

Annual Report 2004  
SINGULUS TECHNOLOGIES

# Focus on New Technologies



SINGULUS 



## Corporate Governance.

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## Corporate Governance

SINGULUS TECHNOLOGIES has always been committed to responsible business policies directed toward long-term value enhancement. In as far as possible, the Executive and Supervisory Boards follow the recommendations of the German Code of Corporate Governance which champions the rights of the shareholders who provide the company with necessary equity and thereby bear the entrepreneurial risk.

The trustworthy, candid, and close collaboration among members of the Executive and Supervisory Boards extends beyond regular board meetings and contributes to SINGULUS TECHNOLOGIES' ability to quickly respond to a changing environment while being ever mindful of our objective to sustain the value of the company. The

Executive Board's regular, timely, and comprehensive reporting to the Supervisory Board on questions of corporate planning and strategic development, business progress, the status of the company, as well as risk management, have for years been an integral part of our corporate governance. This includes intense discussions addressing the reasons for deviations from established goals and plans. The company's strategic position is reviewed at regularly-scheduled intervals.

### Corporate Governance Statement

The Executive Board, Supervisory Board and executives at SINGULUS TECHNOLOGIES endorse the principles of corporate transparency, accountability and control which serve to preserve and strengthen the confidence of shareholders, employees, business partners and the public in general.

### SINGULUS TECHNOLOGIES AG - Declaration in Accordance with Art. 161 of the Stock Corporation Act (AktG)

The company complied with the German Code of Corporate Governance recommendations issued by the German Federal Ministry of Justice on May 21, 2003 ("Code") during fiscal 2004 and will continue to do so during the current fiscal year. Exceptions are as follows:

1. In lieu of a deductible for its directors and officers liability insurance ("D&O insurance"), the company and the members of its governing bodies agreed that members' respective insurance premiums for D&O insurance be borne individually (Code Fig. 3.8, Par. 2).

2. In lieu of a statutory provision, the company's Supervisory Board bylaws stipulate that the retirement age for Executive Board members will be considered during succession planning (Code Fig. 5.1.2, Par. 2).

3. Committees have not been and will not be formed as long as the Supervisory Board comprises only three members (Code Fig. 5.3.1 and 5.3.2).

4. In lieu of a statutory provision, the Supervisory Board bylaws stipulate that the retirement age for Supervisory Board members will be considered when exercising nominating rights for new elections (Code Fig. 5.4.1).

Kahl, February 2005  
SINGULUS TECHNOLOGIES AG

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