

Remuneration report

The following Remuneration Report is part of the Management Report. In line with good corporate governance it aims to present to our shareholders and corporate stakeholders the remuneration of the Executive and Supervisory Boards in a transparent and understandable way. The Remuneration Report summarises the principles applied in determining the remuneration of the Executive and Supervisory Boards of SNP AG. On the one hand it explains the amounts and composition of the Executive Board's income, whilst showing that, through the variable wage components, regular adjustments are made according to current market conditions. On the other hand, it accounts for the remuneration of the Supervisory Board.

General notes on the remuneration of the Executive Board

According to the German law on the appropriateness of executive remuneration ("VorstAG"), which came into effect on 5 August 2009, determining Executive Board remuneration is the task of the entire Supervisory Board. This was already common practice at SNP AG. The structure and substance of the compensation system is regularly revised and monitored by the Supervisory Board. Criteria for determining the appropriate remuneration paid to Executive Board members include, in particular, the duties of Board members concerned, their personal performance, the performance of the Executive Board as a whole, the economic situation, and the performance and future prospects of the company when compared with corporate peers. SNP AG acts in accordance with the requirements of VorstAG.

Principles of the Executive Board remuneration system

The total remuneration of Executive Board members consists of a number of components and is composed of fixed and performance-related components. The non-performance-related components consist of a basic salary, fringe benefits and pension plans, whilst the performance-related components are based on the company's business performance.

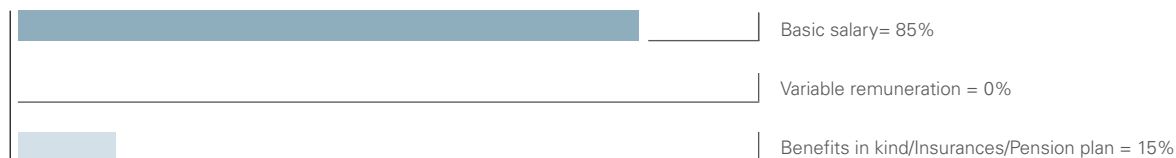
The fixed component is a non-performance related basic remuneration and is paid as a salary on a monthly basis. In addition, Executive Board members receive further benefits in the form of benefits in kind, which consist mainly of insurance premiums and the private use of a company car. Although these additional benefits are essentially available to all Executive Board members, tax is to be paid on them individually by each Board member.

The amount of the variable remuneration depends on quantitative targets, which are determined by the company's performance, and on qualitative targets, which are determined by the Executive Board member's personal performance and leadership skills. These targets, including the weighting, are set each year by mutual agreement between the Executive Board and Supervisory Board.

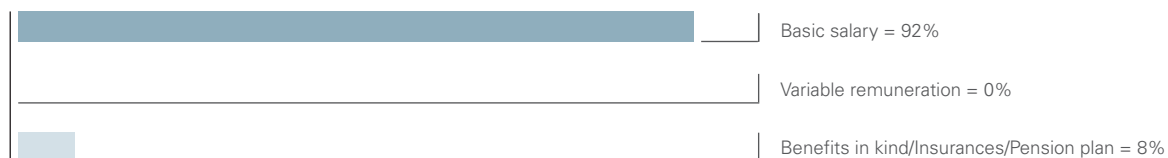
The long-term incentive component is linked to a fixed objective and is measured by EBT per share at the end of a period of three years. The objective was determined by the full Supervisory Board. Payments are limited to € 150 thousand per Executive Board member.

The composition of the remuneration paid to Executive Board members in the fiscal year 2013 is as follows:

Dr Andreas Schneider-Neureither, CEO



Andrew Watson, CFO / COO



Regulations in the event of the early exit of a member of the Executive Board

Dr Schneider-Neureither's current term of office began on 1 October 2012 and will end on 31 December 2015. Mr Watson's contract of employment had a term running from 11 July 2011 to 31 December 2014 and was terminated by mutual agreement as at 30 June 2013.

In the event of a premature dismissal pursuant to section 84 (3) AktG or in the event of a premature resignation, the company is entitled to properly terminate the employment relationship with 18 months' notice to the end of the month. The Executive Board members are likewise entitled to properly terminate the employment relationship with 18 months' notice to the end of the month in the event of a premature dismissal.

