

Corporate Governance Statement for GFT Technologies SE and the GFT Group pursuant to sections 289f and 315d of the German Commercial Code (HGB)

2020

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The Corporate Governance Statements for GFT Technologies SE and the GFT Group to be submitted pursuant to sections 289f and 315d HGB are combined. Unless otherwise stated, the following disclosures therefore refer to both GFT Technologies SE and the GFT Group.

A. Declaration of Compliance of GFT Technologies SE

At its meeting on 14 December 2020, the Administrative Board of GFT Technologies SE submitted the following declaration pursuant to section 22 (6) SEAG in conjunction with section 161 of the German Stock Corporation Act (AktG):

Declaration of Compliance

of the Administrative Board of GFT Technologies SE concerning the recommendations of the “Government Commission on the German Corporate Governance Code” pursuant to section 161 AktG (German Stock Corporation Act)

(As at: 14 December 2020)

The German Corporate Governance Code as amended on 16 December 2019 (hereinafter referred to as the “Code 2020”) was published in the German Federal Gazette (Bundesanzeiger) on 20 March 2020. As of this date, the Code 2020 forms the basis for Declarations of Compliance according to section 161 AktG. Until 20 March 2020, the German Corporate Governance Code as amended on 7 February 2017 and published in the German Federal Gazette on 24 April 2017 (hereinafter referred to as the “Code 2017”) formed the basis.

With due regard to the specific characteristics of the one-tier system of GFT Technologies SE set forth in its Declaration of Compliance dated 10 December 2019, supplemented on 4 March 2020, as well as the exceptions listed therein, GFT Technologies SE complied with the recommendations contained in the Code 2017 until 20 March 2020.

Since 20 March 2020, GFT Technologies SE has complied with the recommendations on corporate governance contained in the Code 2020 and will continue to comply with them. All exceptions are explained below in section III. The principles for transferring the recommendations of the Code 2020 based on a dual management system to the one-tier management system of GFT Technologies SE are presented in sections I. and II.

I. Preliminary remark

As stated in paragraph 3 of its foreword, the objective of the Code 2020 is to make the dual German corporate governance system transparent and understandable.

Pursuant to section 5 (1) of its Articles of Incorporation, GFT Technologies SE has a one-tier management and control structure. According to article 43 to 45 Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute of the European Company (SE) (hereinafter referred to as the “SE-VO”) in conjunction with sections 20 et seq. SE Implementation Act (hereinafter referred to as the “SEAG”), the one-tier system is characterised by the fact that a single governance body, the Administrative Board, is responsible for the management of the company. The Administrative Board manages the company, determines the basic policies of its activity and supervises their implementation by the Managing Directors. The Managing Directors conduct the business of the company and represent the company in and out of court. They are bound by instructions of the Administrative Board.

The principles and recommendations contained in the Code 2020 with regard to the dual German corporate governance system are only directly applicable to a one-tier SE to a limited extent. In particular, pursuant to paragraph 8 sentence 2 of the foreword, the principles and recommendations of the Code 2020 can only be applied to the extent that they do not contradict any legal stipulations. The transfer of the principles, recommendations and suggestions of the Code 2020 to the one-tier structure of GFT Technologies SE is explained below in section II.

II. Transfer of the principles, recommendations and suggestions of the Code 2020 to the one-tier structure of GFT Technologies SE

GFT Technologies SE transfers the principles, recommendations and suggestions of the Code 2020 for the supervisory board to its Administrative Board and for the management board to its Managing Directors.

