

# DECLARATION OF COMPLIANCE

## **DECLARATION PURSUANT TO § 161 OF THE GERMAN STOCK CORPORATION ACT ON COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ITS VERSION DATED JUNE 12, 2006, RESPECTIVELY AS OF ITS VALIDITY IN ITS VERSION DATED JUNE 14, 2007, 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" in its version dated June 12, 2006, respectively as of its validity in its version dated June 14, 2007, with the following exceptions:

1. The recommendation to send 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 if the approval requirements are fulfilled (Item 2.3.2 of the Code in its version dated June 14, 2007)
2. 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 3, Sentence 2, of the Code)
3. 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 3, Sentence 4, of the Code)
4. The recommendation that the company publish information relating to the value of stock options for members of the Management Board in a compensation report (Item 4.2.5 of the Code)
5. As of November 29, 2007, QSC AG complies with the recommendation of the formation of an audit committee with the scope of functions defined in Item 5.3.2 of the Code in its version dated June 14, 2007
6. As of November 29, 2007, QSC AG complies with the recommendation of the formation of a nomination committee (Item 5.3.3 of the Code in its version dated June 14, 2007)
7. Taking into account the 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 5.4.7 of the Code)
8. 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 und 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 29, 2007

For the Management Board  
Dr. Bernd Schlobohm

For the Supervisory Board  
John C. Baker