

Compliance statement by the Management Board and Supervisory Board of Sunways AG with respect to the recommendations of the Government Commission on the German Corporate Governance Code (Regierungskommission Deutscher Corporate Governance Kodex) pursuant to § 161 of the German Stock Corporation Act (AktG)

(as of 12 March 2009)

- 1. In the future, Sunways AG will comply with all recommendations of the Government Commission on the German Corporate Governance Code, as amended on 6 June 2008, with the following exceptions:**

Item 2.3.1 of the Code: Publication of documents on the internet

The Company publishes the agenda and specific information relating to its general meeting on its internet page. It is not intended to publish on the internet all reports and documents required by law to be provided for the general meeting.

In the Company's opinion, the provision of sufficient information is ensured by mailing documents and making them available for inspection.

Item 3.8 of the Code: Deductible with respect to D&O insurance

No deductible is provided for under the D&O insurance taken out by Sunways AG for its Management Board and Supervisory Board.

In the Company's opinion, a deductible with respect to D&O insurance would not constitute an additional incentive to avoid liability-prone circumstances.

Item 4.2.3, subparagraph 4 of the Code: Agreement on capped severance pay in the event that the appointment of members of the Management Board is terminated without serious cause

The Supervisory Board has not entered into an agreement with the members of the Management Board in the event that their appointment is terminated without serious cause. Therefore, the statutory provision shall apply in such a case.

In the opinion of the Supervisory Board, the statutory provisions take sufficient account of mutual interests and thus form an adequate basis in case of a Management Board member's resignation.

Items 4.2.2 and 4.2.4 of the Code: Decision on and disclosure of Management Board remuneration

All matters relating to Management Board remuneration are decided by the Supervisory Board in plenary session and are not based on another panel's relevant

suggestion. The Committee for Management Board Matters was discontinued in the fiscal year 2008 (item 4.2.2 of the Code). The Management Board remuneration is disclosed in the notes to the consolidated financial statements, broken down by fixed and variable elements. The amounts are, however, not specified individually (item 4.2.4 of the Code). The Company's general meeting on 18 May 2006 passed the resolution no to disclose the remunerations of Management Board members on an individual basis.

The Company is of the opinion that, in view of the limited number of Management Board members, the publication of the total Management Board remuneration ensures a sufficient level of transparency. In the Company's opinion, the protection of the individual Management Board members' privacy outweighs the need for greater transparency and further details. From the Company's point of view, it is transparent and adequate to address all remuneration-related matters in plenary session.

Item 5.4.7 of the Code: Remuneration of Supervisory Board members

Sunways AG does not pay any performance-related remuneration to the members of its Supervisory Board. Committee memberships and chairmanships are not reflected in the remuneration. The Supervisory Board remuneration and any consideration for services rendered are not specified individually in the Corporate Governance Report.

The Company believes that additional incentives in the form of variable pay elements that, in practice, in most cases have resulted in a marked increase in the overall amount of Supervisory Board remunerations at other companies and thus in higher expenses for the relevant enterprise would put the Company at a disadvantage compared to the current fixed remuneration. In view of the limited number of Supervisory Board members, the publication of the total remuneration paid for advisory services ensures sufficient transparency. In this respect as well, the Company believes that the protection of the individual Supervisory Board members' privacy outweighs the need for greater transparency and further details.

Item 7.1.12 of the Code: Publication of financial reports

The consolidated annual financial statements and interim financial statements are published exclusively in conformity with statutory timing requirements.

The Company is of the opinion that the statutory provisions ensure the adequate and timely information of shareholders.

- 2. Since the last compliance statement dated 12 March 2008, Sunways AG has complied with all recommendations of the Government Commission on the German Corporate Governance Code during the period from 18 December 2007 to 7 August 2008 (the Code, as amended on 14 June 2007) and during the period from 8 August 2008 to the date hereof (the Code, as amended on 6 June 2008) with the following exceptions:**

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Constance, 12 March 2009

The Management Board

The Supervisory Board