In the event of the early resignation of an Executive Board member no special rules apply except for the calculation of the variable remuneration. Should an Executive Board member resign prior to the end of the year, the following regulations shall apply:

- The bonus will be paid pro rata temporis taking adequate account (section 315 BGB) of the Executive Board member's contribution. The following exceptions apply in this respect: if the company terminates the employment relationship for good cause as defined in section 626 BGB for reasons for which the Executive Board member is responsible, his claim to

unpaid bonus payments will lapse and they will not be paid. His claim for periods of time-off will also lapse.

- The Supervisory Board exercises its discretion in setting the long-term incentive (section 315 BGB). In so doing, it must take appropriate account of the Executive Board member's contribution to the company's achievements and its performance up to the end of the assessment period. If the targets are met in full, a sum of € 50 thousand gross per full year of the term of the contract should be paid. Irrespective of any possible premature termination, the long-term incentive does not become due until the maturity date specified above following the end of the assessment period.

The above provisions do not apply should, in the event of the resignation of Executive Board member, there be a termination agreement, regulating remuneration claims, which covers any bonus entitlements the Executive Board member may have.

Remuneration of the Executive Board in fiscal year 2013

The total remuneration awarded to Members of the Executive Board in fiscal year 2013 amounted to a total of € 377,338.43. Details of the remuneration paid to Executive Board members in fiscal year 2013 are itemised in the following table:

€	Basic salary	Variable salary	Fringe benefits	Pension fund	Insurance benefits	Total
Dr Andreas Schneider-Neureither	220,008.00	0.00	21,530.84	9,700.81	6,574.08	257,813.73
Andrew Watson	110,004.00	0.00	7,789.32	0.00	1,731.38	119,524.70
Total	330,012.00	0.00	29,320.16	9,700.81	8,305.46	377,338.43

In addition to general insurance and pension commitments, the company has also arranged Directors and Officers (D&O) liability insurance on behalf of the Executive Board members. The annual insurance premium of € 7,021.00 (€ 5,900.00 plus 19% insurance tax) also includes the D&O insurance for members of the Supervisory Board and senior executives. The corresponding D&O insurance for SNP America Inc. also grants pro rata coverage for the Chairman of the Executive Board of SNP AG, who is also the Chairman of the Board of SNP America, Inc. In total, this D&O insurance amounts to an annual insurance premium of € 1,743.28. The pro rata insurance premiums paid per person/per period of activity can be consulted in the insurance benefit table.

Advances or loans to Executive Board members or contingent liabilities incurred on behalf of these persons

As at 31 December 2013, no loans, credits or advances had been extended to any of the Executive Board members (prior year: € 0 thousand). Furthermore, SNP AG did not incur any contingent liabilities on behalf of members of the Executive Board during the reporting year.

Provisions for pension commitments to members of the Executive Board

In accordance with IFRS, SNP AG has made provisions for pension commitments less plan assets to Dr. Andreas Schneider-Neureither and Mrs Petra Neureither (CFO until 19 May 2011) totalling € 125 thousand (prior year: € 123 thousand, adjusted in accordance with IAS 19R). Plan assets relate to an insurance policy.

Other transactions

Between 1 September 2009 and 30 September 2012, a rental agreement was in place between an Executive Board member and SNP Schneider-Neureither & Partner AG. Accordingly, no further rental expenses were incurred in fiscal year 2013 (prior year: € 7 thousand).

Since 1 December 2010, an additional rental agreement has existed between an Executive Board member and SNP Schneider-Neureither & Partner AG. In fiscal year 2013, rental expenses of € 230 thousand (prior year: € 230 thousand) were incurred for this. In addition, a car owned by the company was sold to an Executive Board member at a price of € 30 thousand in fiscal year 2013, as well as various articles of daily use at a price of € 23 thousand. Another car owned by the company was sold to a person related to an Executive Board member at a price of € 5 thousand and a number of articles of daily use were sold to another Executive Board member at a price of € 2 thousand. The sales prices were based strictly on comparable market prices.

Principles of the remuneration system for the Supervisory Board

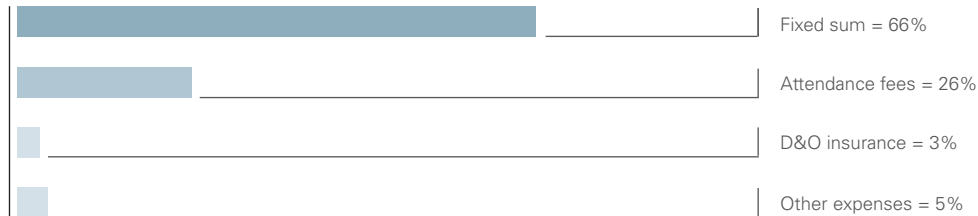
The remuneration of Supervisory Board members is based on their responsibilities and the scope of their activities. As laid down in article 6 (20) of the Articles of Association, it consists of a fixed annual remuneration, attendance fees, and the reimbursement of proven necessary expenses. No performance-related component is attached to the remuneration. Since the continuous growth of the business has also increased the workload of Supervisory Board members, their remuneration was revised at the 10th Annual General Meeting, held on 20 May 2010. Since fiscal year 2010, in addition to the reimbursement of their expenses and an attendance fee of € 1,000 per Supervisory Board session, the members of the Supervisory Board receive a fixed sum of € 10,000.00 per fiscal year. In line with German Corporate Governance provisions, the Chairman receives twice and his deputy one and one half times this amount. In addition, the Supervisory Board members were covered in the performance of their tasks by a Directors and Officers (D&O) loss and liability insurance, with coverage of € 5,000,000.00, arranged by the company for each member of the Supervisory Board. No deductible is agreed.

Remuneration of the Supervisory Board in fiscal year 2013

The total remuneration awarded to members of the Supervisory Board in fiscal year 2013 amounted to a total of € 67,890.65. At the balance sheet date, there were no loan receivables due from the Supervisory Board members. The following table shows individual remuneration per Supervisory Board member:

€		Fixed amount	Attendance fee	Other expenses	D&O Insurance	Total	
	Thomas Volk	Chairman of the Supervisory Board until 31.10.2013	16,666.66	5,000.00	1,728.36	557.22	23,952.24
	Dr. Michael Drill	Deputy Chairman	15,000.00	6,000.00	508,46	668.67	22,177.13
	Klaus Weinmann	Member of the Supervisory Board until 30.04.2013	3,333.33	2,000.00	0.00	222.89	5,556.22
	Gerhard A. Burkhardt	Member of the Supervisory Board from 01.05.2013	6,666.67	4,000.00	0.00	445.78	11,112.45
	Roland Weise	Chairman of the Supervisory Board from 12.11.2013	2,888.89	1,000.00	1,092.28	111.44	5,092.61
	Total		44,555.55	18,000.00	3,329.10	2,006.00	67,890.65

Composition of the remuneration of the Supervisory Board:



On the basis of a consultancy agreement dated 22 November 2013, which was approved by the Supervisory Board on the same day, Mr. Weise performed further consultancy services for SNP AG in addition to his activities as a Supervisory Board member. These services were remunerated in the reporting period by a total of € 3,048.00 plus sales tax.

On the basis of a consultancy agreement dated 22 November 2013, which was approved by the Supervisory Board on the same day, Mr. Weise performed further consultancy services for SNP AG in addition to his activities as a Supervisory Board member. These services were remunerated with a total sum of € 3,048.00 plus sales tax in the period under review.

The company has arranged Directors and Officers (D&O) liability insurance on behalf of the Supervisory Board members. The annual insurance premium of € 7,021.00 (€ 5,900.00 plus 19% insurance tax) also includes the D&O insurance for members of the Executive Board and senior executives. The pro rata premiums paid for each person for the period of their appointment are shown in the table.

Supplementary report

After the end of the fiscal year and until the completion of this Management Report, there were no additional special events that are of relevance to the evaluation of the Group's net assets, financial position and results of operations.

Heidelberg, 6 March 2014

Dr. Andreas Schneider-Neureither
CEO