DECLARATION PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATIOIN ACT (*AKTIENGESETZ*) REGARDING QSC AG'S COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE (*DEUTSCHER CORPORATE GOVERNANCE KODEX*) AS AMENDED JUNE 18, 2009, RESPECTIVELY AS OF ITS VALIDITY 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 June 18, 2009, respectively as of its validity 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, Paragraph 2 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.

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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 their long term design, QSC believes that 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 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 as amended May 26, 2010)

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 as amended May 26, 2010)

The Supervisory Board has already specified an age limit for its members in the past. As of the publication date of this declaration of compliance, the Supervisory Board has continued to examine and work out which of the concrete objectives stated in Item 5.4.1, Paragraph 2 of the Code are, in addition, appropriate for the composition of the Supervisory Board, whilst taking the specifics of the enterprise into consideration. After this reviewing process the Supervisory Board will stipulate further concrete objectives regarding composition if necessary. Consequently, as of now, no further objectives in addition to the stipulated age limit may be taken into consideration with regards to any proposals for election. Consequently, there can be no corresponding publication in the Corporate Governance Report until further objectives have been specified.

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DECLARATION OF COMPLIANCE

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 or any chair or membership position in committees regarding the compensation of the members of the Supervisory Board.

Cologne, November 18, 2010

For the Management Board
Dr. Bernd Schlobohm

For the Supervisory Board
Herbert Brenke

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