

German Corporate Governance Code

Declaration of Conformity

The Management Board and the Supervisory Board approved the following Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). In 2005, design hotels AG complied with and will continue to comply with the recommendations of the German Corporate Governance Code in the version of June 2, 2005 with the following exceptions:

- The Management Board does not consist of more than one person. Therefore, no chairman or spokesperson is appointed. (Code Section 4.2.1, clause 1).
- As a result of the reduction of the members of the Supervisory Board from six to three with effect of 25.01.2005 the existing committees – Financial and Chairman’s Committee – were dissolved effective 14.02.2005. Thus, no more Supervisory Board committees exist (Code Sections 5.3.1 and 5.3.2).
- The members of the Supervisory Board do not obtain a variable compensation in addition to their fixed compensation (Code Section 5.4.7 clause 4).
- No age limit for members of the Supervisory Board has been fixed so far (Code Section 5.4.1 clause 2).