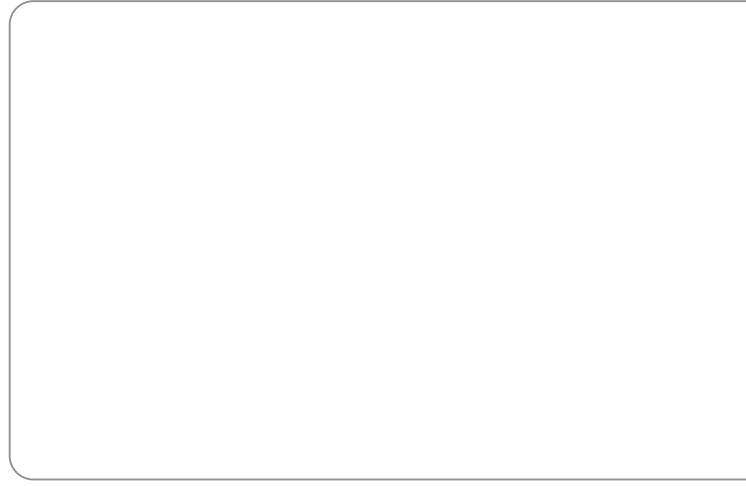


03



Corporate Governance

The Board of Directors and Its Committees

The Board of Directors

The Board of Directors is composed of seven members, one of whom is independent. The directors are appointed for a three-year period.

Composition of the Board of Directors as of December 31, 2008

Joachim Kreuzburg

Chairman and Chief Executive Officer

Date of birth: April 22, 1965

Nationality: German

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the fiscal year ending Dec. 31, 2009

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions:

Chairman of the Executive Board (Vorstand) of Sartorius AG;

Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;

Member of the Board of Directors of Sartorius Stedim North America Inc.;

Member of the Board of Directors of Sartorius Stedim SUS Inc.;

Member of the Board of Directors of Sartorius Stedim Filters Inc.;

Member of the Board of Directors of Sartorius Stedim Japan K.K.;

Member of the Board of Directors of Sartorius Stedim Lab Ltd.;

Président of VL Finance S.A.S.;

Managing Director (Geschäftsführer) of Sartorius Corporate Administration GmbH;

Member of the Board of Directors of Sartorius Mechatronics Japan K.K.;

Member of the Board of Directors of Beijing Sartorius Instrument & System Engineering Co. Ltd.;

Member of the Board of Directors of Sartorius Scientific Instruments (Beijing) Co. Ltd.;

Member of the Advisory Board (Landesbeirat) of Commerzbank AG

Past directorships (held during the past five years):

Member of the Board of Directors of Sartorius North America Inc.;

Member of the Board of Directors of Sartorius Mechatronics Corp.;

Member of the Board of Directors of Sartorius TCC Company;

Member of the Board of Directors of Denver Instrument Inc.;

Member of the Board of Directors of Sartorius Omnimark Instrument Corporation;

Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;

Member of the Board of Directors of Sartorius Mechatronics UK Ltd.;

Member of the Board of Directors (Comité Exécutif) of Sartorius Stedim France S.A.S.;

Member of the Board of Directors (Comité Exécutif) of Sartorius Mechatronics France S.A.S.;

Member of the Board of Directors (Consiglio di Amministrazione) of Sartorius Stedim Italy S.p.A.;

Member of the Board of Directors (Consiglio di Amministrazione) of Sartorius Mechatronics Italy S.R.L.;

President of the Board of Directors (Verwaltungsrat) of Sartorius Mechatronics Switzerland AG;

Member of the Supervisory Board (Aufsichtsrat) of E.ON Mitte AG

Biography:

Diplom-Maschinenbau-Ingenieur, Dr. rer. pol. (University degree in mechanical engineering, doctorate in economics)

1992–1995 Research associate at the Institute for Solar Energy Research in Hamelin, Germany

1995–1999 Research associate at the Faculty of Economics and Management at the University of Hannover, Germany

Since

May 1, 1999 Sartorius AG, Goettingen, Germany
Most recent position: Vice President, Finance and Investor Relations

Since

Nov. 11, 2002 Member of the Executive Board of Sartorius AG, Goettingen, Germany
Responsible for Finance, Controlling and Investor Relations

May 1, 2003, to

Nov. 10, 2005 Spokesman (Sprecher) of the Executive Board of Sartorius AG, Goettingen, Germany

Since

Nov. 11, 2005 CEO and Executive Board Chairman of Sartorius AG, Goettingen, Germany

Volker Niebel

Executive member – Vice CEO of Operations

Date of birth: August 14, 1956

Nationality: German

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the fiscal year ending Dec. 31, 2009

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions:

Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Stedim Systems Inc.;
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Member of the Board of Directors (Conseil d'administration) of Sartorius Stedim Aseptics S.A.;
Managing Director (Gérant) of Sartorius Stedim SUS SARL

Past directorships (held during the past five years):

