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, RESPECTIVELY AS OF ITS VALIDITY AS AMANDED MAY 15, 2012.

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, respectively as of its validity in its version dated May 15, 2012, 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, as QSC deems inappropriate a deductible which exceeds the annual remuneration.

No periodic review of the Management Board members' compensation system by the Supervisory Board's plenum
(Item 4.2.2, Paragraph 1 of the Code as amended May 26, 2010)

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 to the extent that this is compatible with applicable laws. With effect from the date that the new version of the Code came into force, QSC's approach no longer constitutes a deviation from the Code.

QSC AG: Mathias-Brüggen-Straße 55 • D-50829 Köln
E-Mail: info@qsc.de • **Internet:** www.qsc.de
Vorstand: Dr. Bernd Schlobohm (Vors.), Jürgen Hermann, Arnold Stender
Aufsichtsrat: Herbert Brenke (Vors.) • **HRB-Nummer:** 28281, Amtsgericht Köln

Until February 27, 2012, no stipulation of demanding, relevant comparison parameters for share-based elements of compensation regarding the members of the Management Board (Item 4.2.3, Paragraph 3, Sentence 2 of the Code)

The commitment to provide QSC shares to individual members of the Management Board was based on the condition that multi-year targets of the Management Board are achieved, with those targets being based exclusively on company-related parameters. Since the shares were provided only in case of long term targets having been achieved, the Supervisory Board is of the opinion that a sustainable development of the company had been adequately ensured. With effect from February 27, 2012, there are no longer any commitments of this kind to the Management Board. QSC will therefore comply with the recommendation in the future.

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, it would be difficult for QSC, at least, to actually enforce a contractual severance payment cap 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 Management 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.

Until August 22, 2012, no stipulation of concrete objectives regarding the composition of the Supervisory Board that, whilst considering the specifics of the company, take into account the international activities of the company, potential conflicts, the number of independent Supervisory Board members within the meaning of item 5.4.2 of the Code and diversity, as well as an appropriate degree of female representation, in particular. Until August 22, 2012, no publishing of such objectives in the Corporate Governance Report (Item 5.4.1, Paragraphs 2 and 3 of the Code)

QSC was previously of the opinion that candidates for election at the Annual General Meeting only required to be selected by the Supervisory Board on the basis of their professional competence and experience and that other criteria such as gender or independence were of secondary importance. The Supervisory Board did not therefore consider it appropriate to stipulate a fixed quota system. Accordingly, the Supervisory Board did not in the past – with the exception of an age limit for its members – stipulate any specific objectives for the composition of the Supervisory Board, as a result of which no such objectives were stated in the Corporate Governance Report. At its meeting on August 22, 2012, the Supervisory Board rethought its position and – partly in consideration of the current debate taking place in society – set itself concrete objectives within the meaning of item 5.4.1, Paragraph 2 of the Code, so that from that point onwards, QSC complies with the relevant Code recommendation.

QSC AG: Mathias-Brüggen-Straße 55 • D-50829 Köln
E-Mail: info@qsc.de • **Internet:** www.qsc.de
Vorstand: Dr. Bernd Schlobohm (Vors.), Jürgen Hermann, Arnold Stender
Aufsichtsrat: Herbert Brenke (Vors.) • **HRB-Nummer:** 28281, Amtsgericht Köln

No disclosure of the private and business relationships of a candidate with the company, its representative bodies and any significant shareholder of the company when that person is proposed for election at the Annual General Meeting.
(Item 5.4.1, Paragraphs 4 to 6 of the Code as amended May 15, 2012)

In QSC's opinion, the recommendation of the German Corporate Governance Code does not specify clearly enough which relationships of a candidate must be disclosed and the extent to which such disclosures are required to be made for proposed elections at the Annual General Meeting, in order to comply with the recommendation. In the interests of legal certainty with respect to future elections to the Supervisory Board, the Management Board and Supervisory Board have decided to declare a deviation from the recommendation. QSC is of the opinion that the existing disclosure requirements contained in Section 124, Paragraph 3, Sentence 4 and in Section 125, Paragraph 1, Sentence 5 of the German Stock Corporation Act ("Aktiengesetz") are sufficient to meet the informational needs of the shareholders and will, at an appropriate date in the future, investigate and decide – voluntarily and without tying itself to the Code's recommendation – whether to disclose additional information about candidates proposed for election at the Annual General Meeting.

No consideration of the performance of the company regarding the compensation of the Supervisory Board members
(Item 5.4.6, Paragraphs 1 and 2 of the Code as amended May 26, 2010)

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. QSC feels itself vindicated by the removal of this recommendation from the most recent version of the Code.

Cologne, November 20, 2012

B. Schlobohm

For the Management Board
Dr. Bernd Schlobohm

H. Brenke

For the Supervisory Board
Herbert Brenke

QSC AG: Mathias-Brüggen-Straße 55 • D-50829 Köln
E-Mail: info@qsc.de • **Internet:** www.qsc.de
Vorstand: Dr. Bernd Schlobohm (Vors.), Jürgen Hermann, Arnold Stender
Aufsichtsrat: Herbert Brenke (Vors.) • **HRB-Nummer:** 28281, Amtsgericht Köln