

German Stock Exchange Act

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Part 1

General Provisions on Stock Exchanges and their Bodies

Section 1 Scope of Application

(1) This act applies to the operation and organization of stock exchanges, the admission of trade participants, financial instruments, rights, and commodities for stock exchange trading and the determination of stock exchange prices.

(2) If a stock exchange is appointed to conduct an auction in accordance with Commission Regulation (EC) Nr. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community, the provisions of this act shall apply to all aspects of auctioning, except as otherwise provided in Regulation (EC) Nr. 1031/2010, in the respective applicable version.

Section 2 Stock Exchanges

(1) Stock Exchanges are institutions under public law with partial legal capacity, which in accordance with this act regulate and supervise multilateral systems, which bring together or promote the bringing together of the interests of numerous persons in buying and selling of commodities and rights admitted to trading there within the system according to predetermined rules in a manner, which leads to a contract for the purchase of these trade objects.

(2) Securities exchanges within the meaning of this act are exchanges, where securities and derivatives pertaining thereto in the sense of Section 2 paragraph 2 of the Securities Trading Act are traded. Other financial instruments in the sense of Section 2 paragraph 2b of the Securities Trading Act and precious metals may also be traded on securities exchanges.

(3) Commodity exchanges within the meaning of this act are exchanges, where commodities in the sense of Section 2 paragraph 2c of the Securities Trading Act and forward transactions pertaining to commodities are traded. Forward transactions in the sense of Section 2 paragraph 2 no. 2 of the Securities Trading Act and the underlying instruments may also be traded on commodity exchanges.

(4) In administrative court proceedings, the stock exchange may sue and be sued under its name.

Section 3 Tasks and Rights of the Stock Exchange Supervisory Authority

(1) The competent highest authority of the respective federal state (stock exchange supervisory authority) exercises supervision over the stock exchange pursuant to the provisions of this act. In particular, it supervises the stock exchange council, the stock exchange management, the penalty committee, and the trade supervisory office (stock exchange bodies) as well as the stock exchange operator, the facilities

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relating to stock exchange operations including the outsourced areas pursuant to Section 5 paragraph 3 and the unofficial market. The supervision extends to the compliance with the stock exchange related provisions and ordinances, the proper operation of trading at the stock exchange, as well as the proper settlement of the stock exchange transactions (exchange transaction settlement).

(2) The stock exchange supervisory authority has the right to participate in the consultations of the stock exchange bodies. The stock exchange bodies are obliged to support the stock exchange supervisory authority in fulfilling its functions.

(3) The stock exchange supervisory authority performs such functions and powers as are attributed to it pursuant to this act in the public interest only.

(4) The stock exchange supervisory authority may, to the extent required to perform its functions, even in the absence of a specific reason, request information from the stock exchange and the stock exchange operator as well as from the companies admitted to participate in stock exchange trading pursuant to Section 19, stock exchange traders, lead brokers, and lead broking persons (trade participants) and from the issuer of the securities admitted to the regulated market and carry out audits. The stock exchange supervisory authority may demand that the information and documents are transmitted on data media for automated processing. If indications exist, which justify the assumption that exchange law provisions or orders are violated or other misconduct exists, which can negatively affect the proper conduct of trading on the stock exchange or the settlement of stock exchange transactions, the stock exchange supervisory authority may demand information, the presentation of documents and provision of copies from anyone and summon and question persons to the extent necessary to fulfill its functions. In these cases, it may particularly

1. demand that trade participants state the identity of the principals and of the persons entitled or obliged under the transactions made as well as the changes of trade participants' holdings of financial instruments traded on the stock exchange
2. demand information from the principals and entitled or obliged persons about the transactions made including the statement of the identity of the persons participating in these transactions,
3. demand information from banks operating collective security deposits and giro transfer systems and systems for ensuring the fulfillment of exchange transactions about the changes of trade participants' holdings of financial instruments traded on the stock exchange, and
4. demand from the stock exchange, the trade participants, and companies affiliated with them the presentation of already existing records of telephone conversations and data transmissions; the constitutional right under Article 10 of the Basic Law is insofar restricted, those affected are to be notified in accordance with Section 101 of the Criminal Procedure Act.

The employees of the stock exchange supervisory authority shall be allowed to enter the premises and offices of the stock exchange and of trading participants during usual working hours to the extent to perform its functions. Entry outside these working hours, or if the offices are within a private home, is permitted without a consent having been given only to prevent an imminent threat to public security and order and to that extent shall be tolerated. The basic right of

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inviolability of the private home (Article 13 of the Basic Law) is restricted to that extent. The powers pursuant this paragraph are exercisable also by the persons and institutions commissioned by the stock exchange supervisory authority to the extent they are acting under this act. The person obliged to provide information may refuse to answer if such answer would expose him or one of the relatives indicated in Section 383 paragraph 1 no. 1 to 3 of the Civil Procedure Act to the risk of criminal prosecution or to proceedings und the law of infractions. The obliged person shall be advised as to his right to refuse to answer.

(5) The stock exchange supervisory authority may give orders to a stock exchange and to market participants which are apt to eliminate or prevent violations of provisions and orders of the exchange law or other abuses which could impair the proper carrying on of trading on the stock exchange and the execution of exchange trading transactions. For this purpose the stock exchange supervisory authority may in particular

1. order the suspension or discontinuation of exchange trading with individual or several financial instruments, rights or commodities,
2. prohibit the exchange from using a central counterparty, a clearing agent, or an exchange settlement system, if the proper conduct of trade on the exchange or the settlement of exchange transactions is affected thereby, or
3. prohibit the use of an external settlement system,

to the extent this is necessary to enforce the provisions of this act. The stock exchange supervisory authority is required to publish any measure pursuant to sentence 1 on its Internet site without undue delay.

