

ADJUSTED DECLARATION OF COMPLIANCE 2009 *)

The Management Board and Supervisory Board hereby declare that Progress-Werk Oberkirch AG will comply with the recommendations of the German Corporate Governance Code from June 18, 2009, as promulgated by the Government Commission, with the following exceptions:

POINT 3.8

The D&O insurance policy does not include a deductible for Management or Supervisory Board members. In line with the Act on the Appropriateness of Management Board Remuneration (VorstAG) regarding mandatory deductibles, a transitional period applies until June 30, 2010. As of July 1, 2010, the legally required arrangement of deductibles will be implemented. We plan to include a regulation in the Articles of Association stating that the deductible will amount to one half of the annual fixed salary of a Supervisory Board member. The company holds the view that this is an appropriate arrangement.

POINT 5.3.3

The Supervisory Board continues to regard the formation of a Nomination Committee as unnecessary. Since the Supervisory Board comprises only six members, it is agreed that it is appropriate that the entire Supervisory Board should be involved with the nomination of Supervisory Board candidates.

POINT 5.4.1

There is currently no age limit for membership in the Supervisory Board. The company will also refrain from introducing such an age limit because it would unduly limit the pool of qualified candidates.

POINT 5.4.6

There is no separate compensation granted to Supervisory Board members for membership in committees. Section 11 of the Articles of Association excludes such compensation.

The recommendations of the Government Commission German Corporate Governance Code from June 18, 2009 (published on August 5, 2009), and from June 6, 2008 (published August 8, 2008) have been complied with since the issuance of the last Declaration pursuant to Section 161 AktG in December 2008, with the exception of those points specified.

Oberkirch, February 2010

Progress-Werk Oberkirch AG

The Supervisory Board

The Management Board

*) Adjusted by the Management Board and the Supervisory Board due to the planned introduction of deductibles to the D&O policy for the Supervisory Board. In the December 2009 version of the Declaration of Compliance, the arrangement of deductibles was not planned.