

Declaration of Compliance

2014

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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 2014)

Since the last Declaration of Compliance on 16 December 2013, GFT Technologies AG (GFT) has largely complied with the recommendations of the “Government Commission on the German Corporate Governance Code” in the version from 13 May 2013. As of 30 September 2014, GFT Technologies AG has largely complied with the recommendations of the “Government Commission on the German Corporate Governance Code” in the version from 24 June 2014, announced in the German Federal Gazette on 30 September 2014 and will continue to comply with them in future; the following exceptions apply:

3.8 paragraph 2 and 3 “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 paragraph 4 "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.

5.3 Formation of Committees

Considering the manageable size of the Supervisory Board, GFT 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.

5.4.1 paragraphs 2 and 3 "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 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 paragraph 2 and 3 of the Code.

Remark:

The Executive Board resolved on 30 September 2014 to make a proposal to shareholders at a General Meeting in 2015 to change the company's legal form to that of a European Company ("SE"). The company's current two-tier organisational structure, consisting of an executive board and a supervisory board, is also to be changed to a single-tier governance structure with an administrative board.

If the shareholders consent to the change of the legal form and if the change is entered into the commercial register, at which date the change is effective, it might be necessary to declare other or different deviations from the then current recommendations of the "Government Commission on the German Corporate Governance Code". In this case, we will make a new Declaration of Compliance in accordance with the provisions of § 161 AktG.

Stuttgart, 10 December 2014

The Supervisory Board

The Executive Board