

Corporate Governance Statement 2017

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

Unless otherwise stated, the following disclosures refer to both GFT Technologies SE and the GFT Group.

A. Declaration of Compliance of GFT Technologies SE

At its meeting on 12 December 2017, 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 § 161 the German Stock Corporation Act (Aktiengesetz)

(As at: 12 December 2017)

Since the last Declaration of Compliance of 5 December 2016, GFT Technologies SE (hereinafter also referred to as "GFT SE") has largely complied with the recommendations of the "Government Commission on the German Corporate Governance Code" (hereinafter the "Code") as amended on 5 May 2015, announced in the German Federal Gazette (Bundesanzeiger) on 12 June 2015. GFT has also largely complied with and will comply in the future with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on 7 February 2017, announced in the German Federal Gazette on 24 April 2017. In derogation thereof, the specific characteristics of the monistic system of GFT SE set forth below under Section I., and the exceptions set forth under Section II. (the indication of sections, paragraphs, and sentence numbers of the Code provisions refer to the version of 7 February 2017) shall apply:

I. Specific features under the monistic structure of GFT SE

Pursuant to § 5 (1) of its Articles of Incorporation, GFT SE has a monistic corporate governance and control structure. Pursuant to Art. 43-45 SE-VO (Council Regulation (EC) No 2157/2001 of 08 October 2001 on the Statute of the European company (SE)) in conjunction with §§ 20 et seqq. SEAG (Gesetz zur Ausführung der Verordnung (EG) Nr. 2157/2001 des Rates vom 8. Oktober 2001 über das Statut der Europäischen Gesellschaft, SE-Ausführungsgesetz, Act on the implementation of regulation (EC) no. 2157/2001 of the council of 08 October 2001 on the Statute of the European Company, SEAG), the monistic system is characterised by the fact that a single governing body, the Administrative Board, is responsible for the management of the company, cf. paragraph 8 of the Preamble of the Code. 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.

GFT SE applies the recommendation of the Code for the Supervisory Board in principle to the Administrative Board of GFT SE and the recommendation of the Code for the Management Board to its Managing Directors.

This applies with the following exceptions regarding the legal structure of the monistic system:

- In derogation from Section 2.2.1 sentence 1 of the Code, the Administrative Board shall submit the annual financial statements, the management report, the consolidated financial statements and the group management report to the general meeting, § 48 para. 2, sentence 2 SEAG.
- In derogation from Section 2.3.1 sentence 1, and Section 3.7 para. 3 of the Code, the Administrative Board is responsible for convening the general meeting, §§ 48 and 22 para. 2 SEAG.
- The competencies of the Management Board set forth in Section 2.3.2, sentence 2 (proxies bound by instructions), section 3.7 para. 1 (Statement on a Takeover Bid) and para. 2 (Handling of a Takeover Bid), and Section 3.10 (Corporate Governance Report), 4.1.1 (Management of the Company), Section 4.1.2 in conjunction with 3.2, half-sentence 1, (Development of the Company's Strategic Orientation), Section 4.1.3 (Compliance), Section 4.1.4 (Risk Management and Controlling), and Section 4.1.5 sentence 2 (Determining Targets for the Share of Women below the Management Board Level) of the Code are the responsibilities of the Administrative Board of GFT SE, § 22 para. 6 SEAG.
- In derogation from Section 5.1.2 sentences 6 and 7 of the Code, Managing Directors, contrary to members of the Management Board, are not subject to a definite and maximum permissible appointment period, § 40 para. 1, sentence 1 SEAG.
- In derogation from Section 5.4.2 sentence 3 and Section 5.4.4 of the Code, members of the Administrative Board can be appointed as Managing Directors, provided that the majority of the Administrative Board continues to consist of non-managing members, § 40 para. 1, sentence 2 SEAG.

II. Exceptions to the Recommendations of the Corporate Governance Code

Section 3.8 paragraphs 2 and 3 *“If the company takes out a D & O insurance policy for the Management Board, a deductible of at least 10% of the damage up to at least one and a half times the amount of the fixed annual remuneration of the member of the Management Board must be agreed upon.*

A similar deductible shall be agreed upon in any D&O insurance for the Supervisory Board.”

