

CORPORATE GOVERNANCE REPORT

The German Corporate Governance Code contains important legal regulations for the management and monitoring of listed German companies (company management) and internationally and nationally recognized standards for good, responsible company management. The code is intended to make the German corporate governance system transparent and comprehensible. It is also intended to promote confidence among international and national investors, customers, employees and the public in the management and supervision of German listed stock corporations.

Corporate Governance principles of FUCHS PETROLUB AG

For FUCHS PETROLUB AG effective Corporate Governance is an important part of the way in which the company regards itself. With our Corporate Governance we are ensuring that we have management that is responsible and oriented to creating added value and control of the company. The main principles are the German Stock Corporation Law and the German Corporate Governance Code which was enacted in 2002 and extended in May 2003 and June 2005.

The Executive Board, the Supervisory Board and the employees of FUCHS PETROLUB AG and its associated companies are bound by the German Corporate Governance Code.

Deviations from the German Corporate Governance Code are documented in the legally required declaration of compliance in accordance with section 161 of the German Stock Corporation Law. This declaration is published here and on the internet.

Further information on the Corporate Governance report is contained in the appendix to the Annual Report on page 108.

Declaration of compliance

FUCHS PETROLUB AG complied with the regulations of the "German Government Commission on the Corporate Governance Code" in the version applicable since July 20, 2005 – with the deviations disclosed in the declaration of compliance of December 13, 2004. We will comply with this version of the Code with the following exceptions:

■ 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 convinced of the motivation and responsibility with which they carry out their duties and do not believe that this needs to be made even clearer by means of a deductible.

■ Section 4.2.4

FUCHS PETROLUB AG reports the compensation of the members of the Executive Board in the notes to the consolidated financial statements, subdivided according to fixed and performance-related components. No individualized details of compensation are given, as the Executive Board and the Supervisory Board of FUCHS PETROLUB AG are convinced



that the value of such information for the shareholders does not meet the Executive Board's overall responsibility and bears no relation to the infringement of the Executive Board members' personal rights and privacy that would be caused by stating such details.

■ 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 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.

■ Section 5.4.7

FUCHS PETROLUB AG reports the compensation of the members of the Supervisory Board in the notes to the consolidated financial statements, subdivided according to fixed and performance related components. No individualized details of compensation are given, as the Executive Board and the Supervisory Board of FUCHS PETROLUB AG are convinced that the value of such information for the shareholders bears no relation to the infringement of the Supervisory Board members' personal rights and privacy that would be caused by stating such details.

■ 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.

■ • Section 7.1.4

FUCHS PETROLUB AG publishes a list of its major subsidiaries. This list shows the names and headquarters of the companies, the amount of each company's equity, our share in its equity and the sales revenues. No details are given of the subsidiaries' earnings for the previous financial year for reasons of competition. However, the companies' annual financial statements are filed with the Company Register and are laid out for inspection at the annual shareholders' meeting. Moreover, on request, details of individual companies' earnings may be stated at the annual shareholders' meeting.

Mannheim, December 14, 2005

Prof. Dr. Jürgen Strube
Chairman of the Supervisory Board
FUCHS PETROLUB AG

Stefan R. Fuchs
Chairman of the Executive Board
FUCHS PETROLUB AG