

## **Declaration of Compliance with the German Corporate Governance Code for the year 2014**

The German Corporate Governance Code in its current version as of 24 June 2014 (the ‘Code’) sets forth substantial legal requirements for the management and supervision of listed German companies. The rules are based to a large extent on internationally recognized standards for sound and responsible company management.

The general key principles of sound Corporate Governance are: observance of shareholder and employee interests, effective cooperation between the Management Board and the Supervisory Board and open and transparent communication.

With the following exceptions, Evotec complies with all recommendations of the Code and the majority of the Code’s suggestions. In December 2014, Evotec’s Management Board and Supervisory Board declared in accordance with Section 161 of the German Stock Corporation Act (AktG):

“Evotec AG has complied in 2014 with the recommendations of the Governmental Commission on the German Corporate Governance Code (the “Code”) as published in the official section of the Federal Gazette and intends to comply in the future with the recommendations of the Code, with the following exceptions:

- *To incentivise executives via variable long-term incentive compensation, the 2012 Annual General Meeting in June approved the so-called Share Performance Plan. This complies with the recommendations set forth in Section 4.2.3 of the Code. In particular, it refers to specific key performance indicators and defines a “Maximum Target”. From 2012 onwards, the Share Performance Plan replaced Evotec’s stock option programme. Stock options issued in existing stock option programmes remain valid. While the exercise of options under these programmes requires an increase of the share price, the exercise is not related to other relevant comparison parameters as recommended in Section 4.2.3 of the Code. This decision is based on the lack of relevant comparison benchmarks in the field of German Biotech at the time when the stock option programmes were created.*
- *The Company’s D&O insurance and the deductible for members of the Management Board contained therein are in line with Section 3.8 of the Code and with the regulations of the Act on the Appropriateness of Management Board Compensation (VorstAG) that was enacted in 2009. However, for members of the Supervisory Board, the D&O insurance contains a “reasonable” deductible as foreseen by the version of the Code in force before its version published on 05 August 2009. The Company has decided to maintain this reasonable deductible. This decision was made in view of the Company’s interest to attract international expertise for its Supervisory Board and the fact that a deductible for non-executive directors is not very common in international practice. Whilst a lot of the German companies quoted on the TecDAX do not have a respective deductible at all, the Company believes that a reasonable deductible is a good compromise.*
- *The Supervisory Board has specified concrete objectives regarding its composition, which are ensured when making proposals to the Annual General Meeting (AGM) for election or re-election of new Supervisory Board members. These objectives and Supervisory Board’s Rules of Procedure include inter alia that the individual age of a candidate shall not exceed 72 years at the time of the proposal. All members of the Supervisory Board were up for election at the AGM 2014. To ensure the required*

*expertise and some element of continuity in the Supervisory Board after the AGM 2014, it was proposed to the AGM as an exemption that due to his professional expertise Dr Walter Wenninger should serve again as Supervisory Board member although Dr Walter Wenninger was already 76 years at the AGM 2014. The Rules of Procedure of the Supervisory Board allows an exemption from the general age limit of 72 years at election. The AGM has elected Dr Wenninger as Supervisory Board member.”*

Hamburg, December 2014

Management Board

Supervisory Board