



Corporate Governance

A responsible and sustainable corporate governance is very important to the SINGULUS TECHNOLOGIES AG. Except for a few deviations we are implementing the principles of the German Corporate Governance Code.

The Executive and Supervisory Boards unanimously agreed to the implementation of the rules of the Corporate Governance Code and regard it as a process integrated in the corporate development that is being continuously expanded. With a maximum of transparency the SINGULUS TECHNOLOGIES AG makes corporate processes comprehensible and promotes an open and trusting relationship with the shareholders.

Financial statements.

The consolidated financial statements, the financial statements of the AG and the interim reports were drawn up pursuant to the International Financial Reporting Standards (IFRS) and are internationally comparable hence. Interim reports were made public within 45 days after the end of the respective quarter and the annual financial statements within 90 days after the end of the year.

Annual audit.

The report of the fiscal year 2005 was presented to the Ernst & Young AG, Certified Public Accountants, for the annual audit and is available for downloading from the homepage of SINGULUS TECHNOLOGIES.

Compensation.

Similar to the past years SINGULUS TECHNOLOGIES individually reports the fixed as well as the variable components of the compensation of the members of the Executive Board on page 25.

Director's Dealings.

With coming into effect of the Fourth Financial Market Promotion Act (Viertes Finanzmarktförderungsgesetz) as of July 1, 2002 pursuant to Art. 15a Securities Trading Act (Wertpapierhandelsgesetz) the members of the Executive and Supervisory Boards of the SINGULUS TECHNOLOGIES AG have to report the purchase or disposal of the company's shares. Section 6.6 of the German Corporate Governance Code also includes a recommendation about the disclosure of such securities transactions. In addition to the buy and sell transactions in SINGULUS TECHNOLOGIES shares other securities transactions with respect to SINGULUS TECHNOLOGIES shares have to be disclosed as well. Securities transactions of spouses, common law spouses as well as first-grade relatives have to be disclosed.

All share purchases and disposals of the Executive Board were disclosed according to the regulations of the Federal Financial Supervisory Authority (Bundesamt für Finanzdienstleistungsaufsicht – BaFin) and published on the website.

Register of insiders.

SINGULUS TECHNOLOGIES keeps an internal register of insiders which can be provided to the Federal Financial Supervisory Authority (BaFin) upon request.

Declaration of conformity of the SINGULUS TECHNOLOGIES AG pursuant to Art. 161 Stock Corporation Act (AktG):

The Federal Department of Justice published an amendment of the German Corporate Governance Code in 2005. During the current business year 2006 the SINGULUS TECHNOLOGIES AG will adhere to the recommendations of the German Corporate Governance Code as amended by the Federal Department of Justice as per June 2, 2005. During the previous business year 2005 the recommendations of the German Corporate Governance Code as amended by the Federal Department of Justice as of May 21, 2003 were adhered to.

This excluded – for the business year 2005 as well as for the business year 2006 – the following recommendations:

1. In connection with the conclusion of a personal liability insurance for the member of the Boards (D&O insurance) the company agreed with them that the members of the Boards will pay their own insurance premiums for the D&O insurance (c. Sec. 3.8 Para 2 of the Code).

2. Instead of the determination of the maximum age of a member of the Executive Boards according to the by-laws, the by-laws of the Supervisory Board state that the age limit has to be considered for the succession planning (c. Sec. 5.1.2 Para. 2 of the Code).

3. As long as the Supervisory Boards is only comprised of three members, there have not been and there will be no committees (c. Sec. 5.3.1 and 5.3.2 of the Code).

4. Instead of the determination of the maximum age of a member of the Supervisory Board according to the by-laws, the by-laws of the Supervisory Board state that the age limit has to be considered for the proposal of new members to be elected (c. Sec. 5.4.1 of the Code).

Kahl, January 2006
SINGULUS TECHNOLOGIES AG

Alexander von Engelhardt
William Slee
Thomas Geitner

Roland Lacher
Stefan A. Baustert
Klaus Hammen

Supervisory Board of the SINGULUS TECHNOLOGIES AG.

