

Declaration of Compliance

by the Management Board and Supervisory Board of telegate AG

in accordance with section 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 federal gazette, amended on May 13, 2013, with the exception of the following recommendations:

Clause 4.2.3 Management's Board variable compensation and severance pay cap

Among others, the German Corporate Governance Code recommends in clause 4.2.3 paragraph 2 p. 8 with regard to the Management Board's variable compensation that subsequent changing of performance targets shall be excluded. telegate AG deviated from this recommendation. In light of Mr. Schiavo being appointed as the company's Chairman of the Management Board (CEO) as of December 01, 2011 and the performance targets agreed with him for the period 2012 - 2014, the plan values and decisive assessment period for the variable compensation as from the annual year 2012 agreed with the Management Board member Ralf Gruesshaber were adjusted accordingly to the performance targets agreed with the new Chairman of the Management Board. Synchronization and standardization of the performance targets, which has previously always been applied practice of the company, support common medium-term and long-term action of the Management Board oriented towards the same targets.

In derogation of clause 4.2.3 paragraph 4 GCGC, calculation of the severance pay cap is adjusted to the fixed compensation of the annual year prior to termination of the contract and calculation of the variable compensation is adjusted to the amount of variable compensation paid in the 3 previous annual years. In the company's view, this calculation has appropriate results. It avoids disproportional weighting of a compensation paid in a certain annual year in the variable compensation field. Thus, a long-distance effect of individual and singular, if applicable, circumstances is avoided and a broader assessment basis is established.

In derogation of clause 4.2.3 paragraph 6 GCGC, the Chairperson of the Supervisory Board informs the Shareholders' Meeting on an annual basis on the main features of the compensation system within the scope of the ordinary Shareholders' Meeting. The company considers the interest in information of new Shareholders who are present at the Shareholders' Meeting for the first time.

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

An age limit has not been set for Management Board and Supervisory Board members. telegate upholds the opinion that the performance of a Management Board 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 Supervisory Board members.

Clause 5.3.2 Duties of the Audit Committee

Issues of Compliance are handled by the full Supervisory Board and not in the Audit Committee. The company pursues the objective to inform Supervisory Board members equally on issues of Compliance and promote a corresponding wide discussion among all Supervisory Board members.

Clause 5.4.3 Application for the judicial appointment of a Supervisory Board member

Applications for judicial replacement appointment for former Supervisory Board members are made limited in time for the remaining term of office of the former Supervisory Board member. In this respect, it is the company's objective to limit elections of individual Supervisory Board members to a minimum, if possible, and to have the new election of the full Supervisory Board on the same date.

Clause 5.4.6 Compensation of the members of the Supervisory Board

The exercising of Chair positions in Committees of the Supervisory Board is currently not taken into account for the compensation of the Supervisory Board members (paragraph 1). telegate discloses the compensation of the full Supervisory Board in the notes to the consolidated financial statements. A breakdown on an individual basis is not made (paragraph 3).

The exercising of Chair positions in Committees of the Supervisory Board is currently not taken into account for the compensation of the Supervisory Board members, because this is not provided by telegate AG's Articles of Incorporation. However, the commitment of Supervisory Board members in individual Committees is taken into account regarding compensation.

Furthermore, the Code recommends a statement of the Supervisory Board compensation on an individual basis and with a detailed breakdown. telegate discloses the total compensation for the full Supervisory Board and Supervisory Board activity in the Compensation Report. A breakdown on an individual basis is not made, as we believe that this is of no relevance to the capital markets.

telegate AG complied with the recommendations of the German Corporate Governance Code, amended May 15, 2012, since delivery of the previous Declaration of Compliance in December 2012, but also complied since publication of the latest declaration of GCGC on May 13, 2013 with the restrictions mentioned to clause 4.2.3, clause 5.1.2/5.4.1, 5.3.2, 5.4.3 and clause 5.4.6.

Martinsried, December 11, 2013

telegate AG

For the Supervisory Board

Jürgen von Kuczowski
(Chairman of the supervisory Board)

For the Management Board

Elio Schiavo
(CEO)