

Report of the Supervisory Board

Dear shareholders,

The Supervisory Board dealt regularly and in detail with the situation and development of the euromicron Group in fiscal 2009. In compliance with the law, the Articles of Association and the Corporate Governance Code, we supported the Executive Board in managing the company and advised it in all related matters.

The Supervisory Board was directly involved in all significant business events and decisions of fundamental importance. In addition, we regularly discussed current strategic considerations with the Executive Board.

The Executive Board regularly, promptly and comprehensively informed the Supervisory Board at its meetings, in writing and orally, about the company's situation, development of its business and financial situation, the Group's situation, including risks and risk management, investment and acquisition projects and basic questions of corporate policy and strategy and compliance. It informed the Supervisory Board about the most important key financial indicators on the basis of monthly reports and submitted matters requiring approval in good time so that a resolution on them could be adopted. The Supervisory Board approved these after examining extensive documents, queries to the Executive Board and intensive discussions with the members of the Executive Board. It was also informed comprehensively of special business transactions and budget variances between the meetings and, where necessary, asked to adopt resolutions by circularization so that expedient measures could be initiated. In addition, the Chairman of the Executive Board informed the Chairman of the Supervisory Board about all important developments and impending decisions in regular one-on-one meetings and phone calls.

Subjects of the Supervisory Board meetings in 2009

The Supervisory Board held five meetings in fiscal 2009 – on February 5 and 6, March 26, May 8, June 17, October 1 and December 8, 2009 – at which it examined in detail the company's economic situation and strategic development. All members took part in the meetings. In addition, resolutions were adopted by circularization in writing in relation to urgent business transactions.

In addition to current business development of euromicron AG and the Group, the course of business of the Group companies and their market environment, the topics regularly discussed at the meetings of the Supervisory Board focused on:



**DR. FRANZ-STEPHAN
VON GRONAU**
CHAIRMAN OF THE SUPERVISORY BOARD

- Acquisition plans
- The current shareholder structure and possible changes
- Organizational development and strategy 2010 – 2015
- Public relations work, expansion of the euromicron Group's perception
- Transaction in connection with the acquisition of shares and license agreements from Remote MDx Inc.
- Development of euromicron austria GmbH, formerly Cteam Consulting & Anlagenbau GmbH, in particular in terms of risks, financing and restructuring
- Risk management
- Questions of corporate planning and business policy
- Questions of Group integration
- The Group's financing situation and rating

In addition, the Supervisory Board kept itself informed in regular meetings and talks with the Executive Board of euromicron's AG ongoing growth and integration strategy. Points of emphasis in this context were rounding out the Group's external growth through company acquisitions, organic growth and the costs required for this, consolidation and integration measures, as well as the development of liquidity and the key financial indicators.

The Supervisory Board satisfied itself that the Executive Board has conducted business correctly and has taken all necessary measures in good time.

A further focus of the Supervisory Board was on reviewing its efficiency. Its work and decision-making processes were evaluated and optimized at regular meetings.

Corporate Governance

The latest version of the German Corporate Governance Code, the amendments to it published on June 18, 2009, and implementation of it at euromicron AG were a subject of the Supervisory Board meeting on December 8, 2009.

The Supervisory Board and Executive Board have analyzed the recommendations and suggestions of the German Corporate Governance Code and issued an updated declaration on conformance in accordance with Section 161 of the German Stock Corporation Law. In this connection, the Supervisory Board and Executive Board have examined the effects of the changes in law pursuant to the German Reasonableness of Management Remuneration Act (VorstAG) dated

July 31, 2009, with the result that a deductible satisfying statutory requirements is to be agreed under the D&O insurance by July 1, 2010.

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 Annual Report 2009 and is available at all times on the company's Internet site.

Examination of the 2009 financial statements

The annual financial statements of euromicron AG and the Management Report as of December 31, 2009, as well as the IFRS consolidated financial statements including the group management report as of December 31, 2009, along with the bookkeeping and the risk identification system, were audited by BDO Deutsche Warentreuhand Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg, and each issued with an unqualified audit opinion. The audit reports of euromicron AG and the Group were available to the Supervisory Board in good time before the balance sheet meeting on March 25, 2010. 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 25, 2010, the auditors reported extensively on the main results of their audit of the annual and consolidated financial statements, as well as the internal control and risk management system, and answered supplementary questions by the Supervisory Board.

Upon conclusion of its examination, the Supervisory Board raises no objections.

The Supervisory Board therefore approved the financial statements of euromicron AG and the euromicron Group prepared by the Executive Board at its meeting on March 25, 2010. The financial statements of euromicron AG are thus adopted. The Supervisory Board examined the Executive Board's proposal to pay a dividend of €1.00 a share (i.e. a total of €4,502,766.00) and to carry the remaining net income of €6,540,143.23 forward to a new account, and endorses this proposal of the Executive Board.

Composition of the Supervisory Board

Dr. Edgar Bernardi retired as a member of the Executive Board of euromicron AG for health reasons effective June 30, 2009, and left the company at the same time at his own request. The Supervisory Board and Executive Board thank Dr. Bernardi for his successful work and wish him all the best.

Thomas Hoffmann was appointed as a member of the Executive Board of euromicron AG effective July 15, 2009. Mr. Hoffmann had been responsible for strategy and integration in euromicron AG's management team since October 1, 2006, and as Managing Director of the associated company SKM Delwave GmbH. He has many years of experience in industry and consulting. The Supervisory Board and Executive Board wish Mr. Hoffmann every success.

There were no other changes to the board members at the company in fiscal 2009 apart from those described for the Executive Board.

Thanks

The Supervisory Board wishes to express its thanks to the Executive Board, management, the General Managers and all employees of the euromicron Group for their personal commitment and achievements in fiscal 2009. All of them contributed to euromicron's positive performance with their great dedication.

Frankfurt/Main, March 25, 2010

The Supervisory Board



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