

**DECLARATION BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD OF  
XING AG  
ON THE RECOMMENDATIONS OF THE "GOVERNMENT COMMISSION CORPORATE GOVERNANCE  
CODE"  
PURSUANT TO ARTICLE 161 OF THE STOCK CORPORATION ACT (AKTG)**

The Executive Board and Supervisory Board declare that since the last statement of compliance was submitted, XING AG has complied with the recommendations of the "Government Commission Corporate Governance Code" in the version dating June 6, 2008, and has complied and will comply with the version dating June 18, 2009 from its date of validity, with the following exceptions:

**3.8 (2) D&O insurance deductible**

XING AG has taken out a D&O insurance for its executive bodies that does not include a deductible. The Executive Board and Supervisory Board take the view that a D&O insurance deductible does not constitute an adequate means of achieving the Code's objectives. Deductibles of this kind are usually insured by executive board and supervisory board members themselves, so that the actual purpose of the deductible is nullified. XING AG shall meet the obligation to include a deductible for Executive Board members, set out in Art. 93 (2) line 3 AktG under commensurability of board member remuneration, within the implementation period required for legal and contractual fulfillment. For the reasons indicated above, the D&O insurance for Supervisory Board members will continue to not have a deductible in the future.

**4.2.3 (3) - Compensation of Executive Board members**

Only one current board member contract did not and does not contain limitations on gains resulting from the exercise of subscription rights granted to the board member. In the view of the Company, the relatively small proportion of stock options in the total compensation of the board member and a properly determined strike price make setting a cap on gains unnecessary.

**4.2.3 (4) and (5) - Settlement cap for members of the Executive Board**

The Code stipulates that executive board contracts should include an agreement to cap settlement payments including perquisites to board members in the event of a premature cessation of board duties without good cause at twice the annual remuneration of the board member, and that the period of reimbursement not exceed the remaining term of the employment contract. XING AG has not set a settlement cap in two Executive Board contracts. XING AG takes the view that a settlement cap of this sort is at odds with the basic conception of a regular executive board contract, which has been agreed upon for the duration of the period of appointment, and cannot be terminated without good cause. Furthermore, in practice such a settlement cap is not easily enforceable by the Company alone in the event of premature cessation of Executive Board duties without good cause. In the event of a premature, amicable termination of an Executive Board contract, the Company will endeavor to act in accordance with the fundamental idea behind the recommendation.

Furthermore, the Code stipulates that a settlement for the premature cessation of executive board duties arising from a change of control be limited to three times the annual remuneration. Currently, one Executive Board contract stipulates that in the event of a change of control under certain conditions, the capitalized total contractual amount be paid for the remainder of the term of employment, or at least for a term of 1.5 years. The same Executive Board contract stipulates that in the event of a change of control, a cash payment be made to the Board member for the amount of issued but not yet exercised stock options. In individual cases, these agreements could lead to exceedance of the recommended settlement cap. Given the fixed four-year term of service, the Supervisory Board is of the opinion that cap recommended by the Code need not be enforced, and reserves the right to renegotiate individual contracts in the future, if necessary.

#### **5.4.6 (1) and (2) - Compensation of Supervisory Board members**

The Vice Chairman of the Supervisory Board has not been and will not be considered individually when Supervisory Board compensation is agreed upon. As the number of instances in which the Vice Chairman has represented the chairman have been very few in the past, both the Executive Board and the Supervisory Board believe separate compensation to be unnecessary. The compensation of Supervisory Board members has not and does not contain performance-related compensation components. In the interest of boosting the necessarily independent function of the Supervisory Board, both the Executive Board and the Supervisory Board wish to avoid financial incentives connected with short-term success of the Company.

Hamburg, February 2010

The Supervisory Board

The Executive Board