

## **Declaration Pursuant to § 161 of the German Stock Corporation Act on Compliance with the German Corporate Governance Code, as Amended June 2, 2005, at QSC AG**

Since its formation, QSC AG has been committed to good corporate governance and has viewed transparency and value-driven management as essential. Consequently, the company implements nearly all recommendations set forth in the German Corporate Governance Code and adheres them in its daily work. Since submittal of its last Declaration of Compliance, the company has complied and continues to comply with the recommendations of the Government Commission "German Corporate Governance Code", as amended June 2, 2005, with the following exceptions:

1. The recommendation that demanding, relevant comparison parameters be stipulated for stock options and comparable instruments for members of the Management Board (Item 4.2.3, Paragraph 2, Sentence 2, of the Code)
2. The recommendation that a possibility of limitation (cap) for extraordinary, unforeseen developments be agreed for stock options and comparable instruments for members of the Management Board (Item 4.2.3, Paragraph 2, Sentence 4, of the Code)
3. The recommendation that the company publish information relating to the value of stock options for members of the Management Board on its website and in its Annual Report (Item 4.2.3, Paragraph 3, Sentence 2, of the Code)
4. The recommendation that the compensation of the members of the Management Board be disclosed in individualized form in the notes to the consolidated financial statements (Item 4.2.4, Sentence 2, of the Code)  
Management and Supervisory Board intend to propose to the Annual General Meeting a resolution pursuant to § 286 Paragraph 5 HGB (German Commercial Code), according to which the individualized particulars on management remuneration pursuant to § 285 Sentence 1 No. 9 lit. a) Sentence 5 to 9 HGB (German Commercial Code) may be omitted in the notes to the annual financial statements for the time being.
5. Formation of an audit committee (Item 5.3.2)
6. Taking into account the economic situation and performance of the company, as well as chair and membership positions on committees, in connection with compensation of the members of the Supervisory Board (Item 5.4.5 of the Code)
7. Publication of interim reports within 45 days (Item 7.1.2 of the Code)

QSC's corporate governance principles are regularly reviewed by the Management and Supervisory Boards. The company will promptly publish any future changes thereto with respect to conformity with the German Corporate Governance Code on its website.

Cologne, November 17, 2005

For the Management Board  
Dr. Bernd Schlobohm

For the Supervisory Board  
John C. Baker