



Personal & Informatik

## **Statement of Compliance according to Art. 161 German Companies Act (AktG)**

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Wiesbaden, Germany, December 2003

### **Statement by the Supervisory Board and the Management Board of P&I Personal & Informatik AG according to Art. 161 (AktG) regard- ing compliance with the German Corporate Governance Code**

After thorough discussions on the recommendations issued by the government commission on the German Corporate Governance Code on company management and supervision (code version of May 21, 2003), the Supervisory Board and Management Board of P&I Personal & Informatik AG have decided that they will comply with the recommendations made by the government commission on the German Corporate Governance Code as published in the electronic pages of the Bundesanzeiger on July 4, 2003 with the following exceptions:

#### **Deductible in directors' and officers' liability insurance policies**

The German Corporate Governance Code recommends agreeing a suitable deductible in liability insurance policies taken out by a company for its supervisory board and management board members. The Supervisory Board and the Management Board are not of the opinion that such a deductible would serve to improve the motivation and responsibility with which the Supervisory Board and Management Board members of P&I Personal & Informatik AG discharge their duties. For this reason, P&I Personal & Informatik AG does not intend to modify the existing D&O insurance policy, which does not stipulate a deductible.

#### **Publication of the remunerations of each member of the Management Board (item 4.2.4)**

The German Corporate Governance Code recommends the publication of the remunerations received by each of the management board members in the enclosure to the consolidated annual report. The Management Board decided that it would not follow this recommendation. According to German law in force, the Board considers it sufficient to publish the total amount of remunerations given to the Management board in the consolidated annual report's enclosure. By dividing the total amount by the number of the management board members and by taking into account their ranks and assignments, the already known data to be published in this matter will allow a sufficient conclusion on the remuneration of each of the management board members.

## **Age limit for members of the Management Board and Supervisory Board**

The German Corporate Governance Code recommends specifying an age limit for Management Board and Supervisory Board members. No blanket age limit was specified for members of the Supervisory Board as this is considered an unreasonable restriction of shareholders' rights during the election of members of the Supervisory Board.

## **Formation of committees**

The German Corporate Governance Code recommends forming committees with sufficient expertise and explicitly mentions the formation of an Audit Committee. According to German law in force, the audit of the annual report and of the management report as well as of the consolidated annual report and of the consolidated management report according to Art. 171 Sec. 1 German Companies Act (AktG) and the Report of the Supervisory Board to the General Meeting (Art. 171 Sec. 2 German Companies Act (AktG)) is a duty assigned to the Group Supervisory Board that may not be delegated to the Audit Committee. As such, an Audit Committee would only have a preparatory function. Therefore, the Group Supervisory Board will continue to be in charge of giving the auditor the audit assignment, determining the main focus of the audit and agreeing the remuneration with the auditor.

This determination is appropriate for the size of the Supervisory Board of P&I Personal & Informatik AG, which does not necessitate the formation of committees. The Supervisory Board of P&I Personal & Informatik AG generally convenes six to seven times per year. This frequency does not leave much latitude to form committees. Committees would inevitably reduce the number of meetings of the Group Supervisory Board, so that there would not principally be an advantage for the Company.

## **Performance-based compensation of Supervisory Board members**

The German Corporate Governance Code recommends a fixed salary in addition to performance-based compensation for members of the Supervisory Board. The Supervisory Board will not comply with this recommendation as it believes that the size and structure of the Company and the Company's current development stage do not make performance-based compensation advisable. We also see a danger, at least at the present time, that such a compensation model might create certain conflicts of interest affecting decisions made by every member of the Supervisory Board.

Since last year's publication of the declaration of compliance according to Art. 161 AktG in December 2002, P&I Personal & Informatik AG has complied with the recommendations made by the government commission about German Corporate Governance Codes published in the electronic Bundesanzeiger on November 26, 2002 (code version of November 7, 2002) with the following exceptions:

## **Deductible in directors' and officers' liability insurance policies**

The German Corporate Governance Code recommends agreeing a suitable deductible in liability insurance policies taken out by a company for its supervisory board and management board members. The Supervisory Board and the Management Board are not of the opinion that such a deductible would serve to improve the motivation and responsibility with which the Supervisory Board and Management Board members of P&I Personal & Informatik AG discharge their duties. For this reason, P&I Personal & Informatik AG does not intend to modify the existing D&O insurance policy, which does not stipulate a deductible.

## **Age limit for members of the Management Board and Supervisory Board**

The German Corporate Governance Code recommends specifying an age limit for Management Board and Supervisory Board members. The Supervisory Board of P&I Personal & Informatik AG has decided not to enforce a blanket age limit for members of the Management Board, as this might constitute an unintended exclusion criterion for qualified Management Board members. No blanket age limit was specified for members of the Supervisory Board as this is considered an unreasonable restriction of shareholders' rights during the election of members of the Supervisory Board.

## **Formation of committees**

The German Corporate Governance Code recommends forming committees with sufficient expertise and explicitly mentions the formation of an Audit Committee. According to German law in force, the audit of the annual report and of the management report as well as of the consolidated annual report and of the consolidated management report according to Art. 171 Sec. 1 German Companies Act (AktG) and the Report of the Supervisory Board to the General Meeting (Art. 171 Sec. 2 German Companies Act (AktG)) is a duty assigned to the Group Supervisory Board that may not be delegated to the Audit Committee. As such, an Audit Committee would only have a preparatory function. Therefore, the Group Supervisory Board will continue to be in charge of giving the auditor the audit assignment, determining the main focus of the audit and agreeing the remuneration with the auditor. This determination is appropriate for the size of the Supervisory Board of P&I Personal & Informatik AG, which does not necessitate the formation of committees. The Supervisory Board of P&I Personal & Informatik AG generally convenes six to seven times per year. This frequency does not leave much latitude to form committees. Committees would inevitably reduce the number of meetings of the Group Supervisory Board, so that there would not principally be an advantage for the Company.

## **Performance-based compensation of Supervisory Board members**

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Wiesbaden, December 2003

For the Supervisory Board

sgd. Bernd Jacob  
Chairman of the Supervisory Board

For the Management Board

sgd. Egbert K. Becker  
Chairman of the Management Board