

UPDATE TO DECLARATION OF COMPLIANCE

UPDATE

TO THE DECLARATION BY THE MANAGEMENT AND SUPERVISORY BOARDS OF QSC AG PURSUANT TO § 161 OF THE GERMAN STOCK CORPORATION ACT (“AKTG”) REGARDING THE COMPANY’S COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED 7 FEBRUARY 2017

On 22 November 2018, the Management and Supervisory Boards of QSC AG submitted a Declaration of Compliance with the recommendations of the Government Commission German Corporate Governance Code. This Declaration is now supplemented to include the following further exception:

No exclusion of retroactive changes to the performance targets or comparison parameters for variable compensation of Management Board members (Item 4.2.3, Paragraph 2, Sentence 8 of the Code)

The Management Board service contracts provide for variable remuneration, the amount of which is based on the achievement of the annual targets (“Short-Term Incentives”) and multi-year targets related to a three-year performance period (“Long-Term Incentives”) to be agreed in a separate target agreement. The multi-year targets set in March 2018 for a performance period up to the end of the financial year 2020 and the annual target set in March 2019 are each linked to Group key figures which are significantly influenced by the completion of the sale of Plusnet GmbH in June 2019 and its withdrawal from the scope of consolidation. The Supervisory Board is of the opinion that, for this reason, subsequent adjustments to the annual target for the financial year 2019 and to the multi-year targets set are necessary in order to align both short-term and long-term variable Management Board remuneration with appropriate ambitious performance targets continuously.

In view of this, the Management and Supervisory Boards declare that the recommendation in Item 4.2.3, Paragraph 2, Sentence 8 of the Code is also not been complied with. The Declaration of Compliance dated 22 November 2018 remains valid in all other respects.

Cologne, 8 August 2019



On behalf of the Management Board
Jürgen Hermann



On behalf of the Supervisory Board
Dr. Bernd Schlobohm

Update Declaration of Conformity