(6) The stock exchange supervisory authority must notify the management if it determines facts, which may justify the revocation or countermand of the permission to determine the exchange price or of the admission of a company or other measures of the management.

(7) The agency responsible under state law is authorized to delegate tasks and powers of the stock exchange supervisory authority to another agency.

(8) The stock exchange supervisory authority may employ other persons and facilities to perform its tasks.

(9) The filing of an objection and the commencement of administrative court proceedings against actions taken according to paragraphs 4 and 5 have no suspensive effect.

(10) If the stock exchange or one of its bodies repeatedly or permanently fails to comply with the orders of the stock exchange supervision, the stock exchange supervisory authority may appoint agents who ensure the proper carrying on of trading on the stock exchange. The agents commissioned to carry out the tasks of the stock exchange or its bodies at the expense of the stock exchange operator.

(11) Addressees of provisions pursuant to paragraph 4, which are carried out by the stock exchange supervisory authority due to a possible violation of the prohibitions of Section 26 of this law or of Section

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14 or Section 20a of the Securities Trading Act, may not notify persons other than governmental agencies and those, who are under a statutory confidentiality obligation because of their profession, of these measures or investigative proceedings initiated thereupon.

Section 4 Permit

(1) The establishment of a stock exchange requires a written license of the stock exchange supervisory authority.

(2) The application for the issuance of the permission must be submitted in writing to the stock exchange supervisory authority. It must contain:

1. suitable evidence of the funds required for operating a stock exchange pursuant to Section 5 paragraph 5,
2. the names of the manager of the stock exchange operator as well as information that is necessary to assess the reliability and the professional suitability of these persons,
3. a business plan, which shows the nature of the planned transactions and the organizational structure and the planned internal control procedures of the stock exchange operator, as well as the set of regulations of the stock exchange,
4. a statement of the ownership structure of the stock exchange operator, in particular the holders of significant participations in the sense of Section 6 paragraph 6 and the amount of their participations, and
5. information, which is necessary to assess the reliability of the holders of significant participations; if the holder of a significant participation is a legal entity or commercial partnership, the material facts for the assessment of the reliability of its legal representatives or representatives according to the articles of association or general partners must be stated.

The stock exchange supervisory authority may request additional information, to the extent to which it is necessary in order to examine, whether the applicant can warrant compliance with the provisions of this act. If the managers of the stock exchange operator are those of an organized market, the applicant may refrain from providing the information pursuant to sentence 2 No. 2 and 5 in respect to these persons.

(3) The permit must in particular be denied, if

1. the proof of the funds required for the operation of a stock exchange is not provided,
2. facts exist, which show that one of the persons referred to in paragraph 2 sentence 2 No. 2 is not reliable or not professionally suitable,
3. facts justify the assumption that the holder of a significant participation or, in case of a legal entity, a legal representative or representative according to the articles of association, or, if it is a commercial partnership, one of the partners, is not reliable or does not meet the requirements to be placed on the operator of a stock exchange in the interest of its solid and prudent management due to other reasons; in cases of doubt, this shall also apply, if facts justify the assumption that it has provided the funds raised through an action that fulfills the objective preconditions of a criminal statute, or

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4. serious doubts arise from the documents submitted by the applicant as to his ability, to fulfill the requirements placed upon the operation of the stock exchange under this law.

(4) The permit expires, if it is not used within one year after its issuance.

(5) The stock exchange supervisory authority may cancel the permit, other than under the Administrative Procedures Acts of the states, if

1. the stock exchange operation, to which the permit pertains, has no longer been carried out for more than six months,
2. if it becomes aware of facts, which would justify a rejection of the permit pursuant to paragraph 3, or
3. if the stock exchange or the operator of the stock exchange has committed sustained violations against the provisions of this act or against the directives or orders issued for the implementation of these laws.

The rules under the state laws corresponding to Section 48 paragraph 4 sentence 1 and Section 49 paragraph 2 sentence 2 of the Administrative Procedures Act shall not apply.

(6) The state governments are authorized to determine the nature, scope, time, and form of the information to be provided and documents to be submitted pursuant to paragraph 2 in more detail through a statutory ordinance. The state government may delegate the authority through a statutory ordinance to the stock exchange supervisory authority.

(7) The stock exchange operator shall notify the stock exchange supervisory authority of any change of the persons of the management as well as material changes regarding the information made pursuant to paragraph 2 sentence 2 No. 1 to 5 without undue delay. Paragraph 2 sentence 3 and 4 applies accordingly.

Section 5 Duties of the Stock Exchange Operator

(1) Upon the issuance of the license, the applicant, as the stock exchange operator, is entitled and obliged to establish and operate the stock exchange. He is obliged, upon request by the management of the stock exchange, to provide the stock exchange operator with financial, personnel and tangible means required for the execution and adequate further development of the stock exchange operations.

(2) The stock exchange operator is obliged to publish the latest information on his shareholder structure on his Internet site to the extent required under Section 4 paragraph 2 sentence 2 No. 4.

(3) The outsourcing of divisions which are material for the execution of the stock exchange operations to another company may neither adversely affect the duly execution of the trading on the stock exchange and of the settlement of stock exchange transactions nor the supervision over the stock exchange. In particular, the stock exchange operator has to secure for himself contractually the required rights to give directions and has to include the outsourced divisions in his internal control procedures. The stock

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exchange operator must announce the intent and execution to outsource to the stock exchange supervisory authority without undue delay.