The following exceptions apply:

- 1. The tasks of the management board set forth in Principles 1 to 5 are the responsibility of the Administrative Board pursuant to section 22 (1) of the SEAG. These include managing and developing the company's strategic alignment, compliance, establishing an internal control and risk management system and setting targets for the proportion of women in the two management levels below the Administrative Board.*
- 2. The Recommendations A.1 (consideration of diversity when making appointments to executive positions) and A.2 (institution of a compliance management system) addressed to the management board are addressed to the Administrative Board in the one-tier structure based on section 22 (1) of the SEAG.*
- 3. According to Principle 6 (paragraph 1), the supervisory board appoints and discharges the members of the management board, supervises and advises the management board in the management of the enterprise and has to be involved in decisions of fundamental importance to the enterprise. The Administrative Board of a one-tier SE combines the management and control.*
- 4. In derogation from Suggestion A.5, the Administrative Board is responsible for convening the General Meeting.*

5. *According to Recommendation B.3, the first-time appointment of management board members of a stock corporation shall be for a period of no more than three years. Recommendation B.4 further states that any re-appointment prior to one year before the end of an appointment period at the same time as termination of the current appointment shall only happen if special circumstances apply. These recommendations should be viewed against the background that, pursuant to § 84 (3) AktG, members of the management board of a stock corporation may only be removed if there is good cause.*
6. *According to section 40 (5) SEAG, managing directors may be dismissed at any time even without good cause. Against this background, Recommendations B.3 and B.4 are not transferred to the one-tier SE.*
7. *Recommendations C.6 to C.12 concerning the independence of supervisory board members refer only to those members of the Administrative Board who are not appointed as managing directors.*

III. Deviations from the recommendations of the Code 2020

Recommendation A.2 “The Management Board shall institute an appropriate compliance management system reflecting the enterprise’s risk situation, and disclose the main features of this system. Employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the enterprise; third parties should also be given this opportunity.”

The company has instituted appropriate measures reflecting the company's risk situation (Compliance Management System). The main features of the Compliance Management System are published on the company's corporate website.

Employees of the GFT Group not only have the option of sending anonymous letters to the company but can also use an Internet-based solution to provide anonymous information to the responsible office of the GFT Group. Due to a lack of agreement with the General Works Council, employees in Germany are not able to access the Internet-based solution.

Recommendation C.10 sentence 1 “The Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the committee that addresses Management Board remuneration, shall be independent from the company and the Management Board.”

This recommendation is not complied with. Immediately prior to taking office, the Chair of the Administrative Board was Deputy Chair of the Administrative Board and also Chair of the Managing Directors. Pursuant to the criteria set forth in Recommendation C.7, he is not deemed to be independent from the company.

Given the desire for personnel continuity in the management of the company, the Administrative Board resolved that the former Chair of the Managing Directors should become the Chair of the Administrative Board.

Neither an Audit Committee nor a Nomination Committee has been established (see below).

Recommendations D.2 to D.5 “Supervisory Board committees” and Recommendation D.11

In view of its manageable size, the Administrative Board has so far waived the establishment of committees, and in particular an Audit Committee and a Nomination Committee. The Administrative Board comprises seven members, two of whom have been appointed as Managing Directors and are therefore, in the opinion of the Administrative Board, not eligible to serve on committees. Efficient work is also ensured without committees. All Administrative Board members are fully informed and involved in all decisions. Accordingly, the regular assessment of the quality of the financial statement audit is performed by the Administrative Board as a whole.

Nevertheless, the Administrative Board set up a committee to take decisions in relation to a consultancy agreement concluded by GFT Technologies SE with a company whose sole managing director is the Chair of the Administrative Board. The committee consists of three independent members of the Administrative Board and serves exclusively to exclude potential conflicts of interest from the outset when deliberating and adopting resolutions.

Recommendation F.2 “The consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.”

As explained in the Amendment to the Declaration of Compliance dated 4 March 2020, the company did not publish the consolidated financial statements and the consolidated management report 2019 until April 2020 and thus not within the recommended period of 90 days after the end of the reporting period. The reason for this was the implementation of a new consolidation software, which resulted in more time being required for the preparation of the consolidated financial statements and group management report. The Administrative Board considered the one-time deviation from the above recommendation to be reasonable in order to ensure proper financial reporting.

The recommendation will be complied with again in future.

Recommendation G.6 “The share of variable remuneration achieved as a result of reaching long-term targets shall exceed the share from short-term targets.”

