

**Declaration of the executive board and the supervisory board
of Schaltbau Holding AG**

**on the recommendations of the Government Commission
on the German Corporate Governance Code
(Regierungskommission Deutscher Corporate Governance Kodex)**

**in accordance with § 161 of the German Corporation Act
("declaration of conformity")**

1. Since the last declaration of conformity on 11 February 2004 which related to the German Corporate Governance Code in its version of 21 May 2003, Schaltbau Holding AG has complied with all recommendations of the valid version of the German Corporate Governance Code with the following variations:

- The D&O insurance effected by Schaltbau Holding AG for the members of the executive board and the supervisory board does not include any participation (codex number 3.8).
- The contracts of the executive board and the structure of the remuneration system for the executive board are deliberated and decided by the personnel committee (codex number 4.2.2, 1st sub-paragraph).

- There is no standard regulation for extraordinary and not foreseeable developments with variable remuneration components (codex number 4.2.3, 2nd sub-paragraph, clause 4).

- Codex number 4.2.3, 3rd and 4th sub-paragraph are not used.

- Remuneration of members of the executive board is composed of fixed and variable elements, but not of share options or similar, so that the corresponding recommendations regarding these remuneration elements are irrelevant for the company (codex number 4.2.3 clause 4-7 and number 7.1.3). Remuneration of the members of the executive board in the annexe of the group accounts is not divided into fixed sum and success based variable elements (codex number 4.2.4).

- Individualisation of the salaries of the executive board in the annexe of the group accounts is not carried out (codex 4.2.4, clause 2).

- At the moment, there is no long-term succession planning for the executive board due to the age of the members of the executive board (codex number 5.1.2).

- The supervisory board formed a personnel committee. An auditing committee is provided for in the terms and conditions of the supervisory board (codex number 5.3.2) but it was not created.

- Membership in committees is not taken into consideration with remuneration of members of the executive board (codex number 5.4.5, 1st sub-paragraph).

- Remuneration of the members of the executive board results from the articles of the company. Thus, further disclosure is not intended (codex number 5.4.5, 3rd sub-paragraph).

- Changes to international accounting standards with respect to intermediate reports and the group accounts will be carried out in accordance with the statutory terms (codex number 7.1.1).
- Codex number 7.1.2., which determines that the audited group accounts are to be made publicly available within 90 days of the end of the fiscal year, and that the semi-annual report is to be made publicly available within 45 days after the end of the first six months, is not currently fulfilled.
- The amount of equity capital and the results of the last fiscal year will not be disclosed to third party companies (codex number 7.1.4).

2. Schaltbau Holding AG will fulfil the recommendations of the Government Commission on the German Corporate Governance Code in its version of 21 May 2003 with the deviations stated in 1

Munich, 18 January 2005

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

For the executive board:

Dr. Jürgen Cammann

Waltraud Hertreiter

For the supervisory board:

Hans J. Zimmermann