

Corporate Governance Statement for GFT Technologies SE and the GFT Group pursuant to sections 289f and 315d of the German Commercial Code (HGB) and Corporate Governance Report 2019



The Corporate Governance Statement for GFT Technologies SE and the GFT Group to be submitted pursuant to sections 289f and 315d HGB is combined with the Corporate Governance Report.

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 10 December 2019, 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

(As at: 10 December 2019)

Since the last Declaration of Compliance on 11 December 2018, GFT Technologies SE has largely complied with the recommendations of the “Government Commission on the German Corporate Governance Code” (hereinafter referred to as the “Code”) as amended on 7 February 2017 and published in the German Federal Gazette (Bundesanzeiger) on 24 April 2017, and will continue to comply with them. In derogation thereof, the specific characteristics of the one-tier system of GFT Technologies SE set forth below under section I., and the exceptions set forth under section II. shall apply:

I. Specific characteristics of the one-tier structure of GFT Technologies SE

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 SE-VO (Council Regulation (EC) No 2157/2001 of 08 October 2001 on the Statute of the European Company (SE)) in conjunction with sections 20 et seq. SEAG (SE Implementation Act), 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 (see also paragraph 8 of the Foreword 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 Technologies SE applies the recommendations of the Code for the supervisory board in principle to the Administrative Board of GFT Technologies SE and the recommendations of the Code for the management

board to its Managing Directors. Due to the legal structure of the one-tier system, this applies with the following exceptions:

- The recommendations with regard to the management board in numbers 2.3.2 sentence 2 half-sentence 1 (Proxies Bound by Instructions), 3.10 sentence 1 (Corporate Governance Report) and 4.1.3 (Compliance) of the Code relate to the Administrative Board due to the allocation of authority in section 22 (6) SEAG.

The following special features also result from the monistic structure:

- In derogation from number 2.2.1 sentence 1, 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, section 48 (2), sentence 2 SEAG.
- In derogation from numbers 2.3.1 sentence 1 and 3.7 (3), the Administrative Board is responsible for convening the general meeting in accordance with sections 48 and 22 (2) SEAG.
- Pursuant to section 22 (6) SEAG, the obligations of the management board set forth in numbers 3.7 (1) (Statement on a Takeover Bid) and (2) (Handling of a Takeover Bid), 4.1.1 (Company Management), 4.1.2 in conjunction with number 3.2 half-sentence 1 (Development of Company's Strategic Approach), number 4.1.4 (Risk Management and Risk Controlling) and 4.1.5 sentence 2 (Defining Targets for the Proportion of Women below the Management Board level) are the responsibilities of the Administrative Board.
- In contrast to management board members of a public limited company (Aktiengesellschaft - AG), the SEAG does not stipulate a fixed or a maximum term of appointment for the Managing Directors. Accordingly, the suggestion in number 5.1.2 sentence 6 and the recommendation in number 5.1.2 sentence 7 is not applied to the one-tier structure.
- In derogation from number 5.4.2 sentence 3 and 5.4.4, members of the Administrative Board can be appointed as Managing Directors provided that the majority of members of the Administrative Board continues to consist of non-executive members, pursuant to section 40 (1), sentence 2 SEAG.

II. Deviations from the recommendations of the German Corporate Governance Code

3.8 paragraphs 2 and 3 "If the corporation 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 remuneration of the Management Board member must be agreed.

A similar deductible shall be agreed in any D&O policy for the Supervisory Board."

The company diverges from the recommendation of a deductible for the Administrative Board. With regard to the D&O insurance, no deductible is agreed upon for the members of the Administrative Board who have not also been appointed as Managing Directors. The company is of the opinion that a deductible for these members of the Administrative Board provides no additional incentive to carry out their activities with due diligence and in accordance with the statutory provisions.

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 are published on the company's corporate website.

Employees who want to provide information in a protected manner about a suspected breach of the law within the company have not only the option of sending an anonymous letter to the company but also can use an Internet-based solution to provide anonymous information to the responsible office. In deviation, the staff in Germany is not able to access the Internet-based solution due to a lack of agreement with the General Works Council.

4.2.3 paragraph 2 sentence 6 “The amount of remuneration shall be capped with maximum levels, both as regards variable components and in the aggregate.”

So far, the remuneration of the managing directors has been capped with maximum levels, both as regards variable components and in the aggregate.

In connection with the renewal of a contract, the Administrative Board decided not to cap the maximum amount for the long-term variable remuneration, which is oriented on the GFT share price. The Administrative Board is of the opinion, that such a cap contradicts the intended synchronisation of the interests of the shareholders and the managing director in the long-term development of the share price. As there is different from the other remuneration components (fixed remuneration, fringe benefits and short-term variable remuneration) no cap for the long-term variable remuneration, no such cap exists for the total remuneration.

