



Personal & Informatik

Statement of Compliance according to Art. 161 German Companies Act (AktG)

Wiesbaden, Germany, December 2004

Statement by the Supervisory Board and the Management Board of P&I Personal & Informatik AG according to Art. 161 (AktG) regard- ing compliance with the German Corporate Governance Code

After thorough discussions on the recommendations issued by the government commission on the German Corporate Governance Code on company management and supervision (code version of May 21, 2003), the Supervisory Board and Management Board of P&I Personal & Informatik AG have decided that they will comply with the recommendations made by the government commission on the German Corporate Governance Code as published in the electronic pages of the Bundesanzeiger on July 4, 2003 with the following exceptions:

Deductible in directors' and officers' liability insurance policies

The German Corporate Governance Code recommends agreeing a suitable deductible in liability insurance policies taken out by a company for its supervisory board and management board members. The Supervisory Board and the Management Board are not of the opinion that such a deductible would serve to improve the motivation and responsibility with which the Supervisory Board and Management Board members of P&I Personal & Informatik AG discharge their duties. For this reason, P&I Personal & Informatik AG does not intend to modify the existing D&O insurance policy, which does not stipulate a deductible.

Publication of the remunerations of each member of the Management Board (item 4.2.4)

The German Corporate Governance Code recommends the publication of the remunerations received by each of the management board members in the enclosure to the consolidated annual report. The Management Board decided that it would not follow this recommendation. According to German law in force, the Board considers it sufficient to publish the total amount of remunerations given to the Management board in the consolidated annual report's enclosure. By dividing the total amount by the number of the management board members and by taking into account their ranks and assignments, the already known data to be published in this matter will allow a sufficient conclusion on the remuneration of each of the management board members.

Age limit for members of the Management Board and Supervisory Board

The German Corporate Governance Code recommends specifying an age limit for Management Board and Supervisory Board members. No blanket age limit was specified for members of the Supervisory Board as this is considered an unreasonable restriction of shareholders' rights during the election of members of the Supervisory Board.

Formation of committees

The German Corporate Governance Code recommends forming committees with sufficient expertise and explicitly mentions the formation of an Audit Committee. According to German law in force, the audit of the annual report and of the management report as well as of the consolidated annual report and of the consolidated management report according to Art. 171 Sec. 1 German Companies Act (AktG) and the Report of the Supervisory Board to the General Meeting (Art. 171 Sec. 2 German Companies Act (AktG)) is a duty assigned to the Group Supervisory Board that may not be delegated to the Audit Committee. As such, an Audit Committee would only have a preparatory function. Therefore, the Group Supervisory Board will continue to be in charge of giving the auditor the audit assignment, determining the main focus of the audit and agreeing the remuneration with the auditor.

This determination is appropriate for the size of the Supervisory Board of P&I Personal & Informatik AG, which does not necessitate the formation of committees. The Supervisory Board of P&I Personal & Informatik AG generally convenes six to seven times per year. This frequency does not leave much latitude to form committees. Committees would inevitably reduce the number of meetings of the Group Supervisory Board, so that there would not principally be an advantage for the Company.

Performance-based compensation of Supervisory Board members (Item 5.4.5)

The German Corporate Governance Code recommends that part of the remunerations for members of Supervisory Boards should be performance-based, in addition to a fixed salary. As yet, there has been no such performance-based compensation for P&I Supervisory Board members. However, the Supervisory and Management Boards intend to propose, at the next Ordinary General Meeting of shareholders of P&I Personal & Informatik AG, the insertion of a new clause into the Memorandum and Articles of Association, according to which, remuneration for Supervisory Board members shall in future comprise a performance-based component in addition to a fixed salary.

Since submitting the previous year's declaration of compliance pursuant to Art. 161 of the German Companies Act (AktG), in December 2003, P&I Personal & Informatik AG has now complied with the recommendations made by the government commission on the German Corporate Governance Code as published in the electronic pages of the Bundesanzeiger on July 4, 2003 (code version of May 21, 2003), with the following exceptions: item 3.8 (Deductible in D&O insurance policies), item 4.2.4 (Publication of the remunerations of each member of the Management Board), item 5.4.1 (Age limit for members of the Supervisory Board), items 5.3.1 and 5.3.2 (Formation of committees), and item 5.4.5 (Performance-based compensation of Supervisory Board members).

Wiesbaden, December 2004

For the Supervisory Board

sgd. Michael Wand
Chairman of the Supervisory Board

For the Management Board

sgd. Vasilios Triadis
CEO