Member of the Board of Directors of Sartorius Mechatronics Corporation;
Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;
Managing Director (Geschäftsführer) of Sartorius Stedim Plastics GmbH;
Managing Director (Gérant) of Sartorius Stedim Industries SARL

Biography:

Diplom-Betriebswirt (university degree: MBA)

1983–1985 Schmidt & Clemens, Lindlar, Germany
Sales Manager at Petro Chemical Industry (USA)
1985–1998 Gambro AB, Lund, Sweden
1998–2001 Skanska AB, Malmö, Sweden
Member of the Executive Management Team of Poggenpohl GmbH in Herford, Germany
2001–2007 Sartorius AG, Goettingen, Germany
Most recent position: Senior Vice President, Operations, Biotech Division
Since 2007 Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

Reinhard Vogt

Executive member – Vice CEO of Sales & Marketing

Date of birth: August 4, 1955

Nationality: German

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the fiscal year ending Dec. 31, 2009

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions:

Managing Director (Geschäftsführer) of Sartorius Stedim Biotech GmbH;
Member of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Stedim India Pvt. Ltd.;
Member of the Board of Directors of Sartorius Stedim Biotech (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Stedim Malaysia Sdn. Bhd.;
Member of the Board of Directors of Sartorius Stedim Australia Pty. Ltd.;
Managing Director (Geschäftsführer) of Sartorius Stedim Poland sp. z o.o.;
Managing Director (Geschäftsführer) of Sartorius Stedim Hungária Kft.;
Managing Director (Geschäftsführer) of Sartorius Technologies & Services GmbH;
Managing Director (Geschäftsführer) of Sartorius Stedim F&B GmbH

Past directorships (held during the past five years):

Member of the Board of Directors of Sartorius Mechatronics UK Ltd.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors (Comité Exécutif) of Sartorius Stedim France S.A.S.;
Member of the Board of Directors (Comité Exécutif) of Sartorius Mechatronics France S.A.S.;
Member of the Board of Directors of Sartorius Mechatronics Australia Pty. Ltd.

Biography:

Industriekaufmann (Industrial Business Manager)

1979–1983 Sarstedt AG, Nuembrecht, Germany
General Manager of Sarstedt AB, Sweden
1983–2007 Sartorius AG, Goettingen, Germany
Most recent position: Senior Vice President, Sales & Marketing, Biotech Division
Since 2007 Managing Director of Sartorius Stedim Biotech GmbH in Goettingen, Germany

Liliane de Lassus

Non-executive member

Date of birth: December 29, 1943

Nationality: French

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the fiscal year ending Dec. 31, 2009

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions:

Managing Director (Gérant) of L2L Conseil SARL (management consulting services; human resources management)

Past directorships (held during the past five years):

Member of the Board of Directors of Sartorius Stedim SUS Inc.;
Member of the Board of Directors of Sartorius Stedim Freeze Thaw Inc.;
President (Président) and Member of the Board of Directors (Conseil d'administration) of Sartorius Stedim Aseptics S.A.;
Managing Director (Gérant) of Integrated Biosystems SARL

Biography:

PhD in organic chemistry (1972)

MBA (1966)

Masters' degree in Sanskrit (1969)

1969–1977 Scientific employee in charge of research in French CNRS (National Center for Scientific Research), later at UC Berkeley (USA)

1977–1981 PSA – Automobiles Citroën
Head of department; in charge of overall manufacturing planning and programming

1981–1985 Renault Automation (Robotics)
Vice President of Strategic Planning

1985–1989 CEO and Chairman of the Board of a high-tech startup company specializing in artificial intelligence (Cognitech)

1989–2005 Consultant in human resources management for company executives, especially in a multi-cultural environment

2005–2007 CEO of Stedim Biosystems

Since

May 2008 Managing Director (Gérant) of L2L Conseil SARL (management consulting services; management of human resources)

Bernard Lemaître

Non-executive member

Date of birth: December 16, 1938

Nationality: French

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the fiscal year ending Dec. 31, 2009

Number of Sartorius Stedim Biotech Shares held: 902,744 via Financière de La Seigneurie S.A.S.

Other current directorships and positions:

Président of Financière de La Seigneurie S.A.S.;
Member of the Board of Directors of Senova Systems Inc.

Past directorships (held during the past five years):

President of VL Finance S.A.S.;
Chairman of the Board and CEO of Stedim S.A.;
Chairman of the Board of Isolateur Dénominateur Commun (IDC) S.A.;
Chairman of the Board of Stedim Inc.;
Chairman of the Board of Integrated Biosystems Inc.;
Member of the Supervisory Board of Intrasure S.A.

Biography:

1979–2007 Founder, CEO and Chairman of Stedim S.A.