(4) The stock exchange operator is obliged,

1. to take precautions, in order to detect and prevent conflicts between the self interests of the stock exchange operator or of its owners and the public interest in duly operations of the stock exchange to the extent they are capable of having adverse effects on the stock exchange operations or the trade participants, in particular insofar as the supervisory functions conveyed to the stock exchange by law are concerned.
2. to establish appropriate precautions and systems to detect and to deal with the material risks of stock exchange operations in order to effectively limit them, and
3. to secure the technical functionality of the exchange trading and settlement systems, to establish technical precautions for the seamless and prompt conclusion of the transactions executed in the trading system, and in particular, to provide for effective emergency measures in case of a system breakdown.

(5) The stock exchange operator must have sufficient financial funds for the adequate execution of the stock exchange operations, whereby the nature, scope, and risk structure of the transactions effected on the stock exchange must be taken into account.

Section 6 Holders of Significant Participations

(1) Anyone intending to acquire a significant participation in the operator of a stock exchange within the meaning of Section 1 paragraph 9 of the Banking Act, must notify the stock exchange supervisory authority thereof without undue delay. The notice, must state the amount of the participation and, if applicable, the material facts relevant for the establishment of the significant influence as well as the facts and documents material for assessing his reliability and the examination of the additional reasons for prohibition pursuant to paragraph 2 sentence 1, which shall be determined in more detail by statutory ordinance pursuant to paragraph 7, as well as the persons and companies, from which he intends to acquire the corresponding interests. The stock exchange supervisory authority may demand information beyond the requirements of the statutory ordinance and the presentation of additional documents, if this appears appropriate for the assessment of the reliability or the examination of the additional reasons for prohibition pursuant to paragraph 2 sentence 1. If the person obliged to make the notification is a legal entity or commercial partnership, his notice shall state the facts material for the assessment of the reliability of his legal representatives or representatives according to the articles of association or general partners. Without undue delay the holder of a significant participation shall report to the stock exchange supervisory authority about each newly appointed legal representative or representative according to the articles of association or new general partner together with the facts material for the assessment of his responsibility. The holder of a significant participation shall furthermore notify the stock exchange supervisory authority without undue delay, if he intends to increase the amount of the significant participation, so that the thresholds of 20 percent, 33 percent, or 50 percent of the voting rights or of the capital are reached or exceeded or that the stock exchange operator comes under his control in the sense

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of Section 1 paragraph 8 of the Banking Act. The stock exchange supervisory authority may demand information and the presentation of documents from the holders of a participation in the stock exchange operator, if facts justify the assumption that it constitutes a significant participation.

(2) Within one month after the receipt of the complete notification the stock exchange supervisory authority may prohibit the intended acquisition of the significant participation or its increase, if facts justify the assumption that

1. the person who is required to notify or, if it is a legal entity, also a legal representative or representative according to the articles of association, or, if it is a commercial partnership, also a partner, is not reliable or, for other reasons, does not comply with the requirements that have to be made with respect to a solid and prudent leading of the stock exchange operator; in case of doubt, this also applies if facts lead to the conclusion that the means for the acquisition of the major interest result from an unlawful act,
2. the functioning and adequate further development of the stock exchange operations are negatively affected.

If the acquisition is not prohibited, the stock exchange supervisory authority may set a deadline after the expiration of which the person or commercial partnership, which has filed the notification pursuant to paragraph 1 sentence 1 or sentence 6, has to report to the stock exchange supervisory authority on the consummation or non-consummation of the intended acquisition. After the expiration of the deadline, this person or commercial partnership must submit the notification to the stock exchange supervisory authority without undue delay.

(3) The stock exchange supervisory authority has the notification and submission rights pursuant to paragraph 1 even after expiration of the deadline of paragraph 2 sentence 1.

(4) The stock exchange supervisory authority may prohibit the holder of a significant participation as well as the companies controlled by him from exercising his voting rights and may order that shares shall only be transferred with his consent, if

1. the preconditions for prohibiting administrative order pursuant to paragraph 2 sentence 1 are fulfilled,
2. the holder of the significant participation has not complied with his duty to priorly notify the stock exchange supervisory authority pursuant to paragraph 1 and has not notified the stock exchange supervisory authority within a period of time set by the stock exchange supervisory authority, or
3. has acquired or increased the interest contrary to an enforceable prohibition pursuant to paragraph 2 sentence 1.

As stipulated in the cases of sentence 1, the exercise of the voting rights may be delegated to a trustee; when exercising the voting rights the trustee shall consider the interests of a solid and prudent leading of the stock exchange operator. In the cases of sentence 1, the stock exchange supervisory authority may, in addition to the measures under sentence 1, the stock exchange supervisory authority may order that a

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trustee sells and transfers the shares to the extent that they constitute a significant participation if the holder of the significant participation does not provide a reliable acquirer to the stock exchange supervisory authority within a reasonable period of time as set by the authority; the holders of the shares have to cooperate with respect to the sale and transfer to the extent that is necessary. The trustee will be appointed by the court at the seat of the stock exchange operator upon application of the stock exchange operator, one of its shareholders or the stock exchange supervisory authority. If the prerequisites of sentence 1 are no longer fulfilled, the stock exchange supervisory authority has to apply for the revocation of the appointment of the trustee. The trustee shall be entitled to a reimbursement of reasonable expenses and to a remuneration for his activity. Upon the trustee's request, the court shall determine the expenses and the remuneration; the appeal against the determination of the remuneration is excluded. The state shall cover the expenses and the remuneration in advance; the holder of the significant participation and the stock exchange operator shall jointly and severally be held liable to the state for these expenses.

