

Corporate Governance Report

Commitment to the Code of Corporate Governance

The Austrian Code of Corporate Governance is a set of regulations for responsible corporate governance and management in Austria and was written in accordance with international standards.

DO & CO has been committed to full compliance with the rules of the Austrian Code of Corporate Governance (available for perusal at www.corporate-governance.at) since February 2007. It satisfies not only the legal requirements ("L Rules"), but also all comply-or-explain requirements ("C Rules").

As regards corporate governance, a management goal at DO & CO is to increase the value of the Company on a sustainable, long-term basis. DO & CO adheres to strict principles of management and transparency while constantly refining its efficient system of corporate governance in the interest of all stakeholders. The ultimate priority is a corporate culture which engenders trust and enables the company to achieve lasting gains in value.

DO & CO has had an independent external institution conduct regular and voluntary evaluations of its compliance with the Austrian Code of Corporate Governance since the 2007/2008 business year in accordance with Rule 62 of this Code. The evaluation for the 2010/2011 business year was performed by Dr. Ullrich Saurer, lawyer in Graz. The report on this external evaluation can be viewed on DO & CO's website.

The Management Board

Members

Attila DOGUDAN

Chairman, born in 1959

First appointed to the Board on 3 June 1997

End of the current term of office: 2 June 2012

Holds no other memberships in supervisory boards or comparable positions

Michael DOBERSBERGER

Member of the Management Board, born in 1963

First appointed to the Board on 3 June 1998

End of the current term of office: 2 June 2012

Holds no other memberships in supervisory boards or comparable positions

Workings of the Management Board

Business responsibilities and powers are laid down in the Articles of Association and the Internal Rules of Procedure, as is the nature of collaboration within the Management Board.

The chairman is responsible for the overall management of the company and for coordinating the work of the Management Board. All members of the Management Board must report to the chairman and each other on all important business events that occur in their assigned area of business. Chairman Attila Dogudan is responsible for the strategy and organisation of the company and central units and takes the lead in the two

segments Airline Catering and Restaurants, Lounges & Hotel. Management Board Member Michael Dobersberger is responsible for hygiene and technology and takes the lead in the International Event Catering segment.

The Internal Rules of Procedure contain the information and reporting duties of the Management Board and a list of actions requiring the approval of the Supervisory Board.

The Supervisory Board

Members

Waldemar JUD

Chairman, independent, born in 1943

Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997

Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board Chairman of Strabag SE, Villach (until 18 June 2010)
- Deputy Chairman of the Supervisory Board of Ottakringer Getränke AG, Vienna
- Member of the Supervisory Board of Oberbank AG (since 10 May 2010)
- Member of the Supervisory Board of BKS Bank AG (since 19 May 2010)

Werner SPORN

Deputy Chairman, independent, born in 1935

Representative of stockholders holding shares in free float

Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997

No further seats on supervisory boards of listed companies

Georg THURN-VRINTS

Member, independent, born in 1956

Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 20 March 1997

No further seats on supervisory boards of listed companies

Christian KONRAD

Member, independent, born in 1943

Current term runs until the 16th Ordinary General Meeting of Shareholders (2014), first appointed on 10 July 2002

Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of UNIQA Versicherungen AG, Vienna
- Chairman of the Supervisory Board of AGRANA-Beteiligungs AG, Vienna
- Deputy Chairman of the Supervisory Board of BAYWA AG, Munich
- Deputy Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Workings of the Supervisory Board

The actions of the Supervisory Board have their legal basis in the Austrian Corporation Act (AktG), the Articles of Association, the Internal Rules of Procedure for the Supervisory Board and the Austrian Code of Corporate Governance, to which the Supervisory Board has expressly committed itself.

In the 2010/2011 business year, the Supervisory Board performed all the responsibilities accrued to it under the law and Articles of Association within the scope of five meetings as well as adopted two resolutions in writing by a circulation procedure. Its discussions focused on consulting on the strategic direction to be taken by the Company and in

discussing the second listing at the Istanbul Exchange successfully carried out late in 2010. In this connection, the Supervisory Board had intense discussions of, i.a., the completion of the share buyback programme, the capital increase linked to the second listing, the method of computing the issue price and its amount, and the additional allocation option.

The Chairmen of the Supervisory Board and Management Board regularly met to discuss key issues of the Company's development.

Independence

The Supervisory Board of DO & CO has no members who have either been former Management Board members or senior officers of the Company; similarly there are no interlocking directorates. Existing business relations to companies in which supervisory board members of DO & CO Restaurants & Catering AG are active are handled at third-party conditions (see also the report on remuneration).

Adhering to Rules 39, 53, 54 and Annex 1 of the Austrian Code of Corporate Governance, the Supervisory Board in its meeting of 14 February 2007 adopted the following criteria for assessing the independence of its members and committee members:

A member of the Supervisory Board shall be deemed independent if said member does not have any business or personal relations with the Company or its Management Board that constitute a material conflict of interests and are therefore suited to influence the member's conduct.

Further criteria for the assessment of the independence of a member of the Supervisory Board:

1. The Supervisory Board member has not been a member of Management Board or senior officer of the Company or any of its subsidiaries in the past five years.
2. The Supervisory Board member has no current business relationship nor has had any business relationship within the last year to the Company or any of its subsidiaries of an extent that is important for such Supervisory Board member. This also applies to business relationships with companies in which the Supervisory Board member has a considerable economic interest. Approval of any individual business matters by the Supervisory Board member in line with L-Rule 48 does not automatically cause him/her to be qualified as non-independent.
3. For the past three years, the Supervisory Board member has not been an auditor of the Company or stakeholder or employee of the company auditing DO & CO.
4. The Supervisory Board member is not a management board member of another company in which a Management Board member of the Company serves as a supervisory board member.
5. The Supervisory Board member is no direct family member (direct descendant, spouse, domestic partner, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of any person who is in any one of the positions described above.

