
SPECIFIC TARGETS FOR THE COMPOSITION OF THE SUPERVISORY BOARD OF QSC AG INCLUDING COMPETENCE PROFILE

Taking due account of

- its own size (six members, of which four shareholder and two employee representatives)
- the business field in which the Company operates
- the size and structure of the Company
- the national alignment of the Company's activities
- the Company's public listing and current shareholder structure

the Supervisory Board decided on 23 May 2017 that its composition should, where possible, comply with the following specific targets:

Preamble

The Supervisory Board of QSC AG aims for a composition that enables it to supervise the Management Board in a qualified manner and advise it as appropriate. The Supervisory Board should be composed such that its members cumulatively have the specialist knowledge, skills and experience needed for the Board to perform its duties correctly. The specific knowledge, skills and experience contributed by individual members of the Supervisory Board should be mutually complementary. The objective here is to ensure the availability at all times of sufficient specialist expertise for the work of the Supervisory Board itself and for each significant area of the company. This way, the Supervisory Board should ensure that it is permanently able to supervise the Management Board professionally and efficiently and to accompany the Management Board in an advisory capacity.

Requirements in individual Supervisory Board members

Competence profile of individual Supervisory Board members. Each member of the Supervisory Board should satisfy the following criteria:

- Entrepreneurial and/or business experience
- An ability to assess the correctness, viability, expediency and lawfulness of the business decisions to be taken
- An ability to assess the annual financial statements and accompanying documents, where necessary with assistance from the auditor
- A willingness and ability to make an adequate commitment to the requirements of the role
- No directorship held or advisory function performed at any significant competitor of QSC AG

Age limit. As a general rule, the candidates proposed for election to the Supervisory Board should be aged below 75.

Requirements in composition of full Supervisory Board

Competence profile of full Supervisory Board. The Supervisory Board should as a whole have the specialist skills needed to assess the business activities of QSC AG. It should therefore be ensured that the skills listed below are available at least among individual members of the Supervisory Board:

- All members of the Supervisory Board must be familiar with the cloud, IT and telecommunications business, and here in particular with the market environment, the individual business fields, customer requirements and the market segments in which QSC AG operates. In view of this, at least two Supervisory Board members should have in-depth experience of these business fields.
- At least one Supervisory Board member must have expert knowledge in the fields of accounting or auditing.
- At least one Supervisory Board member should have in-depth knowledge of the German SME sector.

Independence. The Supervisory Board should include at least two members who are independent in the sense of Item 5.4.2, Sentence 2, of the German Corporate Governance Code. Of these independent members, at least one should have expert knowledge in the fields of accounting or auditing.

Appropriate participation of women. The inclusion of women is basically viewed as a responsibility shared by shareholder and employee representatives alike. The share of female members of the Supervisory Board should amount to at least 16.6%. This target should be met in the period from 1 July 2017 to 30 June 2022. The Supervisory Board does not have any influence over the election of employee representatives. The shareholder representatives therefore assume the task of accounting for this target when compiling their list of candidates to be proposed to the Annual General Meeting for election as shareholder representatives.

Former Management Board members. The Supervisory Board should not include more than two former members of the Management Board of QSC AG.

In preparing and adopting its resolutions concerning the candidates to be proposed to the Annual General Meeting for election as Supervisory Board members, the Supervisory Board will in each case be guided by the Company's best interests. The targets referring to the appropriate participation of women and the age limit are therefore subject to the condition that the other targets are always satisfied and that suitably qualified candidates are available to hold office on the Supervisory Board as and when required. The Supervisory Board regularly reviews the aforementioned targets and will publish these and their implementation status each year in the Corporate Governance Report.