

CORPORATE GOVERNANCE REPORT

The German Corporate Governance Code contains important legal regulations for the management and monitoring of listed German companies (company management), as well as internationally and nationally recognized standards for good, responsible company management. The Code, which was passed in 2002 and last amended in June 2006, 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.

For FUCHS PETROLUB AG “Corporate Governance” stands for responsible management and control of a company, oriented toward long-term value creation. Efficient cooperation between Executive Board and Supervisory Board, attention to shareholders’ interests, as well as publicity and transparency of company communication, are important aspects. For us, Corporate Governance is a central approach, which comprises all areas in the company. Our primary objective is to ratify and strengthen the trust placed in us by investors, financial markets, business partners, employees and the public. 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 Executive Board, the Supervisory Board and the employees of FUCHS PETROLUB AG and its subsidiaries 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 Act (AktG). This declaration is published here and on the Internet.

Further information on the Corporate Governance report is contained in the notes to this Annual Report on pages 113 and 114.

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 12, 2006 – with the deviations disclosed in the declaration of compliance of December 14, 2005. 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 committed to the motivation and responsibility with which they carry out their duties and do not believe that this needs to be clarified by means of a deductible.

>> 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 remuneration 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 remuneration are given, as these can be gained from the details in the Corporate Governance report.

>> 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 investments in companies. This list shows the names and headquarters of the companies, the amount of each company's equity, our share of equity and the sales revenues. No details are given of the respective company's 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 General Meeting. Moreover, on request, details of individual companies' earnings may be communicated at the Annual General Meeting.

Mannheim, December 12, 2006

Prof. Dr. Jürgen Strube
Chairman of the Supervisory Board

Stefan R. Fuchs
Chairman of the Executive Board