(5) The person who intends to relinquish a significant participation in the stock exchange operator or to reduce the amount of his significant participation below the thresholds of 20 percent, 33 percent, or 50 percent of the voting rights or of the capital or to modify the participation so that the stock exchange operator is no longer a controlled company, must notify the stock exchange supervisory authority thereof without undue delay. In doing so, the intended remaining amount of the participation must be stated. The stock exchange supervisory authority may set a deadline, after the expiration of which the person or commercial partnership, which has submitted the notification under sentence 1, must report the consummation or non-consummation of the intended reduction or change to the stock exchange supervisory authority. After the expiration of the deadline, the person or commercial partnership, which has submitted the notification under sentence 1, is required to submit the notification to the stock exchange supervisory authority without undue delay.

(6) The stock exchange operator shall notify the stock exchange supervisory authority without undue delay about the acquisition or relinquishing of a significant participation in the stock exchange operator, the reaching, exceeding, or falling below the participation thresholds of 20 percent, 33 percent, and 50 percent of the voting rights or of the capital, as well as of the fact that the stock exchange operator will become or is no longer a subsidiary of another company, if the stock exchange operator becomes aware of such change of these participation situations. The stock exchange operator shall publish the facts required to be reported pursuant to sentence 1 on his Internet site without undue delay.

(7) The state governments are authorized to issue more detailed provisions concerning the nature, scope, and time of the notifications provided for pursuant to paragraphs 1, 5, and 6 through a statutory ordinance. The state government may delegate the authority through an statutory ordinance to the stock exchange supervisory authority.

Section 7 Trade Supervision Office

(1) The stock exchange shall establish and operate a trade supervision office as the stock exchange body responsible for monitoring stock exchange trading and settlement; the trade supervision office shall take

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account of any directions given by the stock exchange supervisory authority. The trade supervision office shall systematically and comprehensively collect and analyze data concerning stock exchange trading and settlement and carry out any necessary investigations. At commodity exchanges, where energy in the sense of Section 3 No. 14 of the Energy Industry Act is traded, the trade supervision office shall also systematically and comprehensively collect and analyze data concerning the settlement of transactions, which are not concluded via the stock exchange but which are carried out via a settlement system of the stock exchange or an external settlement system, which is connected to the stock exchange's systems for exchange trading or exchange transaction settlement, and the subject matter of which is trading in energy or forward transactions in respect to energy; the trade supervision office may carry out necessary investigations based on this data. The stock exchange supervisory authority may direct instructions addressed to the trade supervision office and take over any investigations. The management may direct the trade supervision office to carry out investigations within the duties of such office pursuant to sentences 1 to 3.

(2) The head of the trade supervision office must report to the stock exchange supervisory authority on a regular basis. The persons entrusted with supervision functions within the trade supervision office may only be discharged without their consent with the approval of the stock exchange supervisory authority. The management may, with the approval of the stock exchange supervisory authority, assign other duties to such persons. Such approval shall be granted if such assignment does not adversely affect the supervision functions of the trade supervision office.

(3) The trade supervision office shall have the powers of the stock exchange supervisory authority pursuant to Section 3 paragraph 4 sentence 1 to 5; Section 3 paragraph 4 sentence 9 and 10 and paragraph 9 shall apply accordingly.

(4) The trade supervision office may transmit transaction data to the management of the stock exchange and the supervision office of another stock exchange to the extent they require such data for the discharge of their duties. The trade supervision office may also transmit transaction data to the supervision office of another stock exchange supervising the trading on foreign organized markets or corresponding markets with a registered seat outside the European Union or a contracting state of European Economic Area Agreement and may receive data from such bodies to the extent they are required for the proper conduct of trading and stock exchange trading and settlement. Data may only be transmitted to such bodies, if these bodies, and any persons mandated by them, are subject to confidentiality obligations equivalent to the provisions of Section 10. These bodies must be advised that they may only use the transmitted data for the purpose for which it has been transmitted. The trade supervision office shall notify the stock exchange supervisory authority, the management and the Federal Agency, as to which kind of data is intended to be exchanged with which competent bodies in other countries.

(5) If the trade supervision office has reason to believe that legal provisions or orders relating to the stock exchange have been infringed or that there are other circumstances which would impact on the proper conduct of the stock exchange trading or settlement, it shall notify the stock exchange supervisory authority and the management without undue delay. The management may issue emergency orders

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suitable to ensure the proper conduct of trading on the stock exchange trading and settlement; Section 3 paragraph 9 shall apply accordingly. The management shall notify the stock exchange supervisory authority about the measures taken without undue delay. If the trade supervision office determines facts, the knowledge of which is required for the Federal Agency for the discharge of their duties, it shall notify the Federal Agency without undue delay. The Federal Agency must be notified in particular if the trade supervision office determines facts, the knowledge of which is required for the Federal Agency to pursue violations against the prohibition of insider transactions or the prohibition of price and market price manipulation pursuant to Section 14 or Section 20a of the Securities Trading Act.

(6) The trade supervision office performs its functions and powers as are attributed to it pursuant to this act in the public interest only.

Section 8 Cooperation

(1) The stock exchange supervision authorities and the Federal Agency cooperate closely and exchange all information among each other in accordance with Section 10, which is relevant to carry out their duties.

(2) The stock exchange supervisory authority informs the Federal Agency without undue delay of trade suspensions and interruptions pursuant to Section 3 paragraph 5 sentence 3 No. 1, of the expiration of a permit according to section 4 paragraph 4 and of the repeal of a permission according to section 4 paragraph 5 or the provisions of the Administrative Procedure Acts of the federal states .