The members of the Supervisory Board each declare that they are independent within the meaning of the above criteria.

Composition and Workings of the Committees

AUDIT COMMITTEE:

Waldemar JUD: Chairman

Werner SPORN: Deputy Chairman

Georg THURN-VRINTS: member

Christian KONRAD: member

The Audit Committee's brief includes supervising the reporting process, monitoring the effectivity of the Company's internal system of controls and risk management system, supervising the audit of the Company's (Group's) annual accounts, investigating and monitoring the auditor's (group auditor's) independence, especially with regard to additional services rendered for the audited company, checking the annual financial statements and preparing their approval, considering the proposal for profit distribution, annual report and corporate governance report, and reporting the audit findings to the Supervisory Board, examining the consolidated financial statements and consolidated annual report, submitting the report on the audit findings to the Supervisory Board, and preparing a proposal by the Supervisory Board for appointing the (group) auditor.

The brief of the Audit Committee is currently discharged by the entire Supervisory Board. The Chairman of the Supervisory Board also chairs the Audit Committee and serves as its financial expert. The Deputy Chairman of the Supervisory Board also serves as Deputy Chairman of the Audit Committee.

In the 2010/2011 business year, the Audit Committee met twice. During these meetings, it concentrated on discussing the Management Letter on the (Group) audit of 2009/2010, measures of the internal controlling system and the performance of risk management, as well as implementation of an internal audit and other audit activities to be performed under Para 4a of Section 92 Austrian Corporation Act.

EXECUTIVE COMMITTEE:

Waldemar JUD: Chairman

Werner SPORN: Deputy Chairman

The Executive Committee is made up of a Chairman and Deputy Chairman.

The Executive Committee is charged with acting as nominating committee, remuneration committee and committee authorised to make decisions in urgent cases.

In its capacity of nominating committee, the Executive Committee submits proposals to the Supervisory Board for filling vacant seats on the Management Board and deals with issues of succession planning.

In its capacity of remuneration committee, the Executive Committee discusses matters concerning relationships to the Company and members of the Management Board, remuneration of members of the Management Board and the content of employment contracts with members of the Management Board.

In its capacity of remuneration committee, the Executive Committee met once, reviewing the Company's remuneration policy and deliberating on the granting of variable salary components to members of the Management Board.

In its capacity of committee authorised to make decisions in urgent cases, the Executive Committee is charged with taking decisions on matters that require its consent.

Remuneration report

The remuneration report summarises the principles applied to determining the remuneration for the Management Board and Supervisory Board of DO & CO Restaurants & Catering AG.

Remuneration of the Management Board

The total pay is divided into fixed and performance-linked components. The fixed component is geared to the tasks and areas of responsibility of the members and paid out retroactively in 14 monthly payments. Another main element of Management Board compensation is a highly variable component based on their scope of tasks and responsibilities and on the Company's performance. This performance-linked component is geared to the EBIT margin following goodwill amortisation and is capped at 100% of the fixed pay.

In the past business year of 2010/2011, the Management Board members received a fixed salary of TEUR 576, of which about TEUR 357 was paid to Attila Dogudan and about TEUR 219 to Michael Dobersberger. The variable components for the 2009/2010 business year amounted to TEUR 193, of which TEUR 140 was paid to Mr Dogudan and TEUR 53 to Mr Dobersberger. In addition, a special bonus of TEUR 68 was paid to Mr Michael Dobersberger for the 2009/2010 business year.

Currently, no arrangement has yet been made regarding any in-house retirement provision for the Management Board. The members of the Management Board are entitled to severance pay analogously to the Salaried Employees Act, but have no further claims in the event that they retire from their office. Furthermore, no arrangements have so far been made in the event of a change of control.

Remuneration of the Supervisory Board

The remuneration scheme for the Supervisory Board provides that the Chairman's remuneration is 60% more than that of a member of the Supervisory Board and that the Deputy Chairman's remuneration is 40% higher than that of a member of the Supervisory Board.

In accordance with a resolution of the General Meeting of Shareholders of 8 July 2010 applying to the 2009/2010 business year, a remuneration totalling TEUR 50 (PY: TEUR 38) was paid to the Supervisory Board members, of which TEUR 16 was paid to the Chairman, TEUR 14 to the Deputy Chairman and TEUR 10 each to the members of the Supervisory Board.

Firms in which Supervisory Board members Waldemar JUD and Werner SPORN have a considerable economic interest charged professional fees of TEUR 799 in the 2010/2011 business year for legal counsel.

In addition, DO & CO Restaurants & Catering AG has taken out a consequential loss and liability insurance (D&O insurance) whose beneficiaries are the Company's officers. Its cost is assumed by the Company.

Measures to promote women to the Management Board, Supervisory Board and in executive positions

The Company puts considerable emphasis on ensuring equal treatment of men and women in posting candidates to executive positions and paying equal wages and salaries. Management positions at DO & CO Restaurants & Catering AG and its subsidiaries are appointed without consideration of gender, with the result that the Group boasts a high share of women in executive positions within the companies and in a senior executive capacity at Group level.

Of particular note is the Company's position in creating an appropriate framework for returning women into senior management positions after maternity and parental leave. A number of part-time models allow women to re-enter their original management positions and continue to serve in an executive position.

Vienna, 23 May 2011

Attila Dogudan
Chairman of the Management Board

Michael Dobersberger
Member of the Management Board