

Corporate Governance Statement 2014



**Corporate Governance Statement
pursuant to section 289a of the German Commercial Code (HGB)**

GFT Technologies Aktiengesellschaft headquartered in Stuttgart

As a German public limited company, the management of GFT Technologies Aktiengesellschaft ("GFT AG") is primarily determined by the German Stock Corporation Act (AktG) and the rules set forth in the latest version of the German Corporate Governance Code. The executive bodies of the company are the Annual General Meeting, the Supervisory Board and the Executive Board. The duties and rights of the company's executive bodies are specified to the extent permissible by law in the company's Articles of Association. The Annual General Meeting has not passed any resolution concerning rules of procedure for the Annual General Meeting pursuant to section 129 (1) AktG; the Executive Board and Supervisory Board believe that the statutory regulations and the provisions of the Articles of Association are adequate. For the Executive Board and Supervisory Board, however, there are rules of procedure.

According to the statutory regulations, GFT AG is subject to the so-called "dual management system". One of the main features of this system is its clear separation between members of the Executive Board, as the executive committee, and the Supervisory Board as the monitoring and advisory body. Nevertheless, the Executive Board and Supervisory Board cooperate closely in the company's best interests.

I. Declaration of Compliance of GFT AG pursuant to section 161 AktG (section 289a (2) No. 1 HGB)

GFT AG believes that responsible and forward-looking corporate governance forms the basis for the company's long-term, sustainable success. At the Supervisory Board meeting on 10 December 2014, the Executive Board and Supervisory Board issued the following joint declaration pursuant to section 161 AktG taking account of the amendments to the German Corporate Governance Code of 24 June 2014. It contains an explanation for each deviation from the recommendations as follows:

"Declaration of Compliance of the Executive and Supervisory Board of GFT Technologies AG with the recommendations of the Government Commission on the German Corporate Governance Code" pursuant to section 161 of the German Stock Corporation Act (AktG)

(Issue: 10 December 2014)

Since the last Declaration of Compliance on 16 December 2013, GFT Technologies AG (GFT) has largely complied with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version from 13 May 2013. As of 30 September 2014, GFT Technologies AG has largely complied with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version from 24 June 2014, announced in the German Federal Gazette on 30 September 2014 and will continue to comply with them in future; the following exceptions apply:

3.8 paragraph 2 and 3 “If the company takes out a D&O (directors’ and officers’ liability insurance) policy for the Management Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual compensation of the Management Board member must be agreed upon. A similar deductible shall be agreed upon in any D&O policy for the Supervisory Board.”

The company does not follow the recommendation regarding a deductible for the Supervisory Board.

In the case of D&O insurance for members of the Supervisory Board, an appropriate excess has been agreed upon which does not, however, fulfil the scope regulated in section 3.8 of the Code. The company is of the opinion that the increase in the agreed excess for members of the Supervisory Board does not constitute an additional incentive to carry out their activities with due diligence and according to statutory stipulations.

4.2.3 paragraph 4 “In concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his/her contract, including fringe benefits, do not exceed the value of two years’ compensation (severance pay cap) and compensate no more than the remaining term of the employment contract. If the employment contract is terminated for a serious cause for which the Management Board member is responsible, no payments are made to the Management Board member. The severance payment cap shall be calculated on the basis of the total compensation for the past full financial year and if appropriate also the expected total compensation for the current financial year.”

The Supervisory Board has not reached any agreement with Members of the Executive Board for the event of the premature termination of Board activities. It is also not intended to do this in the future. The company is of the opinion that the statutory regulations provide for a reasonable settlement of interests for the event of the premature departure of a Member of the Board.

5.3 Formation of Committees

Considering the manageable size of the Supervisory Board, GFT generally refrains from forming committees. This ensures efficient operation and comprehensive information for all Supervisory Board members. The company is of the opinion that in all cases, all members of the Supervisory Board shall be involved in the decisions of the Supervisory Board.

5.4.1 paragraphs 2 and 3 “The Supervisory Board shall specify concrete objectives regarding its composition which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of number 5.4.2, an age limit to be specified for the members of the Supervisory Board and diversity. These concrete objectives shall, in particular, stipulate an appropriate degree of female representation.

Recommendations by the Supervisory Board to the competent election bodies shall take these objectives into account. The concrete objectives of the Supervisory Board and the status of the implementation shall be published in the Corporate Governance Report.”

The Supervisory Board of GFT has already regarded specific skills in various fields, national and international experience and independence, as defined in section 5.4.2 sentence 2 of the German Corporate Governance Code, as important criteria and objectives for the composition of the Supervisory Board and has implemented them within the scope of its responsibilities. With regard to the composition of the Supervisory Board, the company's main focus is on the experience, skills and knowledge of the individual, as well as their independence. Compared with this aspect, the company regards socio-political considerations concerning diversity criteria as secondary, even though it expressly supports the appropriate consideration of women in particular. As a result, the company does not comply with 5.4.1 paragraph 2 and 3 of the Code.

Remark:

The Executive Board resolved on 30 September 2014 to make a proposal to shareholders at a General Meeting in 2015 to change the company's legal form to that of a European Company ("SE"). The company's current two-tier organisational structure, consisting of an executive board and a supervisory board, is also to be changed to a single-tier governance structure with an administrative board.

If the shareholders consent to the change of the legal form and if the change is entered into the commercial register, at which date the change is effective, it might be necessary to declare other or different deviations from the then current recommendations of the "Government Commission on the German Corporate Governance Code". In this case, we will issue a new Declaration of Compliance in accordance with the provisions of § 161 AktG.