Section 9 Applicability of Anti-Trust-Provisions

(1) The stock exchange supervisory authority shall work towards observation of the provisions of the Act Against Restraints on Competition. This applies in particular to the access to trading-, information-, and settlement systems and other stock exchange-related service facilities as well as their usage.

(2) The competence of the anti-trust authorities remains unaffected. The stock exchange supervisory authority informs the competent anti-trust authorities if indications of violations of the Act Against Restraints on Competition occur. The latter informs the stock exchange supervisory authority after the conclusion of its investigations about the result of the investigations.

Section 10 Obligation to Confidentiality

(1) Those employed at the stock exchange supervisory authority or at a public authority, to which tasks and powers of the stock exchange supervisory authority were delegated pursuant to Section 3 paragraph 7, the persons authorized pursuant to Section 3 paragraph 8, the members of the stock exchange bodies, as well as those employed at the carrier of the stock exchange, to the extent that they work for the stock exchange, may not collect or use facts that have become known to them during their activity, the secrecy of which is in the interest of the trade participants or of a third party, particularly business and trade

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secrets as well as personal data, without authorization, even if they are no longer employed or if their activity has ended. This also applies to other persons, who obtain knowledge of the facts referred to in sentence 1 through business reporting. An unauthorized collection or use in the sense of sentence 1 does particularly not exist, if information is forwarded to

1. criminal prosecution authorities or courts competent for criminal or administrative fine matters,
2. bodies entrusted by virtue of law or public order with the supervision of stock exchanges or other markets where financial instruments are traded, of credit institutes, financial service institutions, investment companies, financial institutions, insurance companies, insurance brokers, or brokers of shares in investment assets in the sense of Section 2a paragraph 1 No. 7 of the Securities Trading Act or with the supervision of trading in financial instruments or foreign currencies as well as persons authorized by them,
3. central banks, the European System of Central Banks, or the European Central Bank in their capacity as currency authorities as well as other public authorities, which are appointed to supervise payment systems, and to
4. bodies engaged in the liquidation or the insolvency proceedings for the assets of a securities services company in the sense of Section 2 paragraph 4 of the Securities Trading Act, of a stock exchange operator, or of an organized market with registered seat abroad or its operator, to the extent that the knowledge of such information is necessary for these bodies to fulfill their tasks. The obligation to confidentiality pursuant to sentence 1 applies to those employed by these bodies accordingly.

(2) Sections 93, 97, 105 paragraph 1, Section 111 paragraph 5 in connection with Section 105 paragraph 1 as well as Section 116 paragraph 1 of the German Tax Act do not apply to the persons identified in paragraph 1 sentence 1 or 2, to the extent that they act in carrying out this act. They apply to the extent that the tax authorities need the knowledge to conduct proceedings because of a tax crime as well as related taxation proceedings, if a mandatory public interest exists in the prosecution and if facts are not concerned that were provided to the persons identified in paragraph 1 sentence 1 or 2 by bodies of a different state in the sense of paragraph 1 sentence 3 No. 2 or by persons authorized by such body.

Section 11 Prohibition of Price Determination for Foreign Currencies

The Federal Ministry of Finance may with the agreement of the Federal Ministry of Economics and Technology and after consultation of the Deutsche Bundesbank may issue individual instructions to a stock exchange, to prohibit the price determination for foreign currencies temporarily, if a significant market disturbance is impending, from which serious dangers to the overall economy or the public can be expected.

Section 12 Stock Exchange Council

(1) Each securities exchange must establish an stock exchange council, which consists of no more than 24 persons. In the stock exchange council, the banks admitted to participate in the stock exchange trading including the securities trading banks, the admitted financial services institutions and other admitted

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companies, the lead brokers, the insurance companies, whose issued securities are admitted to trading on the stock exchange, other issuers of such securities, the investment companies admitted to participate in the stock exchange trading, and the investors must be represented. The number of representatives of the credit institutes including the securities trading banks as well as investment companies associated with the credit institutions and other companies may in aggregate not amount to more than half of the members of the stock exchange council. The statutory ordinance to be issued pursuant to Section 13 paragraph 4 may permit exemptions from the provisions of sentences 2 and 3 for individual stock exchanges.

(2) The stock exchange council is particularly responsible for

1. the issuance of the stock exchange regulations, the terms and conditions for transactions on the stock exchange, the schedule of fees, the admission rules for stock exchange traders, and the trading rules for the regulated unofficial market, each of which are issued as statutes,
2. the appointment and recall of the managing directors in agreement with the stock exchange supervisory authority,
3. the supervision of the management,
4. the issuance of rules of internal procedure for the management, and
5. the appointment or reappointment of the head of the trade supervision office upon proposal of the management and in agreement with the stock exchange supervisory authority.

The decision about the introduction of technical systems, which serve trading or settlement of exchange transactions, requires the consent of the stock exchange council. The exchange regulations may provide for the consent of the exchange counsel for different management measures of fundamental importance. In the case of cooperation and merger agreements of the stock exchange operator, which concern the stock exchange operation, as well as when outsourcing functions and activities to a different company pursuant to Section 5 paragraph 3, the stock exchange council must first be provided with the opportunity to comment.

(3) The stock exchange council adopts rules of internal procedure for itself. From among its members, it elects a chairman and at least one deputy, who belongs to a different group in the sense of paragraph 1 sentence 2 than the chairman. Elections pursuant to sentence 2 are secret; other votes must be conducted in secret upon request of at least one quarter of the members.

(4) If the stock exchange council sets up committees to prepare resolutions, it shall ensure when comprising the committees that members of the groups in the sense of paragraph 1 sentence 2, whose interests may be affected by the resolutions, are adequately represented.