Arnold Picot

Non-executive member

Date of birth: December 28, 1944

Nationality: German

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the fiscal year ending Dec. 31, 2009

Number of Sartorius Stedim Biotech Shares held: 1

Other current directorships and positions:

Chairman of the Supervisory Board (Aufsichtsrat) of Sartorius AG;

Chairman of the Supervisory Board (Aufsichtsrat) of Sartorius Stedim Biotech GmbH;

Member of the Supervisory Board (Aufsichtsrat) of Takkt AG;

Member of the Supervisory Board (Aufsichtsrat) of Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH und WIK-Consult GmbH; Vice Chairman of the Supervisory Board (Aufsichtsrat) of etelon e-solutions AG

Past directorships (held during the past five years): Chairman of the Supervisory Board (Aufsichtsrat) of Datango AG

Biography:

Bankkaufmann, Diplom-Kaufmann (banker, Graduate in Business Administration), Dr. rer. pol., post-doctoral lecture qualification | Venia Legendi (Betriebswirtschaftslehre) = authorization to teach business and managerial economics at a university

1970–1975	Research assistant and assistant professor, University of Munich
1976–1984	University professor, Faculty of Business Administration, University of Hannover, Germany Director of the Institute for Management and Organization
1980–1981	Visiting scholar, Stanford University, California, USA
1984–1987	University professor, Faculty of Business Administration, Technical University of Munich Director of the Institute for General and Industrial Business Administration
Since 1988	University professor, Faculty of Business Administration, University of Munich Director of the Institute for Information, Organization and Management
2004–2005	Konrad Adenauer visiting professor, Georgetown University, Washington, D.C., USA

Henri Riey

Non-executive member

Independent member

Date of birth: November 5, 1961

Nationality: Monegasque

Appointed on: June 29, 2007

Appointed until: date of the Annual General Shareholders' Meeting in 2010 to approve the fiscal year ending Dec. 31, 2009

Number of Sartorius Stedim Biotech Shares held: 600

Other current directorships and positions:

Member of the Board of Hendyplan S.A., Belgium; President of Odec

Past directorships (held during the past five years):

Member of the Board of Groupe Ginger S.A.; Board Member of Technofirst S.A., Deputy CEO; Member of the Board of Barclays Asset Management

Biography:

Diplôme Institut Supérieur de Gestion (France) (Graduate of Business Management)

1985–1988	Fund Manager at Banque Paribas
1988–1996	Fund Manager, responsible for the European Equity Fund Management Team at Barclays Bank, France
1996–1999	Head of Research of Barclays Asset Management Europe
1999–2004	Deputy CEO of Barclays Asset Management in charge of all fund management businesses
Since 2004	CFO of Hendyplan S.A.

Changes in the Membership of the Board of Directors:

The aforementioned seven directors were appointed by the Annual General Shareholders' Meeting held on June 29, 2007, following the purchase by Sartorius AG of a controlling stake in the Stedim Group. The only change in fiscal 2008 in the Board of Directors was the change of Liliane de Lassus' membership from an executive position to a non-executive position, effective March 31, 2008.

Independent Directors

Pursuant to the principles of good corporate governance, the independent members may not be principal shareholders, employees, former Group employees, suppliers or bankers of the Group or significant customers, nor may they have any other link likely to impair their judgment.

The Sartorius Stedim Board of Directors includes one independent director, Mr. Henri Riey.

To the company's knowledge, no member of the Board of Directors:

- has been convicted of fraud during the last five years or has been subject to any official public investigation or sanction by statutory regulatory authorities;
- has been associated in his | her capacity of manager in any bankruptcy, receivership or liquidation for the past five years;
- has been disqualified by a court from acting in the capacity of a member of an administrative, management or supervisory body of an issuer or from acting in the capacity of a management executive or conducting the business of any issuer for the past five years.

To the company's knowledge, no family relationships exist among the members of the company's Board of Directors.

Furthermore, to the company's knowledge, there is no conflict of interest between any duty of the members of the Board of Directors and their private interests and | or other duties. A Director must inform the Board as soon as he | she is aware of any conflict of interests, or even the possibility of a potential conflict, and must refrain from any participation in discussions on the relevant subject matter and from voting on any associated resolutions.

To the company's knowledge, no settlement or agreement has been reached with shareholders, clients, suppliers or others to appoint a member of the Board of Directors.

To the company's knowledge, there is no service contract linking a Board member to the SSB Group and granting him | her benefits.

The Audit Committee

The Audit Committee is currently composed of three members:

Mr. Henri Riey
Chairman of the Committee since December 5, 2007

Mr. Arnold Picot

Mr. Bernard Lemaître

The Chairman of the Audit Committee is independent. The Chairman of the Board of Directors, who is also the CEO of the Group, is a permanent guest of the Audit Committee, but has no voting rights.

The Audit Committee met five times in 2008.

Remuneration Committee

The Remuneration Committee is currently composed of four members:

Mr. Arnold Picot,
Chairman of the Committee since June 29, 2007

Dr. Joachim Kreuzburg

Mr. Henri Riey

Mr. Bernard Lemaître

One of the four members of the Remuneration Committee is independent.

The Remuneration Committee met twice in 2008.

