

**CORPORATE
GOVERNANCE
REPORT
10/11**

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BENE
CGB 2010/11

_____ The Austrian Corporate Governance Code (ÖCGK) published in October 2002 primarily addresses Austrian stock listed public companies. The framework of the Code are the provisions of the Austrian Stock Corporation Law, the Stock Exchange Law and the Capital Market Law, the EU-Recommendations regarding the responsibilities of the Supervisory Board members and the compensation of Directors as well as the principles of the OECD Guidelines for Corporate Governance.

The ÖCGK supports Austrian companies with a set of rules for the company management and supervision. The goal of the Code is to pursue a responsible, sustainable and long-term value creating management and supervision of companies and corporations. The code shall provide higher transparency for the shareholders of the company and becomes effective by voluntary self-commitment of companies. The BENE AG undertakes to comply with the Corporate Governance Code in the version of January 2010.

The Code is available and publicly accessible on the homepage of the working group 'Arbeitskreis für Corporate Governance in Österreich' under www.corporate-governance.at.

Categories of rules of the Austrian Corporate Governance Code

The Austrian Corporate Governance Code comprises the following three categories of rules:

- L- Rules (Legal Requirement): refer to mandatory legal requirements.
- C-Rules (Comply or Explain): are to be followed; any deviation must be explained and the reasons stated.
- R-Rules (Recommendation): the nature of these rules is a recommendation; non-compliance requires neither disclosure nor explanation.

Beyond the mandatory 'L-Rules' (Legal Requirement), the BENE AG complies with all 'C-Rules' (Comply or Explain) of the ÖCGK with the following exceptions:

C-Rule 18

Due to the size of the Company and for economic reasons, it is not considered necessary to install an internal audit as separate staff unit of the Management Board or to contract out the function to a competent institution.

C-Rules 27/27a

As part of the latest update of the ÖCGK these rules were revised in the version of 2010 of the ÖCGK. Due to the proximity in time to the (new) appointment of the members of the Management Board, the new regulations were not yet included in the contractual agreements with the members of the Management Board signed in 2010.

C-Rules 30/31

The BENE AG is of the opinion that the individual disclosure of the remuneration of the members of the Management Board does not provide any capital market relevant information to the shareholders or other stakeholders and thus does not give any additional insights with regard to economic aspects.

Composition of the Management Board pursuant to article 243b (2) of the Austrian Commercial Code

Name	Year of birth	First appointment	Mandate ends
Frank Wiegmann Chairman of the Management Board Finance, Technology & Human Resources	1957	Oct. 30, 2004	Jan. 31, 2015
Thomas Bene Member of the Management Board Marketing & Portfolio	1963	Feb. 01, 2006	Jan. 31, 2015
Wolfgang Neubert Member of the Management Board Sales	1965	Sept. 01, 2010	May 31, 2015

The members of the Management Board of the BENE AG have no other mandates in management or supervisory boards outside the Bene Group.

Composition of the Supervisory Board pursuant to article 243b (2) of the Austrian Commercial Code:

Name	Year of birth	First appointment
Manfred Bene Chairman of the Supervisory Board	1941	Feb. 01, 2006
Norbert Zimmermann Deputy Chairman of the Supervisory Board	1947	June 06, 2007
Karl Sevelda Member of the Supervisory Board	1950	Sept. 08, 2006
Reinhold Süßenbacher Member of the Supervisory Board	1949	June 09, 2010
Richard Wolf Member of the Supervisory Board	1962	June 06, 2007
Reinhard Gleiß Appointed by the Works Council	1969	June 09, 2010
Augustin Hager Appointed by the Works Council	1953	Oct. 22, 2003
Martin Hönickl Appointed by the Works Council	1962	Oct. 22, 2003

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The Supervisory Board of the BENE AG generally meets four times a year and with regard to the criteria of independence is guided by the guidelines stipulated in the annex 1 of the Corporate Governance Code. Pursuant to these guidelines, all members of the Supervisory Board of the BENE AG are regarded to be independent, with the exception of Manfred Bene.

Remuneration of the Supervisory Board for the financial year 2009/10

At the 6th Annual General Meeting of the BENE AG on June 09, 2010, the remuneration of the members of the Supervisory Board for the financial year 2009/10 was agreed as follows:

Name	Fixed	Variable
Norbert Zimmermann Deputy Chairman of the Supervisory Board	EUR 4,000	–
Karl Sevelda Member of the Supervisory Board	EUR 4,000	–
Richard Wolf Member of the Supervisory Board	EUR 4,000	–

As Chairman of the Supervisory Board, Manfred Bene waives his remuneration in the amount of EUR 4,000.

Committees of the Supervisory Board of the BENE AG

The Supervisory Board establishes an audit committee, with at least one financial expert. Someone who has been member of the Management Board or executive or auditor of the annual accounts of the Company during the last three years or someone who has signed the auditor's report must not be chairman of the audit committee or financial expert. The audit committee of the Supervisory Board of the BENE AG consists of Reinhold Süßenbacher as Chairman, Richard Wolf as Deputy Chairman, Manfred Bene and Norbert Zimmermann.

The Supervisory Board establishes a personnel committee, which takes over the responsibilities of a nomination committee and the compensation committee and regularly reviews the remuneration policy in Management Board matters. The committee for Management Board matters includes one member with extensive knowledge and experience in the remuneration policy. The personnel committee submits proposals for the filling of vacancies in the Management Board to the Supervisory Board and deals with succession planning, with issues concerning the remuneration of the members of the Management Board as well as with the content of employment contracts of Management Board members and submits proposals for the filling of vacancies in the Supervisory Board to the General Meeting. The Personnel committee consists of the Chairman and the Deputy Chairman of the Supervisory Board.

Other Supervisory Board memberships in Austrian and foreign listed companies

Name	Other Supervisory Board memberships
Manfred Bene	Buy-Out Central Europe II
Norbert Zimmermann	Schoeller Bleckmann Oilfield Equipment AG Berndorf AG Berndorf Immobilien AG Delta AG tecnet equity Technologiebeteiligungs-Invest AG OMV AG Allianz Elementar-Versicherungs AG Siemens Österreich AG Gebr. Weiss GmbH
Karl Sevelda	Raiffeisen Investment AG Raiffeisen Centrobank AG
Reinhold Süßenbacher	Assmann Ladenbau Leibnitz GmbH Richter Pharma AG KSV 1870 Holding AG Verbund/Österreichische Elektrizitätswirtschafts-AG Voglauer Möbelwerk Gschwandtner & Zwilling GmbH
Richard Wolf	ASSET ONE Immobilienentwicklungs AG
Reinhard Gleiß	None
Augustin Hager	None
Martin Hönickl	None