Pursuant to the by-laws the Supervisory Board of the SINGULUS TECHNOLOGIES AG is comprised of three members. During the business year 2005 the members of the Supervisory Board included:

- _ Alexander von Engelhardt, Kronberg (Taunus), Chairman
- _ William Slee, London, Deputy Chairman
- _ Thomas Geitner, Newbury, Berkshire

The abovementioned members of the Supervisory Board are appointed until the completion of the Annual General Meeting which grants discharge to the Board for the business year 2005. In addition to the reimbursement of expenses, the members of the Supervisory Board receive compensations in the amount of € 15,000 for a full business year being member

of the Supervisory Board. Furthermore, for its membership of the Supervisory Board during the previous business year after the decision of the profit appropriation, each member of the Supervisory Board receives a variable compensation component in the amount of € 800.00 for each cent of the consolidated net profit per share according to the International Accounting Standards / International Financial Reporting Standards (IAS / IFRS) exceeding the amount of € 0.30. The maximum amount of the assessment base equals the net profit of the company less an amount of four percent of the contributions paid for the lowest issue amount of the shares.

The Chairman receives twice this amount, the Deputy Chairman one and a half times this amount. During the period under review the Supervisory Board received a total compensation in the amount of € 67,500. This amount is split as follows:

	Fixed	Variable	Total
	K€	K€	K€
Alexander von Engelhardt	30.0	–	30.0
William Slee	22.5	–	22.5
Thomas Geitner	15.0	–	15.0
Gesamt	67.5	–	67.5

The following members of the Supervisory Board are shareholders of the company:

Number of shares held as of December 31, 2005:

William Slee	29,520
Thomas Geitner	1,500

The members of the Supervisory Board hold the following occupations and are members of the following Supervisory Boards and boards of comparable monitoring entities:

	Occupation held	Members of other Supervisory Boards and boards of other monitoring entities
Alexander v. Engelhardt	Supervisory Board	WashTec AG (Chairman) Dr. Schmidt AG & CO (until Dec. 31, 2005) Gütermann AG (until June 30, 2005) Tarkett Sommer AG
William Slee	Supervisory Board	The Game Group plc, Great Britain, Non executive Director (until September 19, 2005) Dimon Inc., Danville, Virginia USA, Non executive Director (until May 13, 2005) ECOFIN Water + Power Opportunities plc, Great Britain, Non executive Director (until May 19, 2005)
Thomas Geitner	Executive Director Vodafone Group plc. Managing Director Vodafone Holding GmbH, Düsseldorf Managing Director Vodafone Deutschland GmbH, Düsseldorf	Vodafone D2 GmbH, Düsseldorf Arcor AG & Co., Eschborn, Chairman (until Dec. 31, 2005)

Executive Board of the SINGULUS TECHNOLOGIES AG.

In the business year 2005 the Executive Board was comprised of the following members:

- _ Roland Lacher, Chairman
- _ Stefan A. Baustert
- _ Klaus Hammen

During the period under review the Executive Board received a total compensation in the amount of € 905,000. This amount is split as follows:

	Fixed	Variable	Total
	K€	K€	K€
Roland Lacher	373	–	373
Stefan A. Baustert	279	–	279
Klaus Hammen	253	–	253
Total	905	–	905

Number of shares held by the Executive Board as of Dec. 31, 2005

shares with a nominal value of € 1:

WG Roland Lacher GbR	141,750 shares
Stefan A. Baustert	2,400 shares

Granted stock options (€ 1 nominal value) through convertible:

Stefan A. Baustert	160,000 shares
Employees	712,682 shares

SINGULUS TECHNOLOGIES AG
Hanauer Landstraße 103
D-63796 Kahl/Main
Tel. +49-6188-440-0
Fax +49-6188-440-110
Internet: www.singulus.de

Investor Relations

Maren Schuster
Tel. +49-6188-440-612
Fax +49-6188-440-110
email:
investor.relations@singulus.de

Published by

SINGULUS TECHNOLOGIES AG,
Kahl/Main

Production

MetaCom Corporate
Communications GmbH

Conception and Idea

Bernhard Krause

Text

Bernhard Krause,
Kristina Wessling,
SINGULUS TECHNOLOGIES

Artwork/DTP

Jens Gloger,
Michaela Schäfer

Photography

Werksfotos
SINGULUS TECHNOLOGIES
With kind permission of
Blu-ray Disc Association,
HD DVD Promotion Group,
Microsoft, Philips,
Matthias Müller

Printing

Braun & Sohn, Maintal
Printed on chlorine-free
bleached paper



SINGULUS TECHNOLOGIES AG

Hanauer Landstraße 103

D-63796 Kahl/Main

www.singulus.de