

## **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 2006, 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, 2006 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).
- Since 13.07.2006 the Supervisory Board consists of six members. However, no committees, such as a Finance Committee or Presidential Committee, were formed. Thus, no committees of the Supervisory Board 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 Supervisory Board Members was fixed (Code Sections 5.4.1 clause 2).