(5) With the permit of a new exchange, the stock exchange supervisory authority appoints a preliminary stock exchange council for a duration of up to one year.

(6) The stock exchange council exercises the tasks and powers delegated to it under this law only in the public interest.

Section 13 Election of the Stock Exchange Council

(1) The members of the stock exchange council are elected for a duration of up to three years by the groups referred to in Section 12 paragraph 1 sentence 2 in each case from among their members; the representatives of the investors are elected by the remaining members of the stock exchange council.

(2) Companies, who belong to more than one of the groups referred to in Section 12 paragraph 1 sentence 2, may only elect in a single group. Affiliated companies may be represented in the stock exchange council with only a single member.

(3) The members of the stock exchange council must be reliable and have the necessary professional aptitude.

(4) The details concerning the term of office of the stock exchange council, the subdivision into groups, the exercise of the voting right and eligibility, the election, and the early termination of the membership in the stock exchange council will be determined by statutory ordinance of the state government after hearing the stock exchange council. The state government may delegate this authority by statutory ordinance to the exchange supervisory authority. The statutory ordinance has to ensure that all groups referred to in Section 12 paragraph 1 sentence 2 are adequately represented. It may furthermore provide that in the case of an early exit of a member, a successor is elected for the remaining term of office from among the respective group by the remaining members of the stock exchange council.

Section 14 Stock Exchange Council at Commodity Stock Exchanges

Sections 12 and 13 concerning the stock exchange council apply to commodity stock exchanges and are subject to the following:

1. in deviation from Section 12 paragraph 1 sentence 2, the companies admitted to participate in exchange trading and the persons referred to in Section 19 paragraph 2 sentence 2 must be represented in the stock exchange council; the statutory ordinance pursuant to Section 13 paragraph 4 may permit exemptions and provide that other affected economic groups and the investors are represented in the stock exchange council;
2. the stock exchange council elects a chairman from among its members; the statutory ordinance pursuant to Section 13 paragraph 4 may provide that at least one deputy is elected, who must belong to a different economic group in the sense of number 1;
3. the statutory ordinance pursuant to Section 13 paragraph 4 must ensure that the groups referred to in number 1 are adequately represented; it may provide for sub-groups; the representatives of companies not admitted to stock exchange trading are dispatched in accordance with the statutory ordinance.

Section 15 Management of the Stock Exchange

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(1) The management of the stock exchange is incumbent upon the management in its own responsibility. It may consist of one or several persons. The managing directors must be reliable and have the professional aptitude required for the management of the stock exchange. They are appointed for no more than five years; a repeated appointment is permitted. The appointment of a managing director must be reported to the stock exchange supervisory authority without undue delay. The notice must include the information referred to in Section 4 paragraph 2 sentence 2 No. 2. Section 4 paragraph 2 sentence 3 and 4 applies accordingly.

(2) The stock exchange supervisory authority must refuse its consent to the appointment of the managing directors, if doubts exist based on objective and documentable reasons concerning the reliability or professional aptitude of the managing directors or if the proper management of the exchange appears in danger.

(3) The managing directors represent the stock exchange in- and out-of-court, to the extent that the operator of the stock exchange is not competent. The details concerning the power of representation of the managing directors are set forth in the stock exchange regulations.

(4) The maintenance of order in the stock exchange premises is incumbent upon the management. It has the right to remove persons, who disturb the order or business commerce at the stock exchange, from the stock exchange premises. It may also refuse entry to persons, who together at the stock exchange for purposes, which are not compatible with the order or the business commerce.

(5) The management supervises the compliance of trade participants with their duties and of persons acting for them. It will take suitable precautions, which ensure an effective and permanent supervision of the duties pursuant to sentence 1. The tasks of the trade supervision office pursuant to Section 7 remain unaffected.

(6) The management exercises the tasks and powers delegated to it under this law only in the public interest.

Section 16 Stock Exchange Regulations

(1) The stock exchange regulations shall ensure that the stock exchange is able to fulfill the tasks incumbent upon it and meets the interests of the public and of the trade in doing so. It must contain provisions about

1. the branch of business of the stock exchange;
2. the organization of the stock exchange;
3. the types of trading;
4. the publication of the prices and rates as well as their underlying trading volumes;
5. a fee schedule for the activity of the lead brokers.

(2) For securities stock exchanges, the stock exchange regulations must also contain provisions about

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1. the meaning of the price addendums and notes, and
2. about ensuring the stock exchange transaction settlement and the available settlement systems in accordance with Section 21.

(3) The stock exchange regulations require approval of the stock exchange supervisory authority. It may demand that specific provisions be included in the stock exchange regulations, if and to the extent that they are necessary to fulfill the legal tasks incumbent upon the exchange or the exchange supervisory authority.

Section 17 Fees and Charges

- (1) The schedule for fees and charges may provide that fees are charged and expenses are reimbursed for
1. the admission to participate in the stock exchange trading and for the participation in the stock exchange trading,
 2. the admission to visit the stock exchange without the right to engage in trading,
 3. the admission of financial instruments, other commodities, and rights to the exchange trading, the inclusion of securities to the stock exchange trading on the regulated market as well as the revocation of the admission and of the inclusion,
 4. the introduction of securities to the stock exchange,
 5. the listing of securities, the duration of which is not determined,
 6. the review of the print features of securities,
 7. taking the stock exchange trader exam.

(2) The schedule of fees and charges requires the approval of the exchange supervisory authority. The approval is deemed granted, if no objection regarding the schedule of fees and charges has been raised to the stock exchange within six weeks after receipt by the exchange supervisory authority.

