

**Updating of joint declaration of conformity with the German Corporate Governance Code by the Executive Board and the Supervisory Board of CANCOM AG in accordance with Section 161 of the German Stock Companies Act (Aktiengesetz, AktG)**

**I.**

**The Supervisory Board and Board of Management of CANCOM AG submitted a compliance declaration on December 13, 2011, in which the following reservations were made:**

Since its last declaration of conformity published on 7 December 2010, CANCOM AG has conformed to the recommendations of the German Corporate Governance Code issued on 26 May 2010, and published in the German Federal Gazette (Bundesanzeiger) on 2 July 2010, with the following exceptions:

**1. Deductible on directors' and officers' liability insurance**

The German Corporate Governance Code recommends that an appropriate deductible be applied to claims on directors' and officers' liability insurance (D&O insurance). CANCOM AG does not agree that a deductible would have any effect in improving the attitude to work of, or the responsibility taken by, the members of the CANCOM Supervisory Board. There is therefore no deductible on the D&O insurance policy held by CANCOM for the Supervisory Board.

**2. Setting up of committees**

The German Corporate Governance Code recommends that committees of experts be set up, depending on the specific circumstances of the company and the number of employees. The Supervisory Board of CANCOM AG consists of six members, a number appropriately proportionate to the size of the company. In the opinion of CANCOM AG, setting up committees from within this six-member board would not lead to any improvement in efficiency, and therefore no committees are set up. The Supervisory Board as a whole discusses in depth matters of accounting, risk management and compliance, the necessity for an independent auditor, commissioning the auditor, determining the focus of the audit and agreeing a fee. No nomination committee has been set up, since at present all members of the Supervisory Board are shareholders or persons nominated by shareholders.

**3. Remuneration of Supervisory Board members**

The German Corporate Governance Code recommends that the remuneration of Supervisory Board members be subdivided into a fixed portion and a performance-related portion and that higher remuneration be paid to the Chairperson and Deputy Chairperson than to the ordinary members. CANCOM AG deviates from this recommendation by offering fixed remuneration to its Supervisory Board members and not differentiating between the Deputy Chairperson and the ordinary members of the Supervisory Board with regard to the remuneration they are offered.

**II.**

**The Board of Management and the Supervisory Board hereby declare further that CANCOM AG complied with the recommendations of the German Corporate Governance Code issued on 15 May 2012 and published in the Federal Gazette (Bundesanzeiger) on 15 June 2012, with the following exceptions:**

**1. Deductible on directors' and officers' liability insurance**

The Supervisory Board of CANCOM AG has agreed upon an insurance deductible for the directors' and officers' liability insurance (D&O insurance) in its meeting on 21 June 2012.

**2. Setting up of committees**

The Supervisory Board of CANCOM AG has decided in its meeting on 21 June 2012 to set up an Audit committee and a Nomination committee.

**III.**

**Following the adoption of the proposals of Management Board and Supervisory Board for the remuneration of Supervisory Board members by the Annual General Meeting of CANCOM AG on 21 June 2012 (item 7 on the Agenda) and the entry in the Commercial**

**Registry on 27 June 2012, of the amendment of Article of Incorporation adopted at the Annual General Meeting of CANCOM AG on 21 June 2012, item 6.2. on the Agenda (Amendment of § 10 (1) and (2) of the Articles of Incorporation (Remuneration of the Supervisory Board)), the Supervisory Board and Board of Management of CANCOM AG now declare that the recommendations of the German Corporate Governance Code issued on 15 May 2012 and published in the Federal Gazette (Bundesanzeiger) on 15 June 2012 are complied without exceptions.**

Munich, Germany, 21 June 2012

For the Board of Management  
Klaus Weinmann

For the Supervisory Board  
Walter von Szczytnicki