

Declaration of Compliance

by the Management Board and the Supervisory Board of telegate AG in accordance
with § 161 of the Stock Corporation Act relating to the German Corporate Governance Code

Management Board and Supervisory Board of telegate AG hereby confirm telegate AG's compliance with recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official portion of the electronic federal gazette, as of 26.Mai 2010 with the exception of the following recommendations:

Clause 2.3.1/2.3.3 Support of postal vote

The company neither offers postal vote nor the support provided in this respect of shareholders regarding the performance of a postal vote.

telegate AG's Articles of Incorporation do not provide postal vote as participation and the relevant provisions of the German Corporate Governance Code are not applied accordingly.

Clause 4.2.3 Management Board's variable compensation and period of computation compensation cap

Regarding the Management Board's variable compensation clause 4.2.3, subsection 3 s. 3 of the German Corporate Governance Code recommends to exclude retroactive changes concerning performance targets set for the Management Board. telegate AG deviated in this respect. In light of Mr. Schiavo being nominated as CEO of telegate AG by December 1, 2011 his performance targets have been agreed on for the period of the annual years 2012 - 2014. To synchronise both Board Members' performance targets the performance targets agreed on with Mr Gruesshaber have been altered accordingly commencing with the annual year of 2012. Synchronisation and standardisation of the Management Board Members' performance targets have to date been the company's code of practise and encourage a common objective for the Management Board in middle and long term perspective.

By deviation from clause 4.2.3, section 4 GCGC, the computation of the compensation cap is adjusted to the fixed remuneration of the previous annual year before termination of the employment and computation of the variable remuneration is adjusted to the amount of the average value of the variable remuneration paid during the 3 preceding annual years. telegate AG is of the perception that this method of computation has appropriate results. It avoids a disproportional weighting of a remuneration paid in a certain annual year within the variable remuneration field. Thus, a distant effect of individual and singular circumstances, if applicable, is avoided and a broader assessment basis is established.

Clause 4.2.4/ 4.2.5 Individual disclosure of remuneration of Management Board

The total remuneration of each one of the members of the Management Board is not disclosed by name. telegate reports the remuneration of the Management Board as a total sum only.

This is due to an according resolution by the Shareholders' Meeting from June 29, 2011, which has been passed with the necessary three-quarters majority.

Clause 5.1.2./5.4.1 Age limit for members of the Management Board and the Supervisory Board and Diversity

An age limit has not been set for members of the Management Board and the Supervisory Board.

telegate upholds the opinion that the performance of a Management and Supervisory Board member is independent of age. Furthermore, we consider the definition of an age limit for Supervisory Board members to be an inappropriate restriction of the Shareholders' right to elect the members of the Supervisory Board.

Clause 5.4.3 Proposed candidates for the chairmanship of the Supervisory Board shall be announced to the Shareholders

Court petitions regarding the appointment of substitute members to telegate AG's supervisory board are filed according to the substituted member's term of office. It is the company's intention to keep re-elections of supervisory board members at a minimum and re-elect all supervisory board members at the same time.

Clause 5.4.6 Remuneration of Supervisory Board Members

Chairmanship of committees of the Supervisory Board is currently not taken into account with regard to the remuneration of the members of the Supervisory Board (subsection 1) and a performance-related remuneration is not provided (subsection 2). telegate reports on the remuneration of its Supervisory Board as a whole in the notes to its financial statements. telegate does not provide an individualized breakdown (subsection 3).

The chairmanship of committees of the Supervisory Board is currently not taken into account with regard to the remuneration of the members of the Supervisory Board, because this is not provided by telegate AG's Articles of Incorporation. However, the commitment within the several committees is being taken into consideration regarding the remuneration.

In addition to a fixed remuneration, the Code recommends performance-oriented remuneration for Supervisory Board members. In our opinion, telegate should not create a performance-oriented incentive system for the members of the Supervisory Board. The existing remuneration system is better suited to ensure the independence of the Supervisory Board for the effective performance of its supervision and monitoring duties.

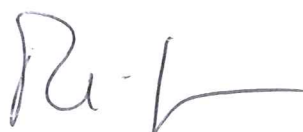
Furthermore, the Code recommends reporting the remuneration paid to the Supervisory Board members on an individual basis. In its remuneration report, telegate lists the total remuneration for the Supervisory Board as well as the work undertaken as committee activity as a total sum. Remuneration is not reported on an individual basis, as we believe that this is of no relevance to the capital markets.

telegate AG complied with the recommendations by the German Corporate Governance Code as amended on May 26, 2010 since delivery of the previous Declaration of Compliance in December 2010 with the restrictions mentioned to clause 2.3.1/2.3.3, 4.2.3, 4.2.4/4.2.5, 5.1.2/5.4.1, 5.4.3 and clause 5.4.6.

Martinsried on June 18th, 2012

telegate AG

For the Supervisory Board
Juergen von Kuczowski
(Chairman of the Supervisory Board)


For the Management Board
Elio Schiavo
(CEO)