

DECLARATION OF COMPLIANCE

DECLARATION PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTIENGESETZ) REGARDING QSC AG'S COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE (DEUTSCHER CORPORATE GOVERNANCE KODEX) AS AMENDED MAY 26, 2010

Since its formation, QSC AG ("QSC") 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 (*Deutscher Corporate Governance Kodex*) and adheres to them in its daily work. Since the 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" in its version dated May 26, 2010, with the following exceptions:

No sending of the notification of the convening of the General Meeting together with the convention documents to all domestic and foreign financial services providers, shareholders and shareholders' associations by electronic means (Item 2.3.2 of the Code)

There are two reasons why QSC sends the convention documents only by mail: Firstly, experience has shown that an invitation provided by mail leads to a higher attendance of the shareholders at the General Meeting. Secondly, as QSC is in possession of all postal addresses of its shareholders due to the fact that QSC has issued registered shares, QSC refrains from collecting e-mail addresses of its shareholders for reasons of efficiency.

No agreement regarding a deductible in the D&O insurance for members of the Supervisory Board (Section 93, Paragraph 2 of the German Stock Corporation Act (Aktiengesetz) mutatis mutandis) (Item 3.8, Paragraphs 2 and 3 of the Code)

QSC accepts the recommendation of the German Corporate Governance Code insofar as the D&O insurance policy will include a deductible for Supervisory Board members of 10 percent of the respective damages per damage event as of July 1, 2010. However, and contrary to the recommendation, the deductible will be limited to 100 percent of the fixed annual remuneration of the Supervisory Board members. In particular, against the backdrop of the comparatively low remuneration of the Supervisory Board Members, QSC deems inappropriate a deductible which exceeds the annual remuneration.

No periodic review of the Management Board members' compensation system including the material elements of the contracts by the Supervisory Board's plenum (Item 4.2.2, Paragraph 1 of the Code)

The periodic review of the compensation system is carried out by the Compensation Committee of the Supervisory Board. It is QSC's opinion that the Compensation Committee is, because of its competencies, best prepared to deal with the Management Board's remuneration. The company thus continues to adhere to this proven principle.

DECLARATION OF COMPLIANCE

***No stipulation of demanding, relevant comparison parameters for stock options and comparable instruments regarding the members of the Management Board
(Item 4.2.3, Paragraph 3, Sentence 2 of the Code)***

Due to the fact that the QSC stock option plans are linked to the QSC share price and due to their long term design, QSC believes that, given QSC's current stock option plans, there is no need to stipulate demanding, relevant comparison parameters. However, the current stock option plan 2006 (*SOP 2006*) contains exercise barriers and, therefore, strengthens the link between the stock option plan and the development of the QSC share price respectively to its development compared to the development of the TecDAX.

The undertaking to provide shares of QSC to single members of the Management Board is based on the condition that the long term targets of the Management Board have been achieved, whereas such long term targets are based on company-orientated parameters. The Supervisory Board is of the opinion that, by providing shares only if the long term targets have been achieved, a lasting development of the company is adequately ensured.

***The contracts of the Management Board members do not contain a cap on severance payments in case of premature termination
(Item 4.2.3, Paragraph 4 of the Code)***

To postulate a cap regarding severance payments would be contrary to the spirit of the Management Board contract, which is usually concluded for a fixed term and does, in principle, not provide for the possibility of an ordinary termination by notice. Moreover, a contractual severance payment cap would be difficult to practically enforce against a Management Board member in the circumstances where it would be relevant. Furthermore, such advance stipulation would be unfeasible to reasonably take into account the particular facts and the surrounding circumstances that later actually give rise to the premature ending of a Management Board member's contract.

***No aiming for an appropriate consideration of women when appointing the Management Board
(Item 5.1.2, Paragraph 1, Sentence 2 of the Code)***

The Supervisory Board does not follow this recommendation insofar as its decisions when filling Supervisory Board positions are guided solely by the qualifications of the persons available as it has been in the past. In this respect the Supervisory Board does not give decision priority to gender.

***No stipulation of concrete objectives regarding the composition of the Supervisory Board that, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts, and diversity, as well as an appropriate degree of female representation, in particular. No consideration of such objectives by the Supervisory Board with regards to proposals for election and no publishing of such objectives in the Corporate Governance Report
(Item 5.4.1, Paragraphs 2 and 3 of the Code)***

The composition of QSC's Supervisory Board has to be oriented towards the company's interest and has to ensure the effective control and advice of the Management Board. Therefore, candidates for elections by the annual general to the Supervisory Board are proposed by the Supervisory Board only in consideration of the professional competence and the experience of the respective candidates. Other criteria such as gender or nationality are not taken into account; nor have they been in the past. The Supervisory Board deems a fixed quota system not to be appropriate. Therefore, the Supervisory Board does not stipulate any concrete

Seite 2/3

DECLARATION OF COMPLIANCE

objectives regarding the composition of the Supervisory Board; nor does the Management Board and the Supervisory Board report such objectives in the corporate governance report. However, the Supervisory Board has already specified an age limit for its members in the past and intends to keep such age limit.

No consideration of the performance of the company or chair and membership positions in committees regarding the compensation of the members of the Supervisory Board (Item 5.4.6, Paragraphs 1 and 2 of the Code)

QSC does not believe that the Supervisory Board members' motivation and responsibility with regards to their duties will be improved by considering the performance of the company regarding the compensation of the members of the Supervisory Board. The same applied to the consideration of the chair and of membership positions in committees until the acquisitions executed in the financial year 2011. Considering the increased amount of work within the committees caused by the acquisitions, the Management Board and the Supervisory Board are currently scrutinizing a proposal to the General Meeting of 2012 to amend the provisions of the articles of association regarding the remuneration of the Supervisory Board in order to consider the chair and the membership positions in committees in terms of the remuneration in the future.

Cologne, November 17, 2011



For the Management Board
Dr. Bernd Schlobohm



For the Supervisory Board
Herbert Brenke