(3) Notwithstanding the fees charged pursuant to paragraph 1, the stock exchange operator may demand separate fees for services, which he provides in connection with the stock exchange operation for trade participants or third parties.

Section 18 Other Usage of Stock Exchange Facilities

The stock exchange regulations may permit the use of stock exchange facilities for another branch of business than the one to be specified pursuant to Section 16 paragraph 1 sentence 2 No. 1. The participants do not gain a claim to the usage in this case.

Section 19 Admission to the Stock Exchange

(1) To visit the stock exchange, to participate in the stock exchange trading, and for persons, who are to be authorized to trade on the stock exchange for a company admitted to participate in the stock exchange trading (stock exchange traders), an admission by the management is necessary.

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(2) Admitted to participate in the stock exchange trading may be only, who commercially for objects tradable on a stock exchange

1. conducts the acquisition and disposal for his own account, or
2. conducts the acquisition and disposal in his own name for another's account, or
3. takes over the intermediation of contracts for the acquisition and disposal and whose business operation requires, due to its nature and scope, a business establishment set up in a commercial manner. At commodity stock exchanges, farmers and persons may also be admitted, whose business operation does not require, due to its nature and scope, a business establishment set up in a commercial manner.

(3) The admission of persons without the right to participate in the trading is governed by the stock exchange regulations.

(4) The admission of a company to participate in the stock exchange trading pursuant to paragraph 2 sentence 1 shall be granted, if

1. in the case of companies operated in the legal form of a sole proprietorship, the owner of the business, in the case of other companies the persons, who according to the law, the articles of association, or partnership agreement are entrusted with the management of the company's business and are authorized to represent it, are reliable and if at least one of these persons has the professional aptitude required for the securities or commodities business on a stock exchange;
2. the proper settlement of the transactions concluded on the stock exchange is ensured;
3. the company documents equity of at least EUR 50,000, unless it is a credit institute, a financial service institution, or a company that is active pursuant to Section 53 paragraph 1 sentence 1 or Section 53b paragraph 1 sentence 1 of the Banking Act, which is authorized to conduct finance commission business in the sense of Section 1 paragraph 1 sentence 2 No. 4 or to provide a financial service in the sense of Section 1 paragraph 1a sentence 2 No. 1 to 4 of the Banking Act; the paid-in capital and the reserves after deducting the withdrawals of the owner or of the general partners and the loans granted to them as well as any excess of debt over assets in the free assets of the owner are considered equity;
4. at the company, which is obliged to document equity pursuant to number 3, there are no facts that justify the assumption that taking into account the documented equity, it does not have the economic capability required for proper participation in the stock exchange trading.

The stock exchange regulations may provide that companies, which are admitted to a domestic stock exchange or to an organized market in the sense of Section 2 paragraph 5 of the Securities Trading Act with registered seat abroad, are admitted without documenting the preconditions pursuant to sentence 1 No. 1, 3 and 4, if the admission provisions of the respective market are comparable with these. The stock exchange regulations may provide that trade participants have to fulfill additional preconditions for the access to the trading systems of the stock exchange.

(5) Whoever is reliable and has the necessary professional aptitude shall be admitted as stock exchange trader.

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(6) The professional aptitude in the sense of paragraph 4 sentence 1 No. 1 must regularly be assumed, if a professional education is documented, which qualifies to conduct the securities or commodities business on a stock exchange. The professional aptitude in the sense of paragraph 5 must be assumed, if the necessary professional knowledge and experience is proven, which qualify to trade on the stock exchange. The proof of the necessary professional knowledge can be provided particularly by taking an exam before the examination board of a stock exchange. The details concerning the requirements and the professional aptitude of the persons qualified for stock exchange trading and the exam procedure are governed by admission rules for stock exchange traders to be issued by the stock exchange council, which requires the approval of the stock exchange supervisory authority.

(7) The details of how the requirements referred to in paragraphs 4 to 6 are to be documented are stipulated by the stock exchange regulations.

(8) If the justified suspicion exists that one of the requirements referred to in paragraphs 2, 4 or 5 had not been fulfilled or has subsequently ceased to exist, the management may order the suspension of the admission for a period of six months. The suspension of the admission may also be ordered for the duration of default with the payment of the fees determined pursuant to Section 17 paragraph 1 No. 1 and 2. The right of a person admitted pursuant to paragraph 5 to conclude stock exchange transactions is suspended for the duration of the loss of the admission of the company, for which it concludes the transaction on the stock exchange.

(9) The management may order the suspension of the admission vis-à-vis trade participants with registered seat outside of the member states of the European Union or of the other contracting states of the European Economic Area Agreement for a period of six months or revoke the admission, if the fulfillment of the reporting obligations pursuant to Section 9 of the Securities Trading Act or the information exchange for purposes of monitoring the prohibitions of insider transactions or the prohibition of market manipulation does not appear ensured with the competent bodies in this country. The Federal Agency informs the management and the stock exchange supervisory authority about the facts relevant for an order or the revocation pursuant to sentence 1.

(10) If the management of the stock exchange intends to grant trade participants in other countries direct access to its trading system, it shall notify the stock exchange supervisory authority and the Federal Agency thereof, if it is the first-time that access is granted to a trade participant in the relevant country.

(11) The management of the stock exchange regularly transmits a current list of the trade participants admitted at the stock exchange to the stock exchange supervisory authority.

