

## > CORPORATE GOVERNANCE REPORT

The German Corporate Governance Code, which was enacted in 2002 and last amended in June 2007, presents essential principles for the management and supervision of German listed companies and contains internationally and nationally recognized standards for good and responsible governance. Its purpose is to promote the trust of international and national investors, customers, employees and the general public in the management and supervision of listed German stock corporations.

For FUCHS PETROLUB AG an effective Corporate Governance forms part of its identity and represents an essential prerequisite for achieving its business objectives and increasing its corporate values. This includes a cooperation between the Executive Board, the Supervisory Board and employees, in an atmosphere of commonly shared trust and responsibility, respect for shareholders' interests and transparent accounting and reporting. Our paramount objective is to further strengthen the trust our shareholders, business partners, employees and the public have in us and contribute our share to making the Finanzplatz Germany more attractive, also for foreign investors.

The Executive Board and Supervisory Board of FUCHS PETROLUB AG and its subsidiaries have recognized the German Corporate Governance Code in its entirety. By taking the following actions, FUCHS PETROLUB AG is meeting its obligation of ensuring transparency in corporate communication:

- > Regular reporting through annual reports, quarterly and interim reports, balance sheet press conferences and conference calls
- > Publication of all relevant dates in the financial calendar
- > Annual General Meeting
- > Ad-hoc messages
- > Disclosure of directors' dealings
- > Information about the Executive and Supervisory Board (e.g. structure of remuneration, shareholdings, etc.)

Deviations from the recommendations of the German Corporate Governance Code are documented in the legally required declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG). This declaration is published in this Annual Report and on the Internet.

Further information on the Corporate Governance report is contained in the notes to this Annual Report on pages 121 and 122.

### **Declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG)**

FUCHS PETROLUB AG complied with the regulations of the "German Government Commission on the Corporate Governance Code" in the version applicable since June 14, 2007 – with the deviations disclosed in the declaration of compliance of December 12, 2006. We will comply with this version of the Code with the following exceptions:

## &gt; Section 3.8

No suitable deductible is agreed upon in connection with the D&O (directors' and officers' liability insurance) policy for the Executive Board and the Supervisory Board of FUCHS PETROLUB AG. The Executive Board and the Supervisory Board of FUCHS PETROLUB AG are fully committed to the motivation and responsibility with which they carry out their duties and do not believe that this needs clarification by means of a deductible.

## &gt; Section 5.3.2

The Supervisory Board of FUCHS PETROLUB AG is relatively small. It consists of six members. For this reason, no separate audit committee is necessary. The entire Supervisory Board of FUCHS PETROLUB AG deals intensively with questions of accounting and risk management, the compliance, the necessary independence of the external auditors, the appointment of external auditors to carry out the statutory audit, the determination of the main areas of the audit and the audit fee. Furthermore, the external auditors also attend the meeting of the Supervisory Board at which the financial statements are dealt with.

## &gt; Section 5.4.7

FUCHS PETROLUB AG reports the compensation of the members of the Supervisory Board in the appendix of the consolidated financial statements (Corporate Governance report), subdivided by fixed and variable components. No specific details of compensation are given, as these can be gained from the details in the Corporate Governance report.

## &gt; Section 6.6

FUCHS PETROLUB AG publishes its notifiable share dealings and related company financial instruments in accordance with Section 15a of the Securities Trading Act on its Internet site. There is, therefore, no additional information in the Corporate Governance report.

Mannheim, December 17, 2007

**Prof. Dr. Jürgen Strube**

Chairman of the Supervisory Board

**Stefan R. Fuchs**

Chairman of the Executive Board