The company does not comply with this recommendation. Its remuneration system is geared towards long-term and sustainable development. The Administrative Board does not believe that this requires variable remuneration from the achievement of long-term targets to exceed the portion from short-term targets.

The company's remuneration components with a one-year assessment basis are already designed to promote the long-term and sustainable development of the company. For example, one variable remuneration component is linked to the development of revenue in the respective financial year compared with the previous year. This means that two financial years are taken into account and not just one financial year. By defining the performance criteria at the beginning of the term of the respective employment contract without annual adjustments, this ensures that a permanent increase in revenue must be achieved in order to earn the respective variable compensation. This promotes the company's long-term development.

Moreover, the remuneration system stipulates that one third of total short-term variable remuneration is not paid out immediately, but is converted to the respective long-term variable remuneration (LTI). The development of the respective LTI is determined by the performance of the GFT share price. Payment is made after three years. By linking to the weighted average price of GFT shares in the financial year prior to conversion and the weighted average price of GFT shares in the financial year prior to payment, a four-year assessment period was chosen. This also ensures that short-term fluctuations in the share price have no effect on long-term variable remuneration.

Recommendation G.10 “Taking the respective tax burden into consideration, Management Board members’ variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.”

The company does not comply with this recommendation. The company's remuneration system stipulates that two thirds of the total variable remuneration with a one-year assessment basis is paid out in cash after the end of the financial year in question. The remaining third is converted to the respective long-term variable remuneration (LTI). The development of the LTI is determined by the performance of the GFT share price. Payment is made after three years. By linking to the weighted average price of GFT shares in the financial year prior to conversion and the weighted average price of GFT shares in the financial year prior to payment, a four-year assessment period was chosen.

The Administrative Board believes that this structure is sufficient to encourage the Managing Directors to focus their efforts on promoting the long-term well-being of the company and ensuring sustainable and long-term corporate success. This is all the more true as the variable remuneration components with a one-year assessment basis are already geared to sustainable and long-term corporate development.

Recommendation G.11 sentence 2 “It shall be permitted to retain or reclaim variable remuneration, if justified.”

No agreement has been made with the Managing Directors to retain or reclaim variable remuneration in specific cases. The Administrative Board believes that the legal claims and rights, in particular the assertion of claims for enrichment and damages as well as rights of retention, are sufficient to protect the interests of the company.

Stuttgart, 14 December 2020

GFT Technologies SE
The Administrative Board

B. Corporate governance practices

GFT Technologies SE is a European Company (SE) listed in Germany. It is primarily subject to the guidelines of Regulation (EC) number 2157/2001 of 8 October 2001 on the Statute for a European Company (SE Regulation) and the German Act Implementing Regulation (EC) number 2157/2001 on the Statute for a European Company ("SE-Ausführungsgesetz" - SEAG). Insofar as the SE Regulation and the SEAG do not contain more specific regulations, the German Stock Corporation Act ("Aktiengesetz" - AktG) also applies, among others. Further elements of corporate governance are the articles of association of GFT Technologies SE and the rules of procedure for the Administrative Board and the Managing Directors.

GFT Technologies SE has a one-tier management and control structure in which a single governance body, the Administrative Board, is responsible for managing and monitoring the company. The Managing Directors are responsible for the operating business. Information on the working practices of the Administrative Board and the Managing Directors is presented in section C.

The following corporate governance practices are applied:

Risk management of the GFT Group

The GFT Group has a group-wide risk management system. This is oriented in particular to the respective size of the GFT Group, its geographic alignment and the complexity of its core business. The risk management system comprises numerous control processes and mechanisms.

A central element of the risk management system is the Group Risk Committee (GRC), which is composed of Group executives. Each member is responsible for a defined area, such as technology and development, finance or personnel. At the regular meetings of the GRC, each participant reports on the relevant risks of the respective area. In this way, the members of the GRC conduct an assessment and determine whether a risk should be accepted or which active countermeasures should be taken to minimise the risk.

