

## **Report of the Supervisory Board**

Dear Shareholders,

The Supervisory Board has dealt with the strategic direction and the prospects for the Company, as well as special topics, extensively over the course of the last fiscal year. It has fulfilled the duties it was entrusted with in accordance with the law, the by-laws and the rules of operation. The Supervisory Board regularly monitored and provided advice on the work of the Management Board in fiscal year 2012. The basis for this was extensive reports made by the Management Board in written and oral form. In addition, the Chairman of the Supervisory Board engaged in a regular exchange of information with the Chairman of the Management Board. All decisions of significance were discussed openly with the supervisory body.

For example, the Supervisory Board was continuously informed concerning the intended business policy, strategy, planning, risk management, compliance, corporate planning, the development of the business situation and significant business transactions, as well as the situation of the Company and the group as a whole.

The Supervisory Board convened for three meetings in person in 2012, meetings in the form of teleconferences continued to be held, and several resolutions were passed in written form. In all of the Supervisory Board meetings, the Management Board informed the Supervisory Board about the commercial and financial development of the Company, including the risk situation. No member of the Supervisory Board participated in less than half of the meetings. There have been no more committees since the reduction in the number of members of the Supervisory Board to three in 2009.

No conflicts of interest involving Management Board or Supervisory Board members have been reported to the Supervisory Board during the reporting period.

### **Emphasis of the Consultations in the Supervisory Board**

Apart from overarching topics, the board dealt with specific topics in individual areas and, when required, passed the necessary resolutions. Clear points of emphasis in the work of the Supervisory Board in the reporting year were questions in the area of Marketing and Sales. An additional topic of emphasis was international activities, especially the integration of the interest in Secuvita S.L. in Spain, but also cooperative ventures with our partners Sorgente, S.r.l., Bio Save d.o.o., and Izvorna Celica, d.o.o. The Supervisory Board dealt extensively with the takeover and merger of BioPlanta GmbH with Vita 34 AG, as well as with personnel changes in the Vita 34 Management Board.

### **Corporate Governance**

The Supervisory Board dealt with the further development of Corporate Governance principles in the Company, thereby taking into consideration the changes to the German Corporate Governance Code dated 15 May 2012. In March 2013, the Management Board and the Supervisory Board issued a new Declaration of Compliance, which is printed on page 28 of the annual report, in the "Corporate Governance" chapter and has also been published on the home page of the Company.

## **Annual and Group Financial Statements, Audit**

The annual financial statements along with the management report of Vita 34 AG has been prepared in accordance with the provisions of the German Commercial Code; the consolidated annual Financial statements along with the group management report of Vita 34 AG has been prepared on the basis of Secs. 315, 315 a German Commercial Code, in conjunction with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union. The auditor, Ernst & Young, Wirtschaftsprüfungsgesellschaft Stuttgart (Leipzig branch office), audited the annual financial statements of Vita 34 AG, the consolidated financial statements, the management report and the group management report. The audit order was placed in accordance with the resolution of the Annual General Meeting, legal provisions and the provisions of the German Corporate Governance Code.

As a result, it should be noted that the financial statements observed the rules of both the German Commercial Code and IFRS. The annual financial statements and consolidated financial statements received an unqualified certification. The financial statement documents were thoroughly discussed in the Balance Sheet Meeting of the Supervisory Board, in the presence of and following a report from the auditor. During this meeting, the auditor's representatives reported on the significant findings of their audit, as well as on the control and risk management system with regard to accounting. They dealt with the scope, emphasis and costs of the audit; furthermore they explained that there are no conflicts of interest, since Ernst & Young only rendered audit services.

The Supervisory Board reviewed the annual financial statements, the management report as well as the consolidated annual financial statements and the group management report. The result of our own review was that no objections were raised against the annual financial statements of Vita 34 AG along with the management report, the consolidated financial statements of Vita 34 AG along with the group management report, as well as the corresponding audit reports of the auditors. The Supervisory Board approved the results of the audit after its own review, accepted the annual financial statements and acknowledged the consolidated financial statements. Thus, the annual financial statements prepared by the Management Board have been accepted. We agree with the management report and, in particular, the evaluation of the further development of the Company.

## **Personnel**

Mr. Rick Neeson left the Supervisory Board on 30 April 2012, and Mr. Alexander Starke was appointed by the court to replace him for the time being. The Annual General Meeting 2012 subsequently elected Dr. Holger Födisch, Dr. Uwe Marx and Mr. Alexander Starke as members of the Supervisory Board. The Supervisory Board elected Dr. Holger Födisch to be its Chairman.

Dr. med. Eberhard F. Lampeter left the Management Board by his own volition on 31 July 2012 with the most amicable mutual agreement. The Supervisory Board would like to thank Dr. Lampeter for his service as a founding shareholder, which benefitted the Company and its shareholders.

Dr. André Gerth was appointed as a member of the Management Board effective 1 June 2012, and was named Chairman of that body on 16 July 2012.

The Supervisory Board would like to thank the Management Board as well as the staff for their work this fiscal year.

Leipzig, 14 March 2013

For the Supervisory Board

Dr. Holger Födisch  
Chairman