromicron AG and the auditor's reports and concurs with the auditor's findings following detailed discussion with the Executive Board. At the balance sheet meeting of the Supervisory Board on March 28, 2014, the auditors reported extensively on the main results of their audit of the single-entity and consolidated financial statements, as well as the company's internal control and risk management system and compliance structures, and answered supplementary questions by the Supervisory Board. There were no objections to this report.

In its meeting on March 28, 2014, the Supervisory Board therefore gave its consent to the result of the audit by the independent auditor and the annual financial statements of euromicron AG prepared by the Executive Board and the group management report. The annual and consolidated financial statements of euromicron AG were thus approved.

The Supervisory Board examined the Executive Board's proposal to carry the net accumulated losses of € -5,283,486.01 forward to a new account and endorses this proposal of the Executive Board.

We also endorse the opinion of the Executive Board that a dividend payment for the past fiscal year – despite the fact that formally speaking one can be paid out if the other revenue reserves are appropriated – is not justified economically. Together with the Executive Board, we therefore propose to the General Meeting to transfer the net retained profits of euromicron AG to the other revenue reserves in order to strengthen equity.

Composition of the boards

There were no changes to the composition of the Executive Board or Supervisory Board in fiscal year 2013. The Chairman of the Supervisory Board is Dr. Franz-Stephan von Gronau and his deputy is Mr. Josef Martin Ortoft. All three members of the Supervisory Board were reelected for a further 5 years (until 2016) at the General Meeting on June 9, 2011.

Thanks

The Supervisory Board wishes to express its thanks to the Executive Board, management, the Managing Directors and all employees of the euromicron Group for their personal commitment and achievements in fiscal 2013. With their great dedication, all of them contributed to euromicron's stable performance.

Frankfurt/Main, March 28, 2014
The Supervisory Board



Dr. Franz-Stephan von Gronau
Chairman of the Supervisory Board