

Declaration of conformity 2020

The recommendations of the Government Commission on the German Corporate Governance Code are tailored to the circumstances of a stock corporation. Insofar as these recommendations functionally affect the general partner and bodies of the AG & Co. KGaA due to special features of its legal form, Dräger applies these recommendations to Drägerwerk Verwaltungs AG.

The general partner, represented by its Executive Board, and the Supervisory Board declare that Drägerwerk AG & Co. KGaA has complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated February 7, 2017 since issuing its last declaration of conformity on 19 December 2019 until 20 March 2020 and, as amended on 16 December 2019, has complied and will comply with them since 21 March 2020 with the following exceptions:

Recommendation G.10 is partly not complied with. According to this recommendation, the variable remuneration amounts granted to the member of the Executive Board, taking into account the long-term tax burden, shall be invested primarily in shares of the company or granted accordingly on a share basis. The Executive Board member shall only be able to dispose of these after four years.

In the current remuneration system, the majority of the variable remuneration component is based on the development of the company-related ratio Dräger Value Added (DVA) in a three-year and a five-year period. In the opinion of the Supervisory Board, this variable remuneration component, which is based on the increase in the value of the Company, also achieves the objectives of the recommended long-term and sustainable orientation and avoids the disadvantages of share prices that might fluctuate erratically.

Recommendation G.11 is partly not complied with. According to this recommendation, the Supervisory Board shall have the possibility to take extraordinary developments into account within an appropriate framework. In justified cases, it shall be possible to retain or reclaim variable remuneration.

With regard to possible retention or repayment claims of variable remuneration components, the Supervisory Board considers the statutory liability regime to be appropriate.

Lübeck, December 2020