TELES AG Informationstechnologien

Declaration of Conformity, November 2014

Pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz = AktG), the Board of Directors and Supervisory Board of companies listed on the stock exchange in Germany are required to make an annual declaration stating that the recommendations of the Government Commission on the German Corporate Governance Code have been and are being complied with or listing the recommendations not complied with and disclosing the reasons why not. This declaration must be permanently accessible for the shareholders.

The German Corporate Governance Code (the „Code") contains rules with different binding force. In addition to current and binding stock corporation law regulations, it also contains recommendations from which companies may deviate; they are obliged however, to make full annual disclosure of these deviations. The Code further contains guidelines which may be deviated from without disclosure. The following declaration refers to the Code in its revised version of 13.05.2013 (published 10.06.2013).

The Board of Directors and the Supervisory Board of TELES AG hereby declare that the recommendations of the „Government Commission of the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the electronic Federal Journal have been and are being complied with since the last Compliance Statement of October 2013 with the following exceptions.

1. Rule 3.8 (Board of Directors and Supervisory Board - D&O Insurance)

The Code stipulates that an excess corresponding to the legal requirements for the Board of Directors shall be determined for the Supervisory Board respectively, in case the Company procures a Directors' and Officers' Liability Insurance.

The existing D&O Insurance does not have an excess for Supervisory Board members. In consideration of the nature of the Supervisory Board mandate, a distinction between the Board of Directors and Supervisory Board with respect to the D&O Insurance is deemed adequate. This is also conveyed by the different structure of the remuneration. Furthermore, with regard to the members of the Supervisory Board, the determination of an excess has not been considered as being suitable to enhance motivation and sense of responsibility of the board members who are already acting responsibly and in the interest of the Company due to their functions.

2. Rule 4.2.1. (Board of Directors – allocation of duties)

In addition to § 77 AktG the German Corporate Governance Code stipulates that the By-Laws shall allocate the duties among individual Management Board members.

The allocation of the duties among individual Management Board members is not necessary as those duties are stipulated directly in the service contracts of the individual Management Board members.

3. Rule 4.2.3 (Board of Directors - Compensation)

In addition to § 87 para. 1 AktG the German Corporate Governance Code stipulates that the Director's compensation shall have a nominal cap with regard to the total compensation as well as with regard to the variable compensation elements.

The management contract provides for a variable compensation, such variable compensation is currently defined by a percentage of the company result and has a cap of a nominal amount. In addition the supervisory board may grant to the board member a discretionary bonus depending on the overall success of the company as well as on the success of the business area the board member is responsible for. Such discretionary bonus shall only be granted in exceptionally cases. Thus, no cap containing a nominal amount has been agreed.

Additionally, the Codex recommends that severance payments shall have a nominal cap, whereby the calculation of such cap shall be based on the total remuneration of the past financial year and where appropriate on the expected total remuneration of the current year.

Although the management contract provides for a severance payment cap, the calculation is based on the fixed remuneration only.

4. Rule 5.1.2 (Age Limit for Directors, Diversity)

The Code recommends that the Supervisory Board specifies an age limit for members of Board of Directors; it also recommends to take diversity into account when appointing Directors, and in particular, to aim for an appropriate consideration of women.

TELES refrains from determination of an age limit for Directors, as in principal the expertise of experienced Directors shall be at the disposition of the Company. A solely age-related disqualification is not considered appropriate by the Board of Directors and Supervisory Board.

In the Company's interest, when appointing Directors, the Supervisory Board mainly pays attention to the availability of maximum professional competence, and thereafter takes further criteria into consideration. Due to the internationality of the Company the availability of key skills, language competence and experiences in different cultural environments is appreciated. Therefore, in the past Directors positions has been regularly filled with foreign managers.

The determination of specific objectives for promotion of the participation of women is currently not intended.

5. Rules 5.2 and 5.3 (Supervisory Board, Formation of Committees, Chairman)

The Code recommends that the Supervisory Board forms professionally qualified committees subject to the specific conditions of the company and the number of members. At present, the Supervisory Board of TELES AG consists of three members. As these members deal in their totality with the committee-related topics referred to in the Code - in addition to their other duties - the formation of committees is not considered to be appropriate to enhance the efficiency of Supervisory Board's work and is therefore not indicated. Thus, the Chairman of the Supervisory Board is also acting as Chairman, if and when the Supervisory Board in its entirety is handling affairs like monitoring of the accounting process, the effectiveness of the internal control system, risk management system and the internal audit system, the audit of the Annual Financial Statements, here in particular the independence of the auditor and the services rendered additionally by the auditor.

6. Rule 5.4.1 (Constitution of the Supervisory Board, Age Limit, Diversity)

Since the revised version of 26.05.2010 the Code recommends that the Supervisory Board sets targets for the constitution of the Supervisory Board taking into consideration the specific situation of the Company, the international activities of the Company, potential conflicts of interests, the number of independent Supervisory Board members according to Rule 5.4.2., the age limit to be determined and diversity. These specific targets shall provide for an appropriate participation of women.

The Supervisory Board has not yet determined concrete targets for its constitution so far, and after consideration of the specific situation of the Company does not intend to set these targets for the time being. In the Company's interest, when constituting the Supervisory Board, it is mainly appreciated that candidates have the maximum professional competence as well as international experiences. Only thereafter further criteria are taken into consideration.

Furthermore, the Company refrains from determination of an age limit for Supervisory Board members, as in principal the expertise of experienced Supervisory Board members shall be at the disposition of the Company. A solely age-related disqualification is not considered appropriate.

7. Rule 5.4.5 (Supervisory Board – Professional Development Measures)

Additionally, the Code recommends that the Company appropriately supports the Supervisory Board members in further training and professional development measures required for the performance of their duties.

In principal the Company supports the Supervisory Board members in reasonable further training and professional development measures under the statutory reimbursement of expenses. Which requirements to be fulfilled for the adequacy of Company's support subject to this recommendation is currently unclear. By way of precaution, a deviation from the recommendation is declared herewith.

8. Rule 7.1.2 (Publication of Financial Statements)

Subject to the recommendation of the Code, the Consolidated Financial Statements shall be publicly accessible within 90 days after the end of the financial year and Interim Reports shall be publicly accessible within 45 day after the end of the reporting period. In principle, TELES AG publishes the Consolidated Financial Statements and the Interim Reports - as far as possible - within these respites. In case of need TELES reserves the right to take advantage of the legal respites.

Thus, the consolidated financial statement for the year 2013 has been published a few days after expiration of the 90 days period. The interim accounts (Q3/2013, Q1/2014, HY/2014 and Q3/2014) have been published within the 45 day period.

Berlin, November 2014
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