For more information on the organization, functions and activities of each Committee during fiscal 2008, please refer to the Chairman's Report Pursuant to Article L. 225-37 of the French Commercial Code included in this publication (page 78).

The Executive Committee

The Executive Committee manages the operational business of the company. It decides on strategic and important topics relating to the company, provided that these decisions do not interfere with the responsibilities of the Board of Directors. However, the Executive Committee also implements decisions and resolutions of the Board of Directors into daily business. Since April 1, 2008, it has been composed of the following persons:

- Joachim Kreuzburg
- Volker Niebel
- Reinhard Vogt

The Executive Committee met eight times during fiscal 2008.

Until March 31, 2008, it was composed of:

- Joachim Kreuzburg
- Liliane de Lassus
- Volker Niebel
- Reinhardt Vogt

Pursuant to a decision of the Board of Directors of the company dated March 6, 2008, the Board decided to reorganize the company's general management, in particular the allocation of functions among the CEO, executive vice presidents and other managers of the company.

As a result of the reorganization of the general management decided by the Board of Directors, Mrs. Liliane de Lassus's functions as executive vice president ("vice CEO") have ceased, and certain responsibilities have been reallocated among the CEO and executive vice presidents. However, it is specified that Mrs. Liliane de Lassus will remain a director of the company until the term of her position has expired, i.e., until the end of the Annual General Shareholders' Meeting to be held in 2010 to approve the 2009 financial statements.

Commitments of the Company for the Benefit of Directors and Officers

At the meeting held on June 29, 2007, the Board of Directors appointed Mrs. Liliane de Lassus executive vice president of the company, and the duties of CEO were assumed by Dr. Joachim Kreuzburg on that same day. In the context of such an appointment, the Board decided that, in case of revocation of Mrs. Liliane de Lassus's appointment as executive vice president for a cause other than negligence or gross negligence, Mrs. Liliane de Lassus would receive severance payment in the amount of 12 months of her gross monthly remuneration, where such "departure indemnity" excludes any other compensation or indemnification.

Pursuant to this decision on June 29, 2007, and after having acknowledged the fulfillment of the conditions provided for that purpose, the Board of Directors decided during its meeting held on March 6, 2008, to pay such indemnity to Mrs. Liliane de Lassus in the context of the termination of her duties as executive vice president ("vice CEO"). The payment of this indemnity was approved by a decision of the Annual General Shareholders' Meeting held April 21, 2008.

Chairman's Report Pursuant to Article L. 225-37 of the French Commercial Code

Pursuant to Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors uses this report, which covers the fiscal year ended December 31, 2008, to present the conditions of the preparation and organization of the work of the Board of Directors and the internal controlling and control procedures implemented by the company within the Group.

Pursuant to the last paragraph of Article L. 225-235 of the French Commercial Code, the company's independent auditors prepare their own report concerning the report by the Chairman of the Board of Directors on the internal control procedures relative to the preparation and processing of accounting and financial information.

Corporate Governance Code

During the course of fiscal 2008, it was decided by the French Authorities that listed French stock corporations were to adapt a Corporate Governance Code. The Board of Directors therefore decided to adopt to the AFEP-MEDEF recommendations.

The AFEP-MEDEF Corporate Governance Code (the "Code") defines a set of regulations for good and responsible corporate governance. It follows the "comply or explain" principle that is implemented in most countries of the European Union. In case a listed company does not comply with a recommendation of this Code, it must explain this in its corporate governance report.

Sartorius Stedim Biotech S.A. essentially complies with the Code, though Sartorius Stedim Biotech S.A. needs to explain certain divergences from the Code.

The Board of Sartorius Stedim Biotech S.A. is not composed of at least one third of independent members, nor are its Board committees comprised of at least two thirds, or a majority of, independent members. As Sartorius Stedim Biotech S.A. was established in 2007 by a merger, it required the strong involvement of the management team in the integration process. The Board will examine whether the number of its members needs to be increased in the future, particularly by appointing independent members. The integration process is also the rationale that explains why the Company has a Président-Directeur général instead of separating the functions of Président and CEO. The efficiency of the Board will be evaluated for the first time in fiscal 2009, and this evaluation will

then be conducted regularly. We have not implemented any gradual renewal of the Board because the company was completely reorganized in 2007 by the merger and all Board members had to be elected. This option will possibly be discussed in the future within the nominations committee that will be set up in the near future for reviewing any changes to the Board's membership.

Conditions for Preparation and Organization of the Work of the Board of Directors

Internal Rules and Regulations

The procedures governing the organization and functioning of the Board of Directors are defined by the Internal Rules and Regulations of the Board.

The Board of Directors deals with all matters concerning the proper operation of the company and takes decisions on subjects that concern it.

