

Declaration of conformity

“The Executive and Supervisory Boards declare that Drägerwerk AG, from the date of the issuance of its previous declaration of conformity on December 20, 2005 until July 24, 2005, acted on the recommendations of the German Corporate Governance Code Government Commission, as amended on June 2, 2005, and that since July 25, 2006, it has acted on the recommendations as amended on June 12, 2006; however, the following exceptions apply:

1. The Executive Board did not, and will not, appoint any corporate voting proxy for exercising the voting right of shareholders on their instruction at the annual shareholders’ meeting (2.3.3 Sentence 3 of the Code). As the voting common stock is owned directly or indirectly by the Dräger family only, it would be redundant to appoint any such proxy for Drägerwerk AG’s shareholders.
2. The remuneration of the Executive Board has not been disclosed for individual members (4.2.4 Sentence 2 of the Code, former version). In accordance with a resolution passed at the annual shareholders’ meeting on June 2, 2006, the Company is partially exempt for a period of five years from the legal obligation to disclose individual executive remuneration in accordance with the German Directors Remuneration Disclosure Act (“VorstOG”) dated August 3, 2005 (4.2.4 of the Code, as amended). Hence, the remuneration of individual Executive Board members is not disclosed, with the exception of the Chairman, whose remuneration is disclosed separately. While the remuneration of the Executive Board consists of fixed and variable components, it does not include any long-term incentives or risk elements (4.2.3 of the Code).
3. The remuneration of Supervisory Board members was not, and will not be, individually disclosed (5.4.7 of the Code).
4. No age limit has been specified for Supervisory Board members, nor will it be (5.4.1 of the Code). In view of the knowledge, abilities and professional experience required in 5.4.1 Sentence 1 of the Code, the specification of an age limit does not appear appropriate.
5. The consolidated financial statements were made public within the statutory time limit, but not within the period recommended by 7.1.2 of the Code. Interim reports were, and will be, made public in accordance with the recommendations of the Code (7.1.2 of the Code). Compliance with the time limit for the publication of the consolidated financial statements has been planned for a later date.”

The reasons for the aforesaid exceptions from certain recommendations of the Code are largely explained in the declaration of conformity.

The proposal to forego the disclosure of individual Executive Board remuneration for reasons of privacy – with the exception of the Chairman – was accepted by resolution at the annual shareholders' meeting on June 2, 2006. The remuneration of individual Supervisory Board members is not disclosed for the same reason.