The group-wide risk management system also comprises organisational and monitoring structures aimed at ensuring the legal compliance and effectiveness of the accounting and financial reporting systems. It is continuously updated and forms an integral part of the accounting and financial reporting processes. The system includes principles and procedures, as well as preventive and detective monitoring measures.

The effectiveness of the risk management system and the internal control and risk management system with regard to the accounting process is systematically reviewed. The Administrative Board regularly discusses the systems, especially in connection with financial reporting.

Details on the risk management system are presented in the combined management report. This is part of the Annual Report 2020, which can be viewed online at www.gft.com/financialreports.

Compliance and Code of Conduct

It is an overriding principle of the Administrative Board that all employees of the GFT Group comply with legally and ethically correct procedures in their daily business. The most important principles of the GFT Group on this matter are summarised in the “Code of Ethics & Code of Conduct”. This can be viewed online at www.gft.com/compliance.

The GFT Group has also introduced a compliance management system based on its risk situation. It comprises the following levels of action: prevention, detection, reaction and improvement.

The Administrative Board also continuously analyses the business structure, group size, areas of activity and regional orientation. Based on this analysis, the compliance and reputational risks arising from the company’s business operations are assessed and any necessary adjustments made to the compliance management system.

The Compliance Office is responsible for the group-wide implementation of the compliance management system. It prepares guidelines and instructions, conducts training and provides advice in individual cases. In addition to regularly monitoring existing business relationships, it also reviews new business partners on a risk-oriented basis. In certain risk-relevant situations, such as invitations of business partners, prior approval must be obtained from the Compliance Office under specified conditions to prevent corruption and bribery.

Employees are encouraged to report infringements of laws or corporate guidelines. Various communication channels to the Compliance Office (letter, e-mail, phone, online) are also available for this purpose. If there is any suspicion of misconduct, the Compliance Office leads the investigation efforts.

C. Description of the working practices of the Administrative Board and Managing Directors of GFT Technologies SE

The company applies the disclosure obligations of section 289f (2) number 3 of the German Commercial Code (HGB) and section 315d in conjunction with section 289f (2) number 3 HGB to the Administrative Board, wherever the supervisory board is mentioned, and to the Managing Directors, wherever they apply to the management board.

Administrative Board

Pursuant to section 22 (1) SEAG, the Administrative Board manages the company, defines the principles of its activities and supervises their implementation. It acts in compliance with the legal regulations, the articles of association and the rules of procedure for the Administrative Board, which can be viewed at www.gft.com/governance. It also observes the recommendations of the German Corporate Governance Code (hereinafter referred to as the “Code”) taking into account the company’s one-tier structure and the latest Declaration of Compliance it has issued.

The Administrative Board currently consists of seven members. They have the same rights and duties and are not bound by instructions. The Administrative Board comprises leading business figures with detailed knowledge and international experience of the IT sector, banking, finance and law. The Administrative Board consists exclusively of shareholder representatives. The CVs of the Administrative Board members, which are updated annually, are available online at www.gft.com/administrative-board.

The principles of cooperation and the decision processes within the Administrative Board are defined in the articles of association of GFT Technologies SE and the rules of procedure for the Administrative

Board. The Administrative Board is regularly convened seven times per financial year (meetings and conference calls). In addition, meetings or conference calls may be held if it is in the company's best interests or so requested by a member of the Administrative Board. The meetings are convened by the Chairman, who also sends notification of the agenda items. The Administrative Board constitutes a quorum if at least half of all members take part in the adoption of resolutions. Members also take part in the adoption of a resolution if they abstain from voting. Should the vote be tied, the Chairman of the Administrative Board shall have two votes in accordance with legal regulations. In the case of instructions for the Managing Directors as a whole, or for individual Managing Directors, a qualified majority of two thirds of the votes cast by the Administrative Board is required. Resolutions are generally adopted during the meetings. Resolutions on urgent business transactions are adopted by conference call or by written circulation. Minutes are taken of the meetings, of decisions in the meetings and of any resolutions adopted outside meetings.

