

Corporate Governance

SAL. OPPENHEIM JR. & CIE. S.C.A. IS COMMITTED TO THE PRINCIPLES GOVERNING THE RESPONSIBLE management and control of the Company. Although the Corporate Governance Code does not apply to the Company as it is not a listed company, we advocate the aims of such a code relating to transparency in management and effective control, as far as the legal form of a société en commandite par actions (S.C.A.) and its bodies do not prescribe otherwise.

COMPANY'S BOARDS AND COMMITTEES

The Company is represented by the management, which comprises the Personally Liable Partners of Sal. Oppenheim jr. & Cie. S.C.A. and other managing directors. Other bodies include the Shareholders' Committee of the Supervisory Board, which is entitled to form committees, and the Shareholders' Annual General Meeting.

By virtue of their status under company law, the Personally Liable Partners are responsible for managing the Bank and the Group as a whole, and for everything outside of day-to-day management. The Personally Liable Partners are both management and owners in that they are liable to the extent of all their assets for the liabilities of the Company.

The management is responsible for the Bank's daily business. As at 31 December 2008, the management comprised ten members, and has formed the following sub-committees: the Credit Committee and the Management Committee, which as at 31 December 2008 comprised two Personally Liable Partners and six further managers. The Shareholders' Committee performs the tasks assigned to it by the Articles of Association and the Shareholders' General Meeting and represents the limited liability shareholders vis-à-vis the Personally Liable Partners, unless the shareholders' General Meeting or the Supervisory Board is required to take responsibility. The Shareholders' Committee and the Personally Liable Partners have jointly stipulated that the approval of the Shareholders' Committee is required for transactions exceeding normal parameters.

The Shareholders' General Meeting decides on the approval of the annual financial statements, the appropriation of unappropriated profit and the discharge of the other boards and committees. The resolution on the approval of the annual financial statements and resolutions regarding amendments to the Articles of Association require the consent of the Personally Liable Partners. The Supervisory Board is responsible for monitoring the Bank's business.

The Supervisory Board has an Audit Committee consisting of three members. It deals with issues relating to internal auditing and compliance in the Group and in the Company's banking business. The Audit Committee also works directly with the independent auditors.