The company diverges from the recommendation of a deductible for the Administrative Board. For a D&O insurance, no deductible has been agreed upon for those members of the Administrative Board who have not been concurrently appointed as Managing Directors. The company believes that a deductible for such members of the Administrative Board provides no additional incentive to perform their activities properly and in accordance with the statutory provisions.

Section 4.1.3 *“The Management Board ensures that all provisions of law and the company's internal policies are complied with, and endeavours to achieve their compliance by the group entities (Compliance). It shall also institute appropriate measures reflecting the company's risk situation (Compliance Management System) and disclose the main features of those measures. Employees shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company; 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 have not been disclosed in the past, since the company did not consider this necessary. However, it is intended to

disclose the main features on the company's website in 2018. Until such time, the company diverges from the corresponding recommendation.

There is an opportunity for employees to report suspected breaches insofar as employees are not threatened with disadvantages if they report suspected breaches in good faith that subsequently prove to be unfounded. To the extent that this recommendation aims to ensure that instead or in addition an opportunity for giving anonymous hints should be granted, such an opportunity, with the exception of anonymous letters, does currently not exist. In the company's opinion, providing such an opportunity has previously not been necessary, given the company's organisational structure. However, it is intended to create such an opportunity in the course of the year 2018. Employees will then have the opportunity, through an internet-based solution, to report suspected breaches – anonymously, if necessary – to the competent GFT SE body.

Section 4.2.3 paragraph 4 *“When contracts are entered into with Management Board members, it shall be ensured that payments, including fringe benefits, made to a Management Board member due to early termination of their contract do not exceed twice the annual remuneration (Severance Cap) and do not constitute remuneration for more than the remaining term of the employment contract. If the employment contract of a Management Board member is terminated for good cause for which the Management Board member is responsible, no payments are made to that Management Board member. The severance cap shall be calculated on the basis of the total remuneration paid for the previous financial year and, if appropriate, shall take into account the expected total remuneration for the current financial year.”*

The Administrative Board has neither entered into an agreement with the Managing Directors in the event of any premature termination of the function as Managing Director, nor is such an agreement intended in the future. The company believes that in this regard, the statutory provisions provide for a proper and equitable balance of interests in the event of a Managing Director's premature departure from office.

Section 4.2.5 last paragraph *“The model tables provided as appendices to this document shall be used to disclose this information.”*

The remuneration of the Managing Directors is disclosed in a personalised manner in the remuneration report or in the annex. They contain all information required by section 4.2.5 of the Code. The company waives the use of the model tables since their use does not provide the shareholders with any additional information.

5.3 “Establishment of Committees”

The Administrative Board waives the establishment of committees. An efficient activity is ensured in view of the manageable size of the Administrative Board. All members of the Administrative Board are fully informed and involved in all decisions.

Section 5.4.1 paragraphs 2 to 4 *“The Supervisory Board shall determine concrete objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board. Within the company-specific situation the composition of the Supervisory Board shall reflect appropriately the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of number 5.4.2, an age limit and a regular limit to Supervisory Board members' term of office, both to be specified, as well as diversity. The specific requirements of the co-determination acts (Mitbestimmungsgesetze) in regard of the elected employee representatives have to be taken into account. In listed corporations subject to the Co-determination Act, the Co-determination Act for the Coal, Iron and Steel Industry (Montan-Mitbestimmungsgesetz) or the Act Supplementing the Co-determination Act for the Coal, Iron and Steel Industry (Mitbestimmungsergänzungsgesetz), the Supervisory Board comprises at least 30% women and at least*

30% men. In other corporations subject to the Gender Equality Act (Gleichstellungsgesetz), the Supervisory Board determines targets for the share of female members.

Proposals by the Supervisory Board to the General Meeting shall take these targets into account, while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board. The implementation status shall be published in the Corporate Governance Report. This report shall also provide information about what the Supervisory Board regards as the appropriate number of independent Supervisory Board members representing shareholders, and the names of these members.”