Members of the Administrative Board do not participate in discussions or the adoption of resolutions on transactions between themselves and GFT Technologies SE, or companies belonging to the GFT Group. This also applies if the contractual partner is not the member of the Administrative Board himself but a company for which the Administrative Board member works or in which he holds a controlling interest. This is to avoid any suspicion of a conflict of interest.

The Administrative Board has set up a committee to decide on matters concerning a consultancy agreement which GFT Technologies SE concluded with a company whose sole managing director is the Chairman of the Administrative Board, Ulrich Dietz. The sole purpose of the committee is to exclude potential conflicts of interest when deliberating on and adopting resolutions. It comprises three independent Administrative Board members: Prof Dr Andreas Wiedemann (chair), Dr-Ing Andreas Berczky and Dr Paul Lerbinger. After its meetings, the committee reports in detail about its work to the Administrative Board. In compliance with recommendation D.2 of the German Corporate Governance Code as amended on 16 December 2019 and published in the German Federal Gazette (Bundesanzeiger) on 20 March 2020 (hereinafter referred to as the "Code 2020"), the Administrative Board otherwise refrains from forming committees due to the low number of its members.

The Administrative Board is directly involved in all fundamental decisions of the company and its affiliates. It receives swift, regular and comprehensive information from the Managing Directors on all significant decisions and all relevant questions concerning planning, business development, risks, the implementation of risk management and compliance. The Managing Directors also report on deviations in the course of business from the stated plans and targets, stating the reasons for such deviations. The Managing Directors inform the Administrative Board immediately about exceptional events of particular importance. As a result, the Administrative Board is able to evaluate current business progress, any deviations from plans and forecasts, individual significant transactions and the company's strategic alignment, and discuss the respective topics in detail with the Managing Directors.

The Administrative Board appoints the Managing Directors, regulates the service relationship by means of the service contract and ensures long-term succession planning. It determines the remuneration system for the Managing Directors, regularly reviews it, and sets the individual total remuneration of the individual Managing Directors. In doing so, it takes care that the remuneration contributes to the promotion of business strategy and the sustainable and long-term development of the company. It takes into account whether the remuneration of the Managing Directors is in line with the remuneration of senior managers and the workforce as a whole and how remuneration has developed over time. Details on the remuneration of the Managing Directors are provided in the remuneration report, which is part of the combined management report of the GFT Group and GFT Technologies SE.

The Administrative Board, and the committee it formed, conduct a self-evaluation every two years. The last review was conducted in the financial year 2020. Among other things, they assess how effectively they fulfil their tasks. This self-evaluation is made on the basis of an extensive company-specific questionnaire.

Managing Directors

GFT Technologies SE had two Managing Directors until the end of April 2020 and has had three Managing Directors since 1 May 2020. Two of the three Managing Directors are also members of the Administrative Board. GFT Technologies SE has thus made use of the authorisation in section 40 (1) sentence 2 SEAG to appoint members of the Administrative Board as Managing Directors provided that the majority of the Administrative Board's members are non-executive members. Moreover, the Administrative Board has appointed one Managing Director to be the Chief Executive Officer pursuant to section 16 (1) sentence 2 of the articles of association. Information on the individual Managing Directors and their areas of responsibility is available online at www.gft.com/management.

In accordance with section 10 (2) of the articles of association of GFT Technologies SE, the Administrative Board has issued rules of procedure for the Managing Directors, which are regularly reviewed and adapted wherever necessary.

The Managing Directors act in accordance with legal regulations, the articles of association and the rules of procedure for the Managing Directors. In addition, they observe the Code within the framework of the Declaration of Compliance most recently issued by the Administrative Board. The Managing Directors are obliged to pursue the company's interests and its strategic principles. As described above, they report to the Administrative Board regularly. Moreover, the Chief Executive Officer is in regular contact with the Chairman of the Administrative Board.

The Managing Directors take joint responsibility for the company's business. The main tasks include the implementation of strategy, the operational management of the company, controlling, and the implementation of the risk management system adopted by the Administrative Board. In the case of certain transactions specified in the articles of association and the rules of procedure, they must obtain the prior consent of the Administrative Board.