Its Missions

The main missions of the Board of Directors are as follows:

- The Board of Directors shall define the company's strategic goals and assess them from an overall perspective at least once a year, as proposed by the CEO, and ensure that these goals are implemented. It shall also appoint the corporate officers responsible for managing the company in pursuit of this strategy and reviews all delegations of authority;
- The Board of Directors shall review the management of the Group and monitor the quality of information provided to shareholders and to the market through the financial statements or when material events occur, especially about the company's shareholdings;
- The Board of Directors is responsible for approving all strategic investment projects and any transaction, in particular acquisitions or disposals, likely to materially affect the company's results, the structure of its balance sheet or risk profile;
- The Board of Directors shall deliberate prior to making any changes to the management structure of the company, and shall be informed of the principal organizational changes;

- The Board of Directors shall examine the corporate and consolidated accounts and approve the management report and the sections of the annual report dealing with corporate governance and those setting out the company's policies with respect to remuneration and stock options;
- The Board of Directors shall convene General Shareholders' Meetings and propose changes to the articles of association.

The missions mentioned above summarize the internal bylaws of the Board of Directors.

Activity Report of the Board for Fiscal 2008

The Board of Directors met six times during the fiscal year. The average attendance was 90.4%.

The Board reviewed and approved the consolidated and parent corporation's financial statements for 2007.

The Board of Directors considered and debated on the following at its meetings:

- Strategic direction and major Group projects – acquisition of Wave Biotech AG;
- The annual, half-year and quarterly financial statements;
- Budgets presented by Executive Management;
- Information on the financial structure and cash flow items;
- Refinancing of the bridge loan;
- Guarantees to be given to Group subsidiaries in order to manage Group cash flow resources efficiently (central treasury management);
- Significant off-balance sheet commitments;
- Risk indicators for the Group;
- Internal organization projects;
- Stock market performance, stock options.

The committee chairmen submitted their committee work reports to the Board for discussion.

The independent auditors were invited to two Board meetings.

Information to Be Supplied to the Directors

The Directors receive a report on the agenda items that require prior examination and consideration in due time and with prior notice in advance of each Board meeting.

Preliminary figures of the annual and interim statements are generally sent to all Directors at least one week before the meeting of the Audit Committee, which always precedes the Board meeting, either the day before or on the same day of this meeting.

In addition to Board meetings, the Chairman regularly informs the Directors of any event or development that may have a material impact on Group operations or on any information previously communicated to the Board.

The Directors receive copies of any press releases that are issued by the company and have not been specifically approved by the Board. The Directors may, at any time, request further information from the Chairman of the Board, who shall assess the relevance of the request.

Board Committees

The Board of Directors has created two Committees since mid-2007. These bodies, the Audit Committee and the Remuneration Committee, are responsible for studying and making preparations for the Board's main deliberations in order to improve the Board's efficiency.

Each Board meeting is preceded by a meeting of at least one of the two Committees, depending on the items on the agenda. The Committees report to the Board on their work and observations and submit their opinions, proposals and recommendations.

The procedures of each Committee are also defined by Internal Rules and Regulations.

Duties of the Audit Committee:

The Audit Committee assists the Board of Directors with the company's accounting policy, reporting, internal and external controlling, financial communication and risk management.

The Audit Committee's duties in the field of accounting policy and internal controlling consist mainly of:

- Examining all annual parent corporation and consolidated financial statements: review half-yearly and annual corporation and consolidated accounts, including the notes to the financial statements and the management report presented by the Board of Directors to the Annual General Shareholders' Meeting convened to approve the accounts of the financial year ended in 2008; and presenting its observations and recommendations to the Board of Directors;
- Ensuring that the accounting methods and procedures chosen by the company are appropriate and that they are correctly applied; and
- Examining the accounting treatment of any significant transactions carried out by the company.

The Audit Committee's duties in the area of external controlling consist of:

- Submitting recommendations to the Board of Directors concerning the statutory auditors and their appointment or reappointment by the Annual General Shareholders' Meeting; and
- Analyzing and issuing an opinion on the definition, scope and timetable of their assignment and fees.

The Audit Committee's duties in the field of risk analysis and prevention consist of:

- Examining the company's exposure to significant financial risks; and
- Verifying satisfactory application of internal controls and accounting and financial reporting procedures.

The Audit Committee's duties in the area of financial communication consist of:

- Reviewing the company's proposed financial communication with respect to its half-yearly and annual corporate accounts and its quarterly results.

The Committee may also perform any other activities deemed necessary or appropriate by the Committee and the Board of Directors.

Activity Report of the Audit Committee on Fiscal 2008

The Audit Committee met five times during the fiscal year. The average attendance was 100%.

The Audit Committee dealt with the following topics:

- Examining all parent corporation's and consolidated financial statements: reviewing the quarterly, half-yearly and annual corporate accounts and consolidated accounts, including examining the accounting treatment of purchase price allocation associated with the acquisition of Wave Biotech AG as well as all other significant transactions;
- Reviewing the settlement of the syndicated loan of Sartorius Stedim Biotech;
- Reviewing the renewal of the appointment of Ernst & Young as an independent auditing company for the next six years;

Duties of the Remuneration Committee:

The purpose of the Remuneration Committee is to help the company's Board of Directors establish the remuneration policy for corporate officers and, in particular, the incentive mechanisms (granting of share subscription options, share purchase options or free allotment of shares) that the company may introduce.