Stuttgart, 10 December 2014

The Supervisory Board

The Executive Board"

II. Corporate governance practices (section 289a (2) No. 2 HGB)

GFT AG is the company which manages the GFT Group. It is aware of its role in society and its responsibility to its customers and business partners, as well as to its shareholders and employees. Its business practices are based on the legal system of the Federal Republic of Germany and the legal systems of those countries in which companies of the GFT Group operate, as well as the Articles of Association of GFT AG. As presented in its Corporate Governance Report, GFT AG has made internal organisational arrangements which form the basis for responsible and legally compliant practices of its employees and executive bodies. With its own group-wide compliance organisation, GFT AG takes steps to ensure compliance with legal provisions and its own internal guidelines. Particular importance is attached to integrity and professional behaviour in dealings with business partners and authorities, as well as to the careful and responsible handling of the company's assets and the strict avoidance of any conflict of interests.

III. Description of the operation and composition of the Executive Board, Supervisory Board and committees of GFT AG (section 289a (2) No. 3 HGB)

Supervisory Board

The central responsibility of the Supervisory Board is to monitor and advise the Executive Board. In accordance with sections 95, 96 (1), 101 (1) AktG, and in conjunction with section 9 (1) of the Articles of Association, the Supervisory Board of GFT AG currently comprises six members who are elected by the Annual General Meeting. Information on the members of the Supervisory Board are available online at

http://www.gft.com/index/company/company/supervisory_board.html

The principles of cooperation and the decision processes within the Supervisory Board are defined in the rules of procedure of the Supervisory Board. At least four, and generally six regular meetings of the Supervisory Board are held every year. In the case of urgent business transactions, resolutions are also adopted by telephone conference or by written circulation. The meetings are convened and chaired by the Chairman with notification of the agenda items. The Supervisory Board generally adopts its resolutions during meetings. The Supervisory Board constitutes a quorum if all members were invited and at least half of the members take part in the adoption of resolutions. Resolutions are adopted with a simple majority, whereby absent Supervisory Board members can request that another member submits their written vote. In special constellations, the Chairman of the Supervisory Board has two votes when resolutions are to be adopted. Minutes are taken of the meetings, of decisions in the meetings and of any resolutions adopted outside meetings.

The Supervisory Board appoints and dismisses members of the Executive Board, adopts resolutions concerning Executive Board remuneration and regulates the service relationship by means of the service contract. The Executive Board involves the Supervisory Board in all key decisions of major significance for GFT AG and its affiliates. In the past financial year, the agenda included important questions on operations, the management of important domestic and foreign companies of the GFT Group, as well as their strategies and planning. Further areas of focus were the various company acquisitions of the past few years, especially the integration of Sempla and the acquisition and integration of the Rule Financial Group. In written and oral reports, provided during and outside its meetings, the Executive Board furnishes the Supervisory Board with regular and prompt information about the current course of business, planned developments and significant events within the GFT Group. As a result, the Supervisory Board is able to evaluate current business progress, any deviations from plans and forecasts, individual transactions and the company's strategic alignment in order to subsequently discuss each individual topic in detail with the Executive Board. The Supervisory Board is directly involved in all fundamental decisions. After thorough examination and discussion of the documents presented, and the respective motions for adoption submitted by the Executive Board, the Supervisory Board adopts the necessary resolutions.

Due to the limited size of the Supervisory Board, no committees were formed.

Executive Board

The Executive Board of GFT AG currently consists of four members. In accordance with section 84 (2) AktG, Ulrich Dietz has been appointed as Chairman of the Executive Board. Information on the individual Executive Board members and their areas of responsibility are available online at

http://www.gft.com/index/company/company/executive_board.html

The Supervisory Board has issued rules of procedure for the Executive Board. As the public limited company's executive committee, the Executive Board manages the company's operations in accordance with legal regulations, the Articles of Association and its own rules of procedure. It is obliged to pursue the company's interests and its strategic principles. It reports to the Supervisory Board swiftly, regularly and comprehensively on all significant business transactions and the current earnings situation, including the company's risk position and risk management system. Whenever the development of business deviates from previously prepared plans and targets, the Executive Board provides extensive explanations and reasons. The Executive Board also reports regularly on compliance issues, i.e. adherence to statutory provisions and the company's internal guidelines. The Chairman of the Executive Board is in regular contact with the Chairman of the Supervisory Board and his deputy.

The Executive Board manages the company on its own responsibility. The principle of joint responsibility applies: the members of the Executive Board are hereby jointly responsible for overall management. The main tasks include the development and implementation of company strategy, the management of the company, financial planning, and the establishment and maintenance of an efficient risk management and monitoring system. On this basis, the members of the Executive Board set the long-term objectives and determine the principles and guidelines for company policy which they implement in coordination with the Supervisory Board. The Executive Board obtains the prior consent of the Supervisory Board for those transactions specified in the rules of procedure as requiring such consent.

The resolutions of the Executive Board are always adopted at its regular meetings, which are generally held every 14 days and at least once per month. The Chairman of the Executive Board is responsible for scheduling and convening the meetings, setting the agenda, chairing the meeting and taking minutes. The Executive Board only constitutes a quorum if at least half of its members, including the Chairman or his deputy, are present. Resolutions are adopted with a simple majority. In the case of a tie, the Chairman of the Executive Board has the casting vote. Moreover, the latter also has the right to veto resolutions. This right can be exercised unless a majority of all Executive Board members vote against it.

The Executive Board has not formed any committees.

Stuttgart, March 2015

GFT Technologies AG, headquartered in Stuttgart

The Executive Board