The resolutions of the Managing Directors are always adopted at meetings or in conference calls. These are generally held monthly. In urgent cases, resolutions are also adopted by written circulation, or by telephone or e-mail. The Chief Executive Officer is responsible for scheduling and convening the meetings, setting their agenda, chairing the meetings and taking minutes. The Managing Directors only constitute a quorum if at least half of all members take part in the vote. The Managing Directors should adopt resolutions unanimously. If there is no unanimity in a decision to be taken, the Chief Executive Officer decides whether to vote again immediately or to suspend the adoption of the resolution. In the event of suspension, a resolution on the agenda item must be adopted at the next meeting. In the case of a directly repeated vote or after suspension, a simple majority of those Managing Directors taking part in the vote is sufficient. In the event of a tie, the Chief Executive Officer shall have the casting vote.

The Managing Directors have not formed any committees.

D. Targets for the share of women on the Administrative Board and on the two management levels below the Administrative Board

At its meeting on 30 May 2017, the Administrative Board of GFT Technologies SE resolved that by 30 June 2022 the share of women

- (1) on the Administrative Board should be 28.6 percent and
- (2) on the first management level, comprising the Managing Directors of GFT Technologies SE, should be 30 percent and
- (3) on the second management level of GFT Technologies SE, comprising those directors and managers of GFT Technologies SE who report directly to one of the Managing Directors, the share of women should be 30 percent.

E. Skills profile and targets for the composition of the Administrative Board, diversity concept for the Administrative Board and the Managing Directors

GFT Technologies SE applies the disclosure obligations pursuant to section 289f (2) number 6 HGB and section 315d in conjunction with section 289f (2) number 6 HGB relating to the executive body authorised to represent the company to the Managing Directors, and those relating to the supervisory board to the Administrative Board.

Skills profile, composition targets and diversity concept for the Administrative Board

The members of the Administrative Board should have different professional and international experience and, as a whole, have the essential skills required in view of the GFT Group's activities. In particular, these include in-depth management experience and knowledge for a capital market-oriented, internationally operating group in the area of corporate strategy and in other key areas such as controlling and risk management, auditing, legal affairs and compliance.

In accordance with section 27 (1) sentence 4 SEAG in conjunction with section 100 (5) AktG, at least one member of the Administrative Board must also have expertise in the areas of accounting or auditing and the members as a whole must be acquainted with the information technology industry.

The Administrative Board of GFT Technologies SE should also be composed in such a way that more than half the members not appointed as Managing Directors are independent from the company and its Managing Directors, as well as from any future controlling shareholder. Conflicts of interest are to be avoided. The ownership structure, as well as an appropriate degree of diversity on the Administrative Board, are to be taken into account.

The Administrative Board should aim to achieve a balanced age structure among its members. Both sexes should be represented and the proportion of women should be at least 28.6 percent (see also the targets stated above for the share of women on the Administrative Board).

Candidates for the Administrative Board shall not be younger than 30 years of age nor older than 75 years of age when they take up their duties.

The aim of the diversity concept is that the members of the Administrative Board as a whole have the skills and experience that are essential for the management and supervision of the GFT Group.

The Administrative Board believes that its current composition is in line with the diversity concept and that the composition fulfils all its objectives. More than half of its members not appointed as Managing Directors are independent (see section 'Independence of the Administrative Board members') and the ownership structure is adequately reflected. The age profile is appropriate. The defined proportion of women has been observed. The requirements regarding a suitable skills profile are all met. The members of the Administrative Board offer different professional and international experience. As a whole, its members have in-depth experience and expertise in the management of a capital market-oriented, internationally active group, in the area of corporate strategy and other key areas, including in particular controlling and risk management, law and compliance. The members as a whole are also familiar with the sector in which the company operates. At least one member of the Administrative Board (Dr Paul Lerbinger) has expertise in the field of accounting or auditing.

