

# UPDATE TO DECLARATION OF COMPLIANCE

## UPDATE

TO THE DECLARATION BY THE MANAGEMENT AND SUPERVISORY BOARDS OF QSC AG PURSUANT TO § 161 OF THE GERMAN STOCK CORPORATION ACT (“AKTG”) REGARDING THE COMPANY’S COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED 24 JUNE 2014, AS OF ITS VALIDITY FROM 5 MAY 2015

On 19 November 2015, the Management and Supervisory Boards of QSC AG submitted a Declaration of Compliance with the recommendations of the Government Commission “German Corporate Governance Code”. This Declaration is now supplemented to include the following further exception:

***No exclusion of retroactive changes to the performance targets or comparison parameters for variable compensation of Management Board members (Item 4.2.3, Paragraph 2, Sentence 8 of the Code)***


Management Board members receive variable compensation, the amount of which for the long-term incentive (LTI) component is based on the achievement of multiyear targets over a three-year performance period. Target agreements for multiyear targets were concluded with three Management Board members in March 2015. Upon concluding a further target agreement with a Management Board member who commenced his activity in 2016, on 18 August 2016 the Supervisory Board decided to adjust individual parameters of the target agreements concluded in March 2015. The Supervisory Board is of the opinion that external developments unforeseeable in March 2015 have made it necessary to restore the incentive effect of the variable compensation on a uniform basis for the Management Board members in the interests of the Company and thus boost the overall responsibility of the Management Board.

In view of this, the Management and Supervisory Boards declare that the recommendation in Item 4.2.3, Paragraph 2, Sentence 8 of the Code is also not been complied with. The Declaration of Compliance dated 19 November 2015 remains valid in all other respects.

Cologne, 18 August 2016



On behalf of the Management Board  
Jürgen Hermann



On behalf of the Supervisory Board  
Dr. Bernd Schlobohm

Updated Declaration of Conformity

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Aufsichtsrat: Dr. Bernd Schlobohm (Vorsitzender)

HRB-Nummer: 28281, Amtsgericht Köln

**QSC** AG