

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

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

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

1. Since its last Declaration of Compliance, issued on 8 December 2006, which referred to the German Corporate Governance Code in the version dated 12 June 2006, Schaltbau Holding AG **has** complied with all recommendations made by the "Government Commission on the German Corporate Governance Code", both in this version and in the version dated 14 June 2007 with the following exceptions:
 - The D&O insurance policy taken out for the members of the Management and Supervisory Boards of Schaltbau Holding AG does not provide for a deductible (code no. 3.8, sub-paragraph 2).
 - The rules of procedure for the Management Board include rules suitable for a two-person committee (code no. 4.2.1, paragraph 2 in the version dated 14 June 2007).
 - The contracts of service and the remuneration structure for the members of the Management Board are discussed and determined by the Personnel Committee (code no. 4.2.2, sub-paragraph 1).
 - There is no standard arrangement currently in place regarding variable remuneration components for exceptional, unforeseeable developments (code no. 4.2.3, sub-paragraph 3, clause 4).

- Code no. 4.2.3, sub-paragraph 4 in the version dated 12 June 2006 and/or sub-paragraph 6 in the version dated 14 June 2007 are not being applied.
- The remuneration of Management Board members consists of both fixed and variable components, but does not, however, include stock options or similar arrangements, so that corresponding recommendations with regard to these remuneration components are of no relevance for the company (code no. 4.2.3, sub-paragraph 3, 4.2.5, sub-paragraph 2 and clause 7.1.3).
- On the basis of a resolution passed at the Annual General Meeting on 7 July 2006, code nos. 4.2.4 and 4.2.5, sub-paragraph 1 concerning the individual publication of the total remuneration of each Management Board member are not being applied.
- In view of the ages of the Management Board members, provisions for a long-term succession plan are not currently in place (code no. 5.1.2).
- The Supervisory Board has formed a Personnel Committee. An Audit Committee is provided for under the rules of procedure of the Supervisory Board (code no. 5.3.2), but has, however, not been formed.
- A standardisation committee in accordance with code 5.3.3 in the version dated 14 June 2007 has not yet been formed.
- Membership in committees is not being taken into account in the remuneration of Supervisory Board members (code no. 5.4.7, sub-paragraph 1).
- The remuneration of Supervisory Board members is stipulated in the Articles of Association of the company. No provision is therefore made for the additional publication of details of individual remuneration (code no. 5.4.7, sub-paragraph 3).
- Code no. 7.1.2, which stipulates that the audited consolidated financial statements must be published within 90 days of the end of the fiscal year and the half-yearly report within 45 days of the end of the half-year is not currently being complied with.

2. Schaltbau Holding AG **will** comply with the recommendations made by the "Government Commission on the German Corporate Governance Code" in the version dated 14 June 2007, with the exceptions listed in section 1.

Munich, 11 December 2007

S c h a l t b a u H o l d i n g A G

For the Management Board:

For the Supervisory Board:

Dr. Jürgen Cammann

Waltraud Hertreiter

Hans J. Zimmermann