There were no Administrative Board elections in the financial year 2020. When selecting candidates for upcoming elections by the Annual General Meeting, the Administrative Board will take appropriate account of the targets for its composition, the diversity concept and the skills profile.

Independence of the Administrative Board members

The Administrative Board only applies the relevant recommendations of the Code 2020 with regard to the independence of supervisory board members, in accordance with the recommendation of the EU Commission of 15 February 2005 on the duties of non-executive directors/supervisory board members/listed companies as well as on committees of the administrative board/supervisory board (section 4), to those members of the Administrative Board who are not appointed as Managing Directors. The following statements do not therefore contain any information about those members of the Administrative Board appointed as Managing Directors.

The Administrative Board regards one of its members as independent if (1) he/she is independent from any controlling shareholder and (2) is independent from the company and the Managing Directors.

The Administrative Board believes that four of its members are independent: these are Dr Paul Lerbinger, Dr-Ing Andreas Bereczky, Maria Dietz and Prof Dr Andreas Wiedemann.

No controlling shareholder

The company has no controlling shareholder. Ulrich Dietz holds approx. 26 percent of shares in the company and does therefore not have an absolute voting majority. There is no control agreement with Ulrich Dietz. He does not have a majority at shareholders' meetings. There is no allocation of voting rights of other persons to Ulrich Dietz as defined by section 34 German Securities Trading Act (WpHG).

Independence from the company and the Managing Directors

A member of the Administrative Board is considered independent from the company and the Managing Directors if he/she has no personal or business relationship with the company or its Managing Directors that may cause a substantial – and not merely temporary – conflict of interest.

When assessing the independence of its members from the company and the Managing Directors, the Administrative Board takes into consideration in particular the following aspects; whether the respective member – or a close family member

- was a Managing Director of the company in the two years up to his/her election to the Administrative Board, or before the change to a European Company was a member of the Executive Board in the two years up to his/her election to the Supervisory Board,
- has (or has had) a material business relationship with the company or one of the entities dependent upon the company at present or in the year up to his/her election to the Administrative Board, directly or as a shareholder, or in a leading position of a non-group entity,
- is a close family member of a Managing Director or
- has been a member of the Administrative Board (or Supervisory Board before the change to a European Company) for more than 12 years.

No member of the Supervisory Board classified as independent fulfils even one of the above mentioned indicators.

As the wife of Ulrich Dietz, Maria Dietz is his close family member. In the opinion of the Administrative Board, she is nevertheless to be regarded as independent of the company and the Managing Directors. There is no danger that the family connection could constitute a material and not merely temporary conflict of interest, as the family connection cannot lead to dependency of any kind. Maria Dietz holds seats on the supervisory boards of several other companies, is financially independent and herself holds almost 10 per cent of the shares and voting rights in the company, whereby the voting rights of other persons are not attributed pursuant to section 34 of the German Securities Trading Act (WpHG). Moreover, and as was the case for all members of the Administrative Board, Maria Dietz did not have any material and not merely temporary conflicts of interest in the financial year 2020.

Diversity concept for the Managing Directors

In view of the fact that GFT Technologies SE currently has merely three Managing Directors, no diversity concept is being pursued. For the appointment of the additional Managing Director, the Administrative Board took into account the target share for women of 30 percent.

The service agreements with all Managing Directors provide that they will end no later than at the end of the year in which the Managing Director reaches the age of 65.

Long-term succession planning for the Managing Directors

Together with the Managing Directors, the Administrative Board is responsible for the long-term succession planning of the Managing Directors. To this end, the members of the Administrative Board regularly exchange views with the Managing Directors, who also present suitable internal candidates to the Administrative Board. In addition, executives of the GFT Group regularly present topics to the Administrative Board. This enables the Administrative Board to form its own opinion of these executives and their suitability as Managing Directors. Furthermore, the Administrative Board makes its own considerations regarding suitable internal candidates and, if necessary, also evaluates external candidates.

Stuttgart, 24 March 2021

GFT Technologies SE
The Managing Directors and the Administrative Board

