

Dürr AG Declaration of Compliance with the German Corporate Governance Code

According to Sec. 161 of the German Stock Corporation Law, the board of management and the supervisory board of a listed stock corporation are obliged to declare once every year that the recommendations of the Government Commission German Corporate Governance Code were and are being complied with, or which recommendations were or are not being applied. Dürr AG already fulfills most of the mandatory provisions of the Code, while planning on implementing further provisions. The deviations from the Code are specified below with the corresponding reasons.

In accordance with Sec. 161 of the German Stock Corporation Law, the Board of Management and the Supervisory Board of Dürr AG declare:

“Dürr AG complies with the recommendations of the Government Commission German Corporate Governance Code with the following exceptions:

§ ‘The Management Board shall arrange for the appointment of a representative to exercise shareholders’ voting rights in accordance with instructions.’ (Code, Item 2.3.3, Sentence 3, 1st Half Sentence)

The banks assume the task of offering shareholders the opportunity to exercise their right to vote by a representative appointed by the bank acting on and bound by their instructions.

§ ‘If the company takes out a D&O (directors and officers’ liability insurance) policy for the Management Board and Supervisory Board, a suitable deductible shall be agreed.’ (Code, Item 3.8, Paragraph 2)

A D&O insurance policy with no deductibles exists for the members of the Board of Management and the Supervisory Board. This is a group insurance policy for executives at home and abroad, although a differentiation between members of the executive body and employees does not appear appropriate. In addition, a deductible is not usual abroad and would therefore make it difficult to recruit executives from abroad.

§ 'Compensation of the members of the Management Board shall be reported in the Notes of the Consolidated Financial Statements subdivided according to fixed, performance-related and long-term incentive components.' (Code, Item 4.2.4, Sentence 1)

We report the sum of salaries of the members of our Board of Management in the Notes to our consolidated financial statements. In our view a special item broken down into fixed salary and success-related components would not provide any additional benefit for the shareholders.

§ "Furthermore, ... an age limit to be specified for the members of its Supervisory Board shall be taken into account.' (Code, Item 5.4.1, Sentence 2, Last Part)

Dürr sees no necessity for defining an age limit for members of its Supervisory Board.

§ 'Also to be considered [for specifying the compensation of the members of the Supervisory Board] ... shall be ... the chair and memberships in committees.' (Code, Item 5.4.5, Paragraph 1, Sentence 3, Last Part)

Because of the success-related compensation of the members of our Supervisory Board there is no separate remuneration for the chair or for membership in committees.

§ 'Also payments made by the enterprise to the members of the Supervisory Board or advantages extended for services provided individually, in particular, advisory or agency services shall be listed separately in the Notes to the Consolidated Financial Statements.' (Code, Item 5.4.5, Paragraph 3, Sentence 2)

The possibility of obtaining the expertise of individual members of our Supervisory Board for special topics at any time represents a special advantage for Dürr. Cooperation is based on the conditions that are usual in the industry, which are also maintained in comparable transactions with third parties. Hence, we see no necessity for individualized publication.

§ 'Corresponding information [for the purchase or sale of shares in the company or of related purchase or sale rights (e.g. options) and of rights directly dependent on the stock market price of the company by members of the management board and supervisory board of the company or its parent company and by related parties] shall be provided in the Notes to the Consolidated Financial Statements. The shareholdings, including options

and derivatives, held by individual Management Board and Supervisory Board members must be reported if these directly or indirectly exceed 1 % of the shares issued by the company. If the entire holdings of all members of the Management Board and Supervisory Board exceed 1% of the shares issued by the company, these shall be reported separately according to Management Board and Supervisory Board.’ (Code, Item 6.6, Paragraph 2)

The quota of shares held by large shareholders and statements about directors' dealings are published as specified by the German Securities Trading Law. We believe that these legally regulated mandatory statements are adequate.

§ ‘The Consolidated Financial Statements shall be publicly accessible within 90 days of the end of the financial year; interim reports shall be publicly accessible within 45 days of the end of the reporting period.’ (Code, Item 7.1.2, Sentence 2)

At present we are unable to comply with all the recommended deadlines. However, in the medium term we plan to comply in full with this recommendation. Our consolidated financial statements are published within four months of the end of the financial year. Our half-year report is publicly accessible within 60 days; the interim reports for the first quarter and for the first nine months of the fiscal year are accessible within 45 days of the end of the reporting period.“

Stuttgart, December 20, 2002

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Chairman of the Supervisory Board
Dr.-Ing. E. h. Heinz Dürr

Chairman of the Executive Board
Hans Dieter Pötsch