Activity Report of the Remuneration Committee for 2008

The Remuneration Committee met two times during the fiscal year. The average attendance was 100%.

The Remuneration Committee deliberated on the following topics:

- Reviewing its internal bylaws;
- Reviewing the remuneration for corporate officers;
- Reviewing the remuneration of the meeting attendance fees granted to the Directors.

Within this scope, the Remuneration Committee is consulted by the Board of Directors on any proposal concerning:

- The amount of the global budget allotted to directors' fees granted to Directors and the terms of allocation thereof, by taking into account the effective presence of the Directors at Board meetings and possibly at Committee meetings;
- The amount of fixed remuneration for corporate officers and the terms of the variable remuneration; and
- The general policy on the granting of share subscription options, share purchase options or free allotment of company shares.

Limitations on the Powers of the Chairman and Chief Executive Officer

As of June 29, 2007, the Board of Directors voted to combine the functions of Chairman and Chief Executive Officer without any limitations on powers other than those provided by the law.

Remuneration of Executive and Non-executive Directors ("Mandataires sociaux")

The total remuneration, including all benefits paid during the year to each senior executive (Chairman of the Board of Directors, Chief Executive Officer, Directors) including share-based payments, is disclosed in the Management Report of the Sartorius Stedim Biotech Group.

For changes to the remuneration of Board of Directors' executive members, a Remuneration Committee has been set up that deals with these topics. Furthermore, the Remuneration Committee discusses and agrees on the meeting attendance fees for the non-executive members of the Board of Directors.

Joachim Kreuzburg's remuneration is determined annually by the Executive Task Committee of Sartorius AG's Supervisory Board. His remuneration consists of fixed and variable components and is in line with his area of responsibilities. The variable portion contains both short-term and long-term components. The short-term components are paid out every year. A phantom stock plan is used as a variable long-term incentive component that is subject to risk. This remuneration component depends on the development of the Sartorius AG share price over a period of at least three years and is payable only if this price exceeds at least 10% per year relative to the time the phantom stock was assigned or if the share price outperformed the TecDAX® as a comparative index. The amount to be paid is capped at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the actual annual tranche concerned. The use of a component that is designed to have a long-term incentive effect and entails risk is a recommendation adopted from the German Corporate Governance Code. To date, no payment has been made to Dr. Kreuzburg according to this phantom stock plan.

The remuneration for Reinhard Vogt and Volker Niebel is discussed within the Remuneration Committee and is implemented afterwards by the Annual General Shareholders' Meeting of Sartorius Stedim Biotech GmbH (Germany), with which Reinhard Vogt and Volker Niebel have signed their employment contracts. Their remuneration consists of fixed and variable components and is in line with their respective area of responsibilities.

Internal Control Procedures

Introduction

The objectives defined by the Chairman for the internal control system of Sartorius Stedim Biotech are as follows:

- Prevent risks that would endanger the assets of Sartorius Stedim or even its existence;
- Ensure that management activities, the transactions completed and the conduct of employees are within the framework defined by senior executives and the applicable laws and regulations, by the fundamental values, standards and internal rules of the business and by the ethical codes and conventions of the health industry;
- Ensure that accounting and financial information and management data provided to senior executives of the Company accurately reflect the operations of Sartorius Stedim Biotech; and
- Prevent risks arising from operations, errors or fraud, especially in the accounting and financial area.

Scope of Consolidation

The internal control system described covers the parent company and its affiliates.

Components of Internal Control

Environment for Internal Control

The core of any business is its people – their individual attributes, including integrity, ethical values and competence – and the environment in which they operate. They are the engine that drives the organization and the foundation that supports the company.

Risk Assessment Process – Risk Mapping

The organization must be aware of, and deal with, the risks it faces. It must set itself objectives and integrate these objectives into its sales, production, marketing, financial and other activities so that the organization operates in concert. It must also establish mechanisms to identify, analyze and manage the related risks.

Control Activities

These control activities are the range of activities that are undertaken at every level of the Group to ensure that internal control is efficient. Possible control activities include checking the accuracy,

completeness, authorization, validation and recording of transactions and ensuring that different people discharge different duties so as to reduce the risk of errors or fraud.

Information and Communication

Availability and dissemination of accurate, reliable and complete information is essential both to achieve business objectives and to enable proper reporting to all parties concerned in compliance with the applicable laws and regulations.

The internal controlling procedures relating to financial information are disclosed in the paragraph on procedures for the production of financial information.

Monitoring

Responsibilities and authorities must be defined and understood on a unit level as well as on an entire company level if internal control is to function effectively. Duties must be assigned in such a way that a person's work is always checked and approved by a different person. Where the size of the local unit concerned, permits responsibility for initiating, authorizing, recording and processing transactions must always be assigned to different individuals.

