

**Declaration of the Executive Board and the Supervisory Board
of Schaltbau Holding AG**

**regarding the recommendations of the
"Government Commission on the German Corporate Governance Code"**

**pursuant to § 161 AktG
("Declaration of Compliance")**

The Executive Board and the Supervisory Board of Schaltbau Holding AG issued the last Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 AktG on 11 December 2008. The following declaration relates to the version of the Code dated 6 June 2008 and published on 8 August 2008 in the electronic Federal Gazette for the period from 11 December 2008 to 5 August 2009. For the period from 6 August 2009 onwards the following declaration relates to the recommendations of the Code contained in the version dated 18 June 2009 and published on 5 August 2009 in the electronic Federal Gazette.

The Executive Board and the Supervisory Board of Schaltbau Holding AG hereby declare that the recommendations of the "Government Commission on the German Corporate Governance Code" have been and are being observed, with the following exceptions:

Re 3.8:

- Schaltbau Holding AG is principally not of the opinion that the degree of motivation and responsibility with which the members of the Executive Board and the Supervisory Board perform their duties will be enhanced by the introduction of a deductible. The D&O insurance policy taken out for the benefit of the Supervisory Board will thus remain without provision for a deductible. In future, the Executive Board contracts of service will include a deductible for Executive Board members in accordance with regulations inasmuch as no right of continuance has been agreed upon.

Re 4.2.2:

- Until now, the contracts of service and the structure of the compensation system for the members of the Executive Board were reviewed and determined by the Personnel Committee. According to the new regulations, the full Supervisory Board will take over this responsibility from now on.

Re 4.2.3:

- There is no plan to introduce stock option models as variable compensation components for Executive Board members. Long-term incentives for the Executive Board should continue to be primarily achieved by means of variable compensation components that relate to the extent of Group profits. Thus the compensation of individual Executive Board members consists solely of fixed and success-oriented components because the Supervisory Board is of the opinion that stock option models are only limitedly suitable as an incentive for the Executive Board. Until now, variable compensation components did not include a long-term assessment basis because no provision was made for them by law and ambitious performance targets can also be determined using annual performance data. In future, the service contracts of Executive Board members will include variable compensation components in compliance with statutory regulations, which at least also include a long-term assessment basis, assuming there is no right of continuance.
- The contracts of service for Executive Board members do not include payment arrangements either pertaining to the premature termination of their positions in the Executive Board or termination resulting from a change of control. Thus in case of premature termination of a position in the Executive Board, the necessary flexibility is retained to allow an appropriate agreement to be reached in keeping with the particular situation.
- Information on the basic features of the compensation system was not scheduled for the Annual General Meeting due to the detailed explanation in the compensation report, but will, however, be included in future.

Re 4.2.4 / 4.2.5:

- The total compensation of each member of the Executive Board will not be disclosed as a result of the resolution taken at the Annual General Meeting on 7 July 2006.

Re 5.1.2:

- Due to the function of Schaltbau Holding AG as holding company, the number of staff members it employs is limited. For this reason, a long-term succession plan primarily based on the selection of potential internal successors is not practicable. In view of the current ages of the Executive Board members and the terms of their appointments, there is currently no age limit in place for Executive Board members.

Re 5.2 / 5.3:

- The Supervisory Board has formed a Personnel Committee. An Auditing Committee has been provided for under the rules of procedure of the Supervisory Board, but has, however, not been formed due to the total size of the Supervisory Board. No further committees were appointed, particularly in view of the fact that a consistent flow of all company and other relevant information to all members of a 6-person Supervisory Board is eminently achievable.

Re 5.4.6:

- The compensation of Supervisory Board members is stipulated in the company's Articles of Association and specifically explained in the compensation report contained both in the Group Management Report and in the Corporate Governance report. For this reason, further disclosure of individual compensation is not currently provided for.
- Membership in committees is not taken into account in the compensation of Supervisory Board members because there are currently no other committees apart from the Personnel Committee.

Re 7.1.2:

- A specific review does not take place between the Executive Board and the Supervisory Board prior to the publication of half-yearly or quarterly financial reports. The assets, financial and profitability situation is regularly reviewed within the framework of Supervisory Board meetings and whenever the need arises on the strength of monthly reporting to the Supervisory Board. The Executive Board sees this as the only way to preserve the flexibility required for legal reasons, particularly in the case of subject matter relevant to ad hoc publicity.
- Due to the international structure of the Group and the resulting complexity, the Group financial statements and the interim reports have not been made publicly accessible within 90 days after the end of the fiscal year or 45 days after the end of the reporting period.

Munich, 02.12.2009

Schaltbau Holding AG

For the Executive Board:

For the Supervisory Board:

Dr. Jürgen Cammann

Waltraud Hertreiter

Hans J. Zimmermann