Section 20 Security Deposit

(1) The stock exchange regulations may stipulate that the companies admitted to participate in stock exchange trading and the lead brokers must deposit sufficient security in order to be able to fulfill the

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obligations from transactions, which are concluded at the stock exchange as well as on an electronic trading system admitted at the stock exchange, at all times. The amount of security to be deposited must be adequate in relation to the risks related to the concluded transactions. The details concerning the nature and manner in which security deposit is to be provided are determined by the stock exchange regulations.

(2) If the security deposit required under the stock exchange regulations is not provided or if it no longer exists subsequently, the stock exchange regulations may provide that the suspension of the admission may be ordered for a period of no more than six months. The stock exchange regulations may provide that companies admitted to participate in the stock exchange trading can be limited to the activity as intermediary, if the provided security deposit no longer meets the requirements stipulated in the stock exchange regulations. The stock exchange regulations may also stipulate that the right of a stock exchange trader to conclude stock exchange transactions is suspended for the duration of the suspension of the company's admission for which he concludes transactions at the stock exchange.

(3) The stock exchange regulations may provide for rules to limit and monitor the stock exchange liabilities of companies admitted to participate in stock exchange trading and lead brokers.

(4) The trade supervision office shall monitor the security deposit to be provided pursuant to paragraph 1 and compliance with the rules pursuant to paragraph 3. It has the powers of the stock exchange supervisory authority pursuant to Section 3 paragraph 4. It may particularly demand the list of open placing transactions and the notification about negative rate differences from the respective settlement agent. If the trade supervision office determines that the security deposit limits are exceeded, the management shall make arrangements that are suitable to ensure the fulfillment of the obligations from the stock exchange transactions pursuant to paragraph 1. It may particularly order that companies admitted to participate in the stock exchange trading and lead brokers have to provide additional security deposit and fulfill open transactions without undue delay or preliminarily exclude these entirely or partially from the stock exchange trading with immediate effect. The management shall inform the stock exchange supervisory authority without undue delay if security deposit limits have been exceeded and the arrangements made.

(5) Objection and action for rescission against measures pursuant to paragraph 4 do not have any suspensive effect.

Section 21 External Settlement Systems

(1) The stock exchange regulations may provide for the connection of external settlement systems to the stock exchange's systems for the stock exchange trading and the stock exchange transaction settlement. Such a connection is permitted, if it is ensured that

1. the system has the technical facilities required for the offered service to settle the stock exchange transactions, and

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2. the system's operator has established the necessary legal and technical preconditions for a connection of the system to the stock exchange's systems for the trading and the stock exchange transaction settlement, and
3. a proper and, from an economic perspective, efficient clearing and settlement of the transactions at the stock exchange is ensured.

(2) If several alternative settlement systems pursuant to paragraph 1 are available, participants may determine which of the systems they use for executing the stock exchange transactions.

Section 22 Sanction Committee

(1) The state government is authorized to issue provisions by way of statutory ordinance concerning the establishment of a sanction committee, its composition, its procedures including the gathering of evidence, and the costs as well as the participation of the stock exchange supervisory authority. The provisions may provide that the sanction committee can hear the testimony of witnesses and experts, who appear before it voluntarily, without administering an oath and that it may ask the local court to conduct a gathering of evidence, which it may not carry out. The state government may delegate the authorization pursuant to sentence 1 to the stock exchange supervisory authority through statutory ordinance.

(2) The sanction committee may impose a censure, fine of up to two hundred fifty thousand Euro, or exclusion from the stock exchange for up to 30 trading days upon a trade participant, if the trade participant or an aide acting for him violates stock exchange law provisions intentionally or negligently, which are meant to ensure proper conduct of trading on the stock exchange or the stock exchange transaction settlement. The sanction committee may also impose a censure or a fine of up to two hundred fifty thousand Euro upon an issuer, if he or an aide acting for him violates his duties under the admission intentionally or negligently. The sanction committee exercises the tasks and powers delegated to it under this law only in the public interest.

(3) In disputes relating to decisions of the sanction committee pursuant to paragraph 2, recourse to the administrative courts is available. Before commencing court actions, no re-examination in preliminary proceedings is required.

(4) If facts have arisen in proceedings before the sanction committee, which justify the revocation or cancellation of the admission of a trade participant or of lead broker, the proceedings shall be passed to the management. It has the right to demand reports during any situation of the proceedings before the sanction committee and to take over the proceedings. If the management has taken over the proceedings and if it turns out that the admission is not to be revoked or cancelled, it passes the proceedings back to the sanction committee.

Part 2

Stock Exchange Trading and Stock Exchange Price Determination

Section 23 Admission of Commodities and Rights

(1) Commodities and rights, which are to be traded on the stock exchange and are not admitted to trading on the regulated market or included in the regulated market or in the regulated unofficial market, require the admission to trading by the management. Before the admission to trading, the stock exchange council has to adopt general terms and conditions for the trading on the stock exchange. The details are set forth in Articles 36 and 37 of Commission Regulation (EC) 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive (OJ EU L 241/1) and the stock exchange regulations.

(2) Notwithstanding paragraph 1, the management has to determine the contract specifications prior to the admission to trading of derivatives. These have to be structured in a way so that proper exchange trading and effective stock exchange transaction settlement are possible. Paragraph 1 sentence 3 applies accordingly.

Section 24 Stock Exchange Price

(1) Prices, which are determined during the stock exchange hours on a stock exchange, are stock exchange prices. Sentence 1 also applies to prices, which are determined during the stock exchange hours on the regulated unofficial market at a securities stock exchange.

(2) Stock exchange prices must be established properly and correspond with the actual market situation of the stock exchange trading. To the extent that Section 30 does not provide otherwise, particularly offers must be accessible to and the acceptance of the offer