Unit management is responsible for maintaining internal checks and internal control at all times.

Internal Controlling Roles

Senior Management

The Chairman and Chief Executive Officer is responsible for the internal control system and management at all levels. He is also responsible for the development, operation and monitoring of the internal control and controlling systems and for providing the necessary assurances that these steps have been implemented.

Audit Committee

The Audit Committee, which was created in mid-2007, is responsible for carrying out any necessary reviews and evaluations of the internal controlling procedures, including those relating to financial information, and also assists with the preparation of the Group's consolidated financial statements. For further information about the Audit Committee, see page 76.

Risk Management

The Sartorius Stedim Biotech Group is inevitably exposed to a wide variety of risks through its operations around the world. A risk management system has been instituted to help track existing and potential risks efficiently. This system is designed to allow early identification, assessment and monitoring of risks. Within this risk management system, an ad hoc committee comprised of representatives of various specialized departments additionally deals with current topics on risk management. The information it provides keeps the Executive Management Team abreast of the overall risk situation at all times and enables it to take appropriate action when required.

Internal Audit Department

The Internal Audit Department is a function that is managed at the level of the Sartorius AG Group. This department addresses the effectiveness and appropriateness of the risk management and the internal controlling system at the headquarters of the companies constituting the Sartorius Stedim Biotech Group as well as the compliance of all activities and processes with internal and external rules and standards. The Internal Audit Department provides independent and objective auditing and consulting services that focus on compliance with all relevant legal provisions and the improvement of business processes at the company. To ensure the independence of this Department's in-house auditors, the Audit Committee receives a yearly report from them on their findings and their work concerning the Group affiliates.

Finance and Controlling Departments

The Finance and Controlling Departments track and monitor the businesses, operations and projects to optimize the Group's profitability and cash flow, providing both internal and external stakeholders with reliable information.

The Finance and Controlling Departments define the Group's principles and key financial processes (five-year business plan, budget, etc.) as well as reporting tools to monitor the day-to-day business.

Procedures for Preparing the Group Financial Statements and Other Accounting and Financial Information

The accounts of local affiliates are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to provide company accounts that comply with the locally applicable legal and tax provisions. Integrated con-

olidation software is used both for management reporting purposes and to produce the Group financial statements.

Accounting Standards

The consolidated financial statements are prepared in accordance with IFRS as currently adopted by the European Union. The consolidated financial statements comply with accounting policies as detailed in the Notes to the Consolidated Financial Statements.

Roles of the Group's Finance & Controlling Departments

These Departments check the quality of the reporting packages submitted by the local affiliates, focusing primarily on reconciliations between legal entities and reporting entities, inter-company eliminations and on the accounting treatment of non-recurring transactions for the reporting period, and verifying principal movements between the opening and closing balance sheets to prepare the cash flow statement.

The Department also checks the result of procedures, including currency translation, inter-company eliminations, etc.

Key points of review include the preparation and validation of the statement of changes in shareholders' equity and the cash flow statement.

Financial Information and Reporting

The Group's rules and procedures in relation to financial reporting and accounting are set out in the Accounting and Reporting Manual. Application of and compliance with these principles, rules and procedures are the direct responsibility of the relevant local Finance Director of each subsidiary. Local Finance Directors must ensure that information provided via the Management Information System complies fully with all applicable disclosure requirements.

Management reviews the effectiveness of the internal controlling of financial reporting regularly. In particular, it verifies that transactions have been recorded consistently, in accordance with IFRS as applied by the Group and as set out in the Accounting and Reporting Manual, in order to ensure the timelines and accuracy of accounting for transactions and assets in circulation.

Internal Control in 2008

Following the initiation of the Internal Control Reference Framework project, including AMF recommendations, the Group gave high priority to internal control in fiscal 2008.

Considering that the business model and the organization of Sartorius Stedim Biotech S.A. did not materially change in 2008, we did not fill out the self-assessment questionnaire during the course of that year.

Nevertheless, following the request made by the Sartorius AG Supervisory Board, the parent company's statutory auditors traveled to the North American continent to perform audits of the financial records of American entities to ensure these accounts were kept properly and in conformance with the respective procedures. There were no material divergences found during these internal controlling audits.

Mid-term Prospects

The Group reiterates its intention of finalizing the further steps of the Internal Control Reference Framework project properly over the medium term. This presupposes the following:

1. Definition and implementation of a plan of action targeted at critical elements inherent in accounting and financial process risk mapping;
2. Definition and implementation of a management testing program to provide to a list of controls involving some materiality; and
3. Updating of the internal control self-assessment on an annual basis.