The Administrative Board has thus far refrained from specifying concrete targets for its composition and from developing an overall profile of required skills and expertise, since it believed that in doing so, it would lose the necessary flexibility in the designation of candidates for the election to the Administrative Board. However, in its meeting of 12 December 2017, the Administrative Board has now set corresponding targets and adopted a skills profile.

A regular limit to the term of office of the members of Administrative Board has not been set, because this recommendation also aims at preventing potentially compromising the independence of a member of a Supervisory Board, if such member is part of such a body for decades. However, the Administrative Board is concurrently the company’s executive body. In this regard, interests of the Administrative Board are different than those of the Supervisory Board. A regular limit would inherently contravene the principally desired continuity of the management of the company. Insofar, the company diverges from Section 5.4.1 para. 2 of the Code.

5.4.2 sentence 3 *“No more than two former members of the Management Board shall be members of the Supervisory Board.”*

More than two former members of the previous Management Board of GFT AG are members of the Administrative Board of GFT SE. However, this is solely due to the establishment of a monistic organisational and management structure made in the course of the conversion. While in the dualistic system the Management Board is responsible for the management function, in the monistic system the management competency is assigned to the Administrative Board in accordance with article 43 para. 1 SE-VO. All Managing Directors of GFT SE were previously appointed as members of the Management Board of GFT Technologies AG. Therefore, it necessarily follows from the desired personnel continuity in the management of the company that more than two former members of the Management Board of GFT Technologies AG are members of the Administrative Board after the conversion.

Stuttgart, den 12 December 2017

GFT Technologies SE

The Administrative Board

B. Corporate governance practices

GFT Technologies SE is the parent company of the GFT Group. The companies of the GFT Group act in accordance with the respective legal system and their articles and memoranda of association. Internal organisational arrangements have been made which form the basis for the responsible and legally compliant practices of the executive bodies and employees of GFT Technologies SE and the GFT Group. A description of the GFT Group’s corporate governance practices is presented in the Corporate

Governance Report. This is printed in the Annual Report 2017 and is also available online at <http://www.gft.com/governance>.

The following corporate governance practices are also applied:

Risk management of GFT Technologies SE and the GFT Group

GFT Technologies SE and the GFT Group have a group-wide risk management system. This is oriented in particular to the size of the GFT Group, the geographic scope and complexity of the core business. The risk management system comprises numerous control processes and mechanisms. It is an essential element of the entrepreneurial decision-making process.

A central element of the group-wide risk management system is the Risk Management Steering Committee (RMSC), which is composed of Group executives. Each member is responsible for a defined risk position, such as project risks or liquidity risks. At the regular meetings of the RMSC, each participant reports on their assigned risk position. In this way, the members of the RMSC assess the respective risks and determine whether a risk should be accepted or which active countermeasures should be taken to reduce the risk.

Details on the risk management system are presented in the combined management report. This is printed in the Annual Report 2017. The annual report can be viewed online at www.gft.com/financialreports.

Accounting principles

In accordance with section 315a of the German Commercial Code (HGB), the consolidated financial statements of GFT Technologies SE are prepared according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union and applicable on the balance sheet date. Details are provided in the notes to the consolidated financial statements 2017 (note 1). These are printed in the Annual Report 2017.

The annual financial statements of GFT Technologies SE are prepared in accordance with the regulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). Details are provided in the notes to the annual financial statements 2017 (note 1). These are available online at www.gft.com/financialreports.

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

GFT Technologies SE has a single-tier management and control structure in which a single governance body, the Administrative Board, is responsible for management. The Managing Directors are responsible for the operating business.

The company applies the disclosure obligations of section 289f (2) number 3 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 the management board is mentioned.

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, and observes the recommendations of the German Corporate Governance Code taking into account the company's single-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 CVs of the Administrative Board members 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. Six regular meetings of the Administrative Board are generally held per financial year. 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 of the Administrative Board are convened by the Chairman, who also sends notification of the agenda items. Resolutions are generally adopted during the meetings. 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 2/3 of the votes cast by the Administrative Board is required. Minutes are taken of the meetings, of decisions in the meetings and of any resolutions adopted outside meetings. In the case of urgent business transactions, resolutions are also adopted by conference call or by written circulation.

