

**Declaration Pursuant to § 161 of the German Stock Corporation Act on Compliance with  
the German Corporate Governance Code in its version dated June 2, 2005, respectively as  
of its validity in its version dated June 12, 2006, 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 2, 2005, respectively as of its validity in its version dated June 12, 2006, with the following exceptions:

1. 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 2, Sentence 2, of the Code in its version dated June 2, 2005 resp. item 4.2.3, Paragraph 3, Sentence 2, of the Code in its version dated June 12, 2006)
2. 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 2, Sentence 4, of the Code in its version dated June 2, 2005 resp. item 4.2.3, Paragraph 3, Sentence 4, of the Code in its version dated June 12, 2006)
3. The recommendation that the company publish information relating to the value of stock options for members of the Management Board on its website and in its Annual Report (Item 4.2.3, Paragraph 3, Sentence 2, of the Code in its version dated June 2, 2005) resp. the recommendation, to publish such information in a compensation report henceforward (Item 4.2.5 of the Code in its version dated June 12, 2006)
4. The recommendation that the compensation of the members of the Management Board be disclosed in individualized form in the notes to the consolidated financial statements (Item 4.2.4, Sentence 2, of the Code in its version dated June 2, 2005); the Company has been exempt from the statutory obligation to publish the compensation of the members of the Management Board in individualized form introduced by the Act on Disclosure of Executive Compensation of August 3, 2005 by resolution of the General Meeting of the Company of May 23, 2006 with regard to the individual and consolidated annual financial statements for the financial years 2006 to 2010, but no longer than up to May 22, 2011.
5. Formation of an audit committee (Item 5.3.2)
6. Taking into account the economic situation and 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 5.4.5 of the Code)
7. 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, 2006

For the Management Board  
Dr. Bernd Schlobohm

For the Supervisory Board  
John C. Baker