Aubagne, March 6, 2009

The Chairman and the members of the Board

Joachim Kreuzburg

Volker Niebel

Reinhard Vogt

Liliane de Lassus

Bernard Lemaître

Arnold Picot

Henri Riey

Statutory Auditors' Report Prepared in Accordance with Article L. 225–235 of the French Commercial Code

Statutory Auditors' report, written in accordance with Article L. 225–235 of the French Commercial Code ("Code de Commerce") on the report prepared by the Chairman of the Board of Directors of Sartorius Stedim Biotech S.A. (freely translated from the French original by the auditors)

To the Shareholders,

In our capacity as Statutory Auditors of Sartorius Stedim Biotech, and in accordance with the requirements of Article L. 225–235 of the French Commercial Code ("Code de Commerce"), we present you with our report concerning the one prepared by the Chairman of your company in accordance with Article L. 225–37 of the French Commercial Code ("Code de commerce") for the year ended December 31, 2008.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide other information required by Article L. 225–37 of the French Commercial Code ("Code de commerce") relating to matters such as corporate governance.

Our role is to:

- Report on information contained in the Chairman's Report regarding internal control procedures relating to the preparation and processing of accounting and financial information,
- Confirm that the report also includes other information required by Article L. 225–37 of the French Commercial Code ("Code de commerce"). It should be noted that our task is not to verify whether this other information presents a fair view.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fair view of the information provided in the Chairman's Report regarding

internal control procedures relating to the preparation and processing of accounting and financial information. These procedures consist mainly of:

- Obtaining an understanding of the internal control procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairman's Report is based, and of the existing documentation;
- Obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- Determining whether any material weaknesses in internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's Report.

On the basis of our work, we have nothing to report on the information regarding the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225–37 of the French Commercial Code ("Code de commerce").

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains other information required by Article L. 225–37 of the French Commercial Code ("Code de commerce").

Marseille, March 6, 2008

The Statutory Auditors

Deloitte & Associés

Ernst & Young Audit

French original signed by
Vincent Gros

French original signed by
Jérôme Magnan

Independent Auditors' Fees

Principal Independent Auditors

Ernst and Young Audit

408, Avenue du Prado – BP 116 –
13267 Marseille Cedex 08 – France
Represented by Jérôme Magnan.
First commissioned by the Combined General
Shareholders' Meeting on June 28, 1985.
Date commission expires: 2009 Annual General
Shareholders' Meeting to approve the 2008
financial statements.
Member of Compagnie régionale de Versailles.

Deloitte et Associés

10, place de la Joliette – Les Docks – Atrium 10.4 –
13002 Marseille – France
Represented by Vincent Gros.
First commissioned by the Annual General
Shareholders' Meeting on May 19, 2006.
Date commission expires: 2012 Annual General
Shareholders' Meeting to approve the 2011
financial statements.

Independent Auditors' Fees

€ in K	Ernst & Young						Deloitte					
	2008		2007		2006		2008		2007		2006	
Audit												
Independent audit, certification, parent company & consolidated financial statements												
Parent company	183	96.8%	70	17.0%	104	87.4%	163	29.5%	64	10.7%	51	94.4%
Subsidiaries	6	3.2%	5	1.2%		0.0%	308.1	55.7%	320	53.4%		0.0%
Services directly related to audit services												
Parent company												
Subsidiaries			337	81.8%	15	12.6%	0.0%		94	15.7%	3	5.6%
Subtotal	189	100.0%	412	100.0%	119	100.0%	471.1	85.2%	478	79.8%	54	100.0%
Other services												
Legal, tax, corporate												
							82		121			
Information technology, other												
Subtotal	0	0%	0	0%	0	0%	82	15%	121	20%	0	0%
Total	189	100%	412	100%	119	100%	553.1	100%	599	100%	54	100%

Substitute Independent Auditors

Patrick Gounelle

Tour Ernst & Young – Faubourg de l'Arche –
92037 Paris La Défense Cedex – France
Member of Compagnie régionale de Versailles.
First commissioned by the Annual General
Shareholders' Meeting on March 22, 1991.
Date commission expires: 2009 Annual General
Shareholders' Meeting to approve the 2008
financial statements.

BEAS

7/9, Villa Houssay – 92200 Neuilly sur Seine –
France
Represented by Alain Pons.
Commissioned by the Annual General
Shareholders' Meeting on May 19, 2006.
Date commission expires: 2012 Annual General
Shareholders' Meeting to approve the 2011
financial statements.

				Other						Total	
2008		2007		2006		2008		2007		2006	
	0.0%		0.0%		0.0%	346	35.5%	134	10.4%	155	63.5%
232.8	100.0%	208	73.5%	71	100.0%	546.9	56.1%	533	41.2%	71	29.1%
						0		0		0	
	0.0%		0.0%		0.0%	0	0.0%	431	33.3%	18	7.4%
232.8	100.0%	208	73.5%	71	100.0%	892.9	91.6%	1098	84.9%	244	100.0%
		75				82		196		0	
						0		0		0	
0	0%	75	27%	0	0%	82	8%	196	15%	0	0%
232.8	100%	283	100%	71	100%	974.9	100%	1294	100%	244	100%