In view of its manageable size, the Administrative Board refrains from forming committees.

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 and dismisses the Managing Directors, adopts resolutions concerning their remuneration and regulates the service relationship by means of the service contract. It is also the Administrative Board's duty to ensure long-term succession planning. The Administrative Board determines the remuneration of the Managing Directors and regularly reviews the compensation system regarding its alignment with the company's sustainable development. Moreover, it ensures that all compensation elements, both individually and as a whole, are appropriate and do not induce the recipients to take inappropriate risks.

Further information on the Administrative Board, especially its composition, is provided in the Corporate Governance Report. This is printed in the Annual Report 2017 and available on the website of GFT Technologies SE at www.gft.com/governance.

Managing Directors

GFT Technologies SE currently has two Managing Directors. At the same time, they are also members of the Administrative Board. GFT Technologies SE has 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 a 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.

The Managing Directors act in accordance with legal regulations, the articles of association and its own rules of procedure. In addition, they observe the German Corporate Governance 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. They report to the Administrative Board regularly as described above. The Administrative Board is also regularly informed by the Managing Directors about compliance within the GFT Group. 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 respective rules of procedure, they must obtain the prior consent of the Administrative Board.

The resolutions of the Managing Directors are always adopted at its meetings. 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 all members take part in the vote. The Managing Directors must 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 must be adopted on the agenda item at the next meeting. If no unanimous decision of the Managing Directors is reached in the case of a directly repeated vote or after suspension, each Managing Director has the right to present the resolution to the Chairman of the Administrative Board, who must then mediate between the Managing Directors. If still necessary after such mediation, he must then seek a resolution of the Administrative Board which is binding for all Managing Directors.

The Managing Directors have not formed any committees.

A Group Executive Board has also been established. As of 1 June 2017, it assists the Managing Directors with the fulfilment of their tasks. In addition to the two Managing Directors, it comprises two executives from the regions. The tasks of the Group Executive Board include providing advice and preparing decisions.

Further information on the Managing Directors, especially their composition, is provided in the Corporate Governance Report. This is printed in the Annual Report 2017 and available on the website of GFT Technologies SE at www.gft.com/governance.

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

Target up to 30 June 2017

At its meeting on 15 September 2015, the Administrative Board of GFT Technologies SE resolved that by 30 June 2017 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.

All targets were achieved by 30 June 2017.

Targets up to 30 June 2022

At its meeting on 30 May 2017, the Administrative Board of GFT Technologies SE resolved that the targets for the share of women by 30 June 2022 should remain unchanged. At present, all adopted targets have been achieved.

E. Diversity concept for the Administrative Board and the Managing Directors

Section 289f (2) number 6 HGB and section 315d in conjunction with section 289f (2) number 6 HGB require the disclosure of a diversity concept for the composition of the executive body authorised to represent the company and the supervisory board with regard to aspects such as age, gender, educational or occupational background, as well as the objectives of this diversity concept, the manner in which it is implemented, and the results achieved in the financial year.

GFT Technologies SE applies this disclosure obligation with regard to the executive body authorised to represent the company to the Managing Directors, and with regard to the supervisory board to the Administrative Board.

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 development, and in other key areas such as controlling and risk management, auditing, legal affairs and compliance.

In addition, 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).

The aim of the 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.

No elections were held for the Administrative Board in the financial year 2017. The Administrative Board believes that its current composition is in line with the diversity concept.

When selecting candidates for upcoming elections by the Annual General Meeting, the Administrative Board will take appropriate account of the diversity concept.

Diversity concept for the Managing Directors

In view of the fact that GFT Technologies SE currently only has two Managing Directors, it was decided that no diversity concept was needed at present. Should additional Managing Directors be appointed, the Administrative Board will base its decision on a target share for women of 30 percent.

Stuttgart, 21 March 2018

GFT Technologies SE

The Administrative Board