

## **Declaration of Compliance with the German Corporate Governance Code for the year 2015**

The German Corporate Governance Code in its current version as of 05 May 2015 (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 2015, 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 2015 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 and 2015 Annual General Meetings approved the so-called Share Performance Plans. These comply with the recommendations set forth in Section 4.2.3 of the Code. In particular, they refer to specific key performance indicators and define a “Maximum Target”. From 2012 onwards, the Share Performance Plans 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.”*

Hamburg, December 2015

Management Board

Supervisory Board