

Declaration of Compliance 2012

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

(Issue: 10 December 2012)

Since the last Declaration of Compliance on 13 December 2011, GFT Technologies AG has largely complied with the recommendations of the “Government Commission on the German Corporate Governance Code” in the version from 26 May 2010. As of 15 June 2012, GFT Technologies AG has largely complied with the recommendations of the “Government Commission on the German Corporate Governance Code” in the version from 15 May 2012, announced in the German Federal Gazette on 15 June 2012 and will continue to comply with them in future; the following exceptions apply:

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

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

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

4.2.3 ...”The compensation structure must be oriented toward sustainable growth of the enterprise. The monetary compensation elements shall comprise fixed and variable elements. The Supervisory Board must make sure that the variable compensation elements are in general based on a multi- year assessment. Both positive and negative developments shall be taken into account when determining variable compensation components. All compensation components must be appropriate, both individually and in total, and in particular must not encourage to take unreasonable risks.”...

This recommendation takes account of the version of section 87 AktG, valid as of 5 August 2009, which must be considered when reassessing the compensation of members of the Executive Board. Since 5 August 2009, the company has so far implemented the recommendation regarding the compensation of Executive Board members in one case concerning a contract extension and in one case concerning the appointment of a new Executive Board member. The Supervisory Board will follow this recommendation when determining the salary of members of the Executive Board in future, and thus primarily with new contracts and contract extensions. Moreover, the compensation regulation of current Executive Board contracts is appropriate in the view of the Supervisory Board and does not lead to taking undue risks. In this regard, however, variable compensation elements have so far only had an assessment criterion extending over several years in two cases; allowances for negative developments have only been made in these two cases when arranging variable compensation elements.

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

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

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

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

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

5.3 Formation of Committees

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

5.4.6. (2) (version from 26 May 2010) *"Members of the Supervisory Board shall receive fixed as well as performance-related compensation. Performance-related compensation should also contain components based on the long-term performance of the enterprise."*

This former recommendation which GFT Technologies AG did not comply with was amended by the revised version of the German Corporate Governance Code dated 15 May 2012 in order to reduce possible conflicts of interest for the Supervisory Board.

Members of the Supervisory Board of GFT Technologies AG have only ever received fixed compensation in order to exclude potential conflicts of interest in the case of performance-related components. This company practice now also corresponds to the standard practice of most other companies.