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 not entered into an agreement with the Managing Directors in the event of any premature termination of the function as Managing Director. The company is of the opinion that the statutory provisions provide for a proper and equitable balance of interests in the event of a Managing Director's premature departure from office. The Administrative Board reserves the right to agree on a severance cap in case of new contracts with the Managing Directors.

4.2.5 paragraph 3 sentence 2 “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 compensation report or in the notes to the financial statements. They contain all information required by number 4.2.5 of the Code. The company waives the use of the model tables as they do not provide the shareholders with any additional information.

5.3 “Establishment of Committees”

The Administrative Board previously waived the establishment of committees. In view of the manageable size of the Administrative Board, efficient work is also ensured without committees.

All members of the Administrative Board are fully informed and involved in all decisions. 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 shareholder and managing director is a member 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.

5.4.1 paragraph 2 “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.”

When setting the targets for the composition of the Administrative Board, the latter did not set a regular limit for the term of office for members of Administrative Board. This recommendation is based on the assumption that the independence of a supervisory board member may be jeopardised when serving over several decades. However, the Administrative Board is also the company’s management body. In this regard, the interests of the Administrative Board differ from those of a supervisory board. A regular limit would inherently contravene the principally desired continuity of the management of the company. Insofar, the company diverges from number 5.4.1 (2) sentence 2 of the Code.

5.4.2 sentence 3 “Not more than two former members of the Management Board shall be members of the Supervisory Board.”

More than two former members of the previous Executive Board of GFT Technologies AG are members of the Administrative Board of GFT Technologies SE. This is solely due to the establishment of a one-tier organisational and management structure made in the course of the conversion. While in the two-tier system the executive board is responsible for the management function, the management competency in the one-tier system is assigned to the Administrative Board in accordance with article 43 (1) SE-VO. All Managing Directors of GFT Technologies SE were previously appointed as members of the Executive 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 Executive Board of GFT Technologies AG must belong to the Administrative Board after the conversion.

Stuttgart, 10 December 2019

GFT Technologies SE

The Administrative Board

This declaration of compliance was amended on 4 March 2020 as follows:

Amendment to the Declaration of Compliance 2019

of the Administrative Board of GFT Technologies SE concerning the recommendations of the “Government Commission on the German Corporate Governance Code” as amended on 7 February 2017 pursuant to section 161 AktG (German Stock Corporation Act)

(As at: 4 March 2020)

On 10 December 2019, the Administrative Board of GFT Technologies SE issued a Declaration of Compliance regarding the recommendations of the “Government Commission on the German Corporate Governance Code” as amended on 7 February 2017 and published in the German Federal Gazette (Bundesanzeiger) on 24 April 2017 (hereinafter referred to as the “Code”). This Declaration of Compliance shall now be amended.

The following recommendation of the Code will not be complied with once:

7.1.2 sentence 3 “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.”

The company will publish the consolidated financial statements and the consolidated management report 2019 in April 2020 and thus not within the recommended period of 90 days after the end of the reporting period. The reason for this is that, due to the recent implementation of a new consolidation software, the preparation of the consolidated financial statements and group management report 2019 requires more time. The Administrative Board considers the one-time deviation from the above recommendation to be reasonable in order to ensure proper financial reporting.

Stuttgart, 4 March 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 management. The Managing Directors are responsible for the operating business.

Shareholders exercise their rights and cast their votes at the General Meeting of GFT Technologies SE, where they can interact directly with the Administrative Board and the Managing Directors. The Annual General Meeting is held once per calendar year. GFT Technologies SE publishes the necessary documents and information on its website in preparation for the event. Shareholders can cast their votes at the General Meeting either in person or via a proxy of their choice. The company also appoints one or more proxies who are bound by the voting instructions received. Shareholders can issue their instructions to these proxies in writing, by fax or electronically. Those shareholders attending the General Meeting can also instruct a proxy to vote for them in accordance with the conditions announced at the General Meeting.

The company provides its shareholders with regular and up-to-date information on the development of business.

The following corporate governance practices are 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 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. It is an essential element of the entrepreneurial decision-making process.

A central element of the group-wide 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 financial risks or personnel risks. 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 reduce the risk.

Details on the risk management system are presented in the combined management report. This is printed in the Annual Report 2019. The annual report can be viewed online at www.gft.com/financialreports.

Accounting and auditing

The GFT Group prepares its consolidated financial statements, half-year financial report and quarterly statements in accordance with the principles of the International Financial Reporting Standards (IFRS), as applicable in the European Union. The annual financial statements of GFT Technologies SE are prepared according to the accounting regulations of the German Commercial Code (HGB). The consolidated financial statements and the annual financial statements of GFT Technologies SE are audited by an independent auditor, the half-year financial report is subject to an auditor’s review.

