

# QUESTIONS AND ANSWERS ON REGISTERED SHARES



## General information

### What is a registered share?

A company with registered shares keeps a share register in which the shareholders' names, dates of birth and addresses as well as the number shares held have to be entered. Only persons entered in the share register count as shareholders (Section 67.1 and 2. German Stock Corporation Act). Shareholders can request that the company provide them with information about their personal data as entered in the share register.

The company may use the registered data in its dealings with its shareholders. It may only use the data for advertising purposes if the shareholder does not object. Shareholders must be appropriately informed of their right to object (Section 67. 6 German Stock Corporation Act).

### What is the difference between bearer and registered shares in terms of custody?

As far as custody is concerned there is no difference between bearer and registered shares, although registered shareholders receive their invitations to the Annual General Meeting (AGM) directly from the company.

### What changes for shareholders when their shares are converted to registered shares?

Henceforth shareholders entered in the share register receive company communications, such as the invitation to the AGM, directly from the company itself. Shareholders can apply to attend the AGM themselves or authorize a proxy (bank or shareholders' association) to vote on their behalf. As before dividends are paid out through the shareholder's custodian bank.

### Can entries in the share register be refused?

Yes, this is possible. In this case the custodian bank must be registered instead. However, as far as the company is concerned, the custodian bank is then deemed to be the shareholder. Shareholders who have refused to be registered will receive no direct information from the company. In particular, they do not receive their invitations to the AGM directly and are not entitled to exercise their shareholder rights directly.

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## **Do shareholders who have objected to being entered in the share register receive dividends?**

The dividend payout is based on the number of shares in custody on the payout date (ex-day, as a rule 1 day after the dividend's approval by the AGM).

## **Advantages for shareholders and company**

### **What are the advantages to shareholders?**

Registered shares enable a direct dialog between company and shareholders. The company can provide its shareholders with information faster and more individually.

### **What are the advantages to the company?**

The share register gives the company an overview of its shareholders and shareholder structure. It also enables the company to address all shareholders (as long as they are registered) directly. It also enables the company to conduct more customized and therefore more effective investor-relations work.

## **Costs**

### **What costs do shareholders incur when shares are registered?**

Initial registration after conversion is free of charge.

### **Do share registers mean ongoing costs for shareholders or higher custody charges?**

Shareholders do not incur any ongoing costs due to a share register, nor is there any increase in custody charges.

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## **Annual General Meeting**

### **Can shareholders who are not in the share register attend the AGM?**

Shareholders who are not registered cannot readily attend the AGM, as, from the company's perspective, only those persons who are registered count as shareholders. Non-registered shareholders cannot apply to attend the AGM themselves. The prerequisite for attendance is therefore a proxy issued to the shareholder by the person entered in the share register in lieu of the shareholder.

### **Will the continuing proxy I have issued still be valid?**

General, fixed-term proxies (continuing proxies) for several companies are also valid for registered shares.

## **Anonymity and data protection**

### **Who can examine the share register and where?**

Every shareholder may examine the share register on the company's business premises. However, shareholders may only examine data about themselves.

### **Are the data about me entered in the share register passed on to anyone else?**

No, your data are not divulged to anyone else. They are solely for the use of the company.

### **How is data protection monitored?**

According to the German Data Protection Act the proper use of data is monitored by a company's appointed data protection officer and the competent supervisory authority.

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## Entries in the share register

### Does the company have to be notified of changes of address?

Custodian banks are supposed to report changes of address to the companies in question, although it is also possible for shareholders to briefly notify the company of their new address themselves.

### Is it possible to register a bank instead of the shareholder?

This is possible whenever a shareholder objects to being registered. In this case the custodian bank is entered in the share register instead.

However, if shareholders are not registered themselves, they do not count as shareholders for the purposes of the company. Company communications and the invitation to the AGM are then not sent to these shareholders directly.

## Tax issues

### Are there any fiscal consequences to conversion?

Conversion to registered shares harbors no consequences in terms of taxation. German tax legislation does not distinguish between bearer and registered shares. In particular, conversion does not result in the application of separate Abgeltungssteuer (new flat-rate capital gains tax), even if the securities identification number is changed.

## Other

### Will conversion to registered shares have any impact on the share-price performance?

This is not to be expected.

### Will trading be interrupted during conversion?

No.