



Declaration of Compliance 2009

**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: 14th December 2009)

1. GFT Technologies AG will comply with all recommendations of the “Government Commission on the German Corporate Governance Code” in the version of 18 June 2009 with the following exceptions:

3.8. “If the company concludes a D&O insurance for the Management Board, then an excess of at least 10% of the damage up to at least one and a half times the fixed annual remuneration of the Member of the Board is to be agreed upon. In a D&O insurance for the Supervisory Board, a corresponding excess shall be agreed upon.”

The company will only accord this recommendation as of the 01/07/2010 and then only for the Management Board since the existing insurance agreements for the Management Board are currently in the process of being amended. Up to this point in time, the legal transition stipulations will be applicable. Therefore, the deviation will depend on the required time run-up.

In the case of the D&O insurance for the Members of the Supervisory Board, an appropriate excess has been agreed upon which does not, however, fulfil the scope regulated in No. 3.8 of the codex. 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. ... “The remuneration structure is to be aligned to a sustainable development of the company. The monetary remuneration elements shall include both fixed and variable integral parts. The Supervisory Board must ensure that variable remuneration items have, in principle, an assessment basis spread over several years. Both positive as well as negative developments shall be reflected in the configuration of the variable remuneration items. All remuneration items must be, as such and also overall, appropriate and must not, above all, lead to the running of inappropriate risks.” ...

The remuneration regulation in the current Management Board contracts is, in the opinion of the Supervisory Board, appropriate and does not lead to the running of inappropriate risks. Variable remuneration items do not, however, currently have an assessment basis, which is spread over several years and negative developments were not taken into account in the configuration of the variable remuneration items. The recommendation is currently not being complied with since the amendment to the existing Management Board contracts will only then be possible as and if they are extended. The Supervisory Board is currently examining the possibility of earlier implementation. In one case, on account of a contract extension, which will become effective as of 01/07/2010, the transition to the new regulations has already taken place.

... “Upon conclusion of Management Board contracts, attention must be paid to ensure that payments to a Board Member in the event of premature termination of Board activities without any special reason, including fringe benefits, shall not exceed the amount of two years annual salary (redundancy payment cap) and shall not be for more than the remainder of the period of appointment. For the calculation of the redundancy payment cap, the overall remuneration of the previous financial year and, where appropriate, also of the foreseeable overall remuneration of the current financial year shall be taken into account.” ...

The Supervisory Board has not reached any agreement with Members of the Management Board for the event of the premature termination of Board activities without good reason. 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.

4.2.4. "The overall remuneration of each Member of the Board, divided up according to fixed and variable remuneration items, is disclosed together with names. The same holds good for consent to payments, which are granted to a Member of the Board in the event of premature or regular termination of activities as Member of the Board or which have been amended during the financial year. The disclosure can be dispensed with if the General Shareholders' Meeting has decided otherwise with a two thirds majority."

The General Shareholders' Meeting of GFT Technologies AG decided with a three quarters majority on 23 May 2006 that the remuneration of Members of the Board shall not be individually disclosed. The individual disclosure of consent to payments, which are made to a Member of the Board in the event of premature termination of activities as a Member of the Board or which have been amended during the financial year, are similarly also not envisaged.

The company is of the opinion that the authorized information requirements are sufficiently fulfilled for the event of such a departure via the disclosure of all payments made to the Board and a summary of consents to payment. To this extent, in the opinion of the company, the personal interests of the individual Members of the Board are to be appropriately taken into account in the decision as to an individualized disclosure.

5.3. Formation of Committees

Considering the manageable size of the Supervisory Board, GTF Technologies AG 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.

5.4.6. (2) "Members of the Supervisory Board shall receive fixed as well as performance-related compensation. Performance-related compensation should also contain components based on the long-term performance of the enterprise."

Supervisory Board Members of GFT Technologies AG receive fixed compensation only. The company is of the opinion that this has an adequate incentive effect and prevents conflicts of interest during the monitoring activity.

2. Since the last Declaration of Compliance on 15 December 2008, GFT Technologies AG has complied with all recommendations of the “Government Commission on the German Corporate Governance Code” for the period from 15 December 2008 to 4 August 2009 (Code version dated 6 June 2008), as well as from 5 August 2009 until the date of this declaration (Code version dated 18 June 2009) with the following exceptions:

3.8. “If the company concludes a D&O insurance for the Management Board, then an excess of at least 10% of the damage up to at least one and a half times the fixed annual remuneration of the Member of the Board is to be agreed upon. In a D&O insurance for the Supervisory Board, a corresponding excess shall be agreed upon.”

The company has complied with No. 3.8. of the codex in the version of 6 June 2008. It will only comply with this recommendation in the 18 June 2009 version as from 01/07/2010 and then only with respect to the Management Board since the existing insurance agreements for the Management Board first have to be adjusted. Up until this point in time, the legal transition stipulations will be utilised. Therefore, the deviation will depend on the required time run-up.

In the case of the D&O insurance for the Members of the Supervisory Board, an appropriate excess has been agreed upon which does not, however, fulfil the scope regulated in No. 3.8 of the codex. 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.

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... “Upon conclusion of Management Board contracts, attention must be paid to ensure that payments to a Board Member in the event of premature termination of Board activities without any special reason, including fringe benefits, shall not exceed the amount of two years annual salary (redundancy payment cap) and shall not be for more than the remainder of the period of appointment. For the calculation of the redundancy payment cap, the overall remuneration of the previous financial year and, where appropriate, also of the foreseeable overall remuneration of the current financial year shall be taken into account.” ...

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Stuttgart, 14 December 2009