

**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")**

1. Since its last Declaration of Compliance, issued on 11 December 2007, which related to the German Corporate Governance Code in the version dated 14 June 2007, 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 6 June 2008 with the following exceptions:
 - The D&O insurance policy taken out for the benefit of the members of the executive 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 Executive Board include rules suitable for a two-person committee (code no. 4.2.1, paragraph 2).
 - The contracts of service and the compensation structure for the members of the Executive Board are reviewed and determined by the Personnel Committee (code no. 4.2.2, sub-paragraph 1).
 - The current contracts of service do not include payment arrangements pertaining to premature termination of positions in the Executive Board in accordance with code no. 4.2.3, sub-paragraphs 4 and 5 in the version dated 6 June 2008.

- Code no. 4.2.3, sub-paragraph 6 is not being applied.
- The compensation of the Executive 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 compensation components are of no relevance for the company (code nos. 4.2.3, sub-paragraph 3, 4.2.5, sub-paragraph 2 and 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 disclosure of the total compensation of each Executive Board member are not being applied.
- In view of the ages of the Executive Board members, provisions for a long-term succession plan are not currently in place (code no. 5.1.2, sub-paragraph 1).
A general rule concerning an age limit for Executive Board members in accordance with code no. 5.1.2, sub-paragraph 2 is not currently in place.
- The Supervisory Board has formed a Personnel Committee. An Auditing Committee has been provided for under the rules of procedure of the Supervisory Board (code no. 5.3.2), but has, however, not been formed due to the total size of the Supervisory Board.
- A Nomination Committee in accordance with code no. 5.3.3 has not yet been formed.
- Membership of committees is not taken into account in the compensation of Supervisory Board members (code no. 5.4.7, sub-paragraph 1 in the version dated 14 July 2007 and code no. 5.4.6, sub-paragraph 1 in the version dated 6 June 2008).
- The compensation of Supervisory Board members is stipulated in the Articles of Association of the company. Individual details are not included in the Governance Report (code no. 5.4.7, sub-paragraph 3 in the version dated 14 July 2007 and code no. 5.4.6, sub-paragraph 3 in the version dated 6 June 2008).

- Code no. 7.1.2, which stipulates that the audited consolidated financial statements must be published within 90 days after 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.
 - 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 (code no. 7.1.2, paragraph 2 in the version dated 6 June 2008).
2. Schaltbau Holding AG **will** comply with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 6 June 2008, with the exceptions listed in section 1.

Munich, 11 December 2008

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

For the Executive Board:

For the Supervisory Board:

Dr. Jürgen Cammann

Waltraud Hertreiter

Hans J. Zimmermann