Compliance

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”. A compliance management system based on the GFT Group’s risk situation has been introduced. It comprises the following levels of action: prevention, detection, reaction and improvement.

The Compliance Office set up by the Administrative Board 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 of 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 (letter, e-mail, phone, online) are available for this purpose. If there is any suspicion of misconduct, the Compliance Office leads the investigation efforts.

The Administrative Board continuously analyses the business structure, group size, areas of activity, regional orientation and many other aspects. It is assisted by the Compliance Office. Based on this analysis, the Administrative Board assesses the compliance and reputational risks arising from the company’s business operations. Where necessary, it initiates the appropriate adjustments to the compliance management system.

Managers’ transactions

In accordance with article 19 of regulation (EU) number 596/2014 of 16 April 2014 on market abuse (Market Abuse Regulation), all persons performing managerial duties and persons closely related to them must report within three business days all transactions with shares of GFT Technologies SE and related financial instruments to the issuer and the German Federal Financial Supervisory Authority. However, this only applies to transactions made after a total volume of €5,000 (effective 1 January 2020: €20,000.00) within a calendar year has been reached.

GFT Technologies SE publishes the corresponding information without delay, and no later than within the same period of three business days after receipt.

The information received and published by GFT Technologies SE can be found online at www.gft.com/governance . It is also printed in the Company Register.

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 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. 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 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 owner and 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 Andreas Bereczky and Dr Paul Lerbinger. After its meetings, the committee reports in detail about its work to the Administrative Board. Due to the low number of its members, the Administrative Board otherwise 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 the Managing Directors and ensures long-term succession planning. It regulates the service relationship by means of the service contract and determines the remuneration of the Managing Directors.

The Administrative Board conducts a review of the efficiency of its activities every two years, assessing in particular how effective it fulfils its tasks. The last review was conducted in the financial year 2018. The activities performed by the Administrative Board's committees are also reviewed with regard to efficiency. This self-evaluation is made on the basis of an extensive company-specific questionnaire.

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 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.

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. The Administrative Board is also informed by the Managing Directors at scheduled intervals 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 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 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.

The Managing Directors are assisted with the fulfilment of their tasks by the Group Executive Board. The tasks of the Group Executive Board include providing advice and preparing decisions.

Remuneration of members of the Administrative Board and the Managing Directors

Disclosures on the remuneration of Administrative Board members and the Managing Directors are contained in the remuneration report, which is a component of the combined management report of the GFT Group and GFT Technologies SE.

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, targets for the composition 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 are independent, conflicts of interest are avoided, the ownership structure is reflected, and diversity is 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).

A regular limit to the term of office for Administrative Board members has not been set as this would contradict the desired continuity in the management of the company by the Administrative Board. Notwithstanding the above, the rules of procedure for the Administrative Board state that candidates for the Administrative Board shall not be 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. More than half of its members are independent (see below) and the ownership structure is adequately reflected. In addition, the Administrative Board meets all of the objectives for its composition. The age profile is appropriate and the defined proportion of women has been observed. The skills profile is suitably 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 and several members have expertise in the field of accounting or auditing.

There were no elections to the Administrative Board in the financial year 2019. When selecting candidates for upcoming elections by the Annual General Meeting, the Administrative Board will take appropriate account of the diversity concept.

Independence of the Administrative Board members

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.

No controlling shareholder

The company has no controlling shareholder. Ulrich Dietz holds approx. 26 percent of shares in the company. There is no allocation of voting rights of other persons to Ulrich Dietz as defined by section 34 German Securities Trading Act (WpHG). There is no control agreement with Ulrich Dietz, nor does he have an absolute majority of votes or a majority at shareholders' meetings.

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 prior to appointment,
- 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 appointment, 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 for more than twelve years.

There were no substantial – and not merely temporary – conflicts of interest in the financial year 2019.

Two members of the Administrative Board, Marika Lulay and Dr Jochen Ruetz, are also appointed as Managing Directors. They were also appointed as Managing Directors of the company in the last two years, i.e. the financial years 2018 and 2019. No member of the Administrative Board is an immediate family member of a Managing Director or has been a member of the Administrative Board (or Supervisory Board prior to the change to a European Company) for more than 12 years. Only the Chairman of the Administrative Board, Ulrich Dietz, has a material business relationship with the company or any of its dependent companies.

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

Diversity concept for the Managing Directors

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

The service agreements with all Managing Directors provide that they will end at the latest 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 regularly present suitable internal candidates to the Administrative Board. The Administrative Board also makes its own considerations regarding suitable internal candidates and, if necessary, evaluates external candidates.

Stuttgart, 7 April 2020

GFT Technologies SE

The Managing Directors and the Administrative Board