



Declaration by the Management Board and Supervisory Board
of *aap* Implantate AG
on the recommendations of the
Government Commission German Corporate Governance Code
as per § 161 of the German Stock Corporation Act (AktG)

Since issuing its last declaration of conformity on December 19, 2002, *aap* Implantate AG has complied with the recommendations of the November 7, 2002 version of the German Corporate Governance Code (GCGC) as published by the Federal Ministry of Justice in the electronic edition of the Federal Gazette (Bundesanzeiger) on November 26, 2002 with the following exceptions:

The D&O policy taken out for the Management Board and Supervisory Board did not include a suitable deductible (GCGC No. 3.8 Par. 2).

The Management Board's Terms of Reference did not regulate the allocation of areas of responsibility and the cooperation in the Management Board (GCGC 4.2.1 Sentence 2).

A retroactive change of the performance targets was not ruled out (GCGC 4.2.3 Sentence 5).

Compensation of the members of the Management Board was not reported in the Notes on the Consolidated Financial Statements subdivided according to fixed, performance-related and long-term incentive components (GCGC 4.2.4).

No age limit was specified for members of the Management Board (GCGC 5.1.2 Par. 2 Sentence 3).

No age limit was specified for members of the Supervisory Board (GCGC 5.4.1 Sentence 2).

Compensation of the members of the Supervisory Board did not include a performance-related component and did not take membership of committees into consideration. Payments made to members of the Supervisory Board were not listed individually in the Notes to the Consolidated Financial Statements (GCGC 5.4.5).

Interim reports were published in accordance with § 63 of Stock Exchange Regulations within 60 days of the end of the reporting period (GCGC 7.1.2).

Not all relationships with shareholders considered to be "related parties" pursuant to the applicable accounting regulations were noted in the Consolidated Financial Statements (GCGC 7.1.5).

In the future, *aap* Implantate AG will comply with the recommendations of the revised version of the German Corporate Governance Code dated May 21, 2003 and published by the Federal Ministry of Justice in the electronic edition of the Federal Gazette (Bundesanzeiger) on July 4, 2003 with the following exceptions:

The D&O policy taken out for the Management Board and Supervisory Board will not include a deductible (GCGC 3.8 Par. 2).

The Management Board's Terms of Reference do not regulate the allocation of responsibility and the cooperation in the Management Board (GCGC 4.2.1 Sentence 2).

Retroactive changes to performance targets or comparison parameters are not ruled out in the overall compensation of the members of the Management Board. For extraordinary, unforeseen developments a possibility of limitation (Cap) has yet to be agreed by the Supervisory Board. The salient points of the compensation system and the concrete form of a stock options scheme or comparable instruments for components with long-term incentive effect and risk elements has yet to be published on the company's website in plainly understandable form and detailed in the annual report. The Chairman of the Supervisory Board has yet to outline the salient points of the compensation system and any changes thereto to the General Meeting (GCGC 4.2.3 Sentences 5–8).

Compensation of the members of the Management Board will not be reported in the Notes to the Consolidated Financial Statements subdivided according to fixed, performance-related and long-term incentive components, and the figure will not be individualized (GCGC 4.2.4).

No age limit has been specified for members of the Management Board (GCGC 5.1.2 Par. 2 Sentence 3).

No age limit has been specified for members of the Supervisory Board (GCGC 5.4.1 Sentence 2).

Compensation of the members of the Supervisory Board does not include a performance-related component and does not take membership of committees into consideration. Payments made to members of the Supervisory Board are not be listed individually in the Notes to the Consolidated Financial Statements (GCGC 5.4.5).

Interim reports will be published in accordance with § 63 of Stock Exchange Regulations within 60 days of the end of the reporting period (GCGC 7.1.2).

Not all relationships with shareholders considered to be "related parties" pursuant to the applicable accounting regulations will be noted in the Consolidated Financial Statements (GCGC 7.1.5).

Berlin, December 18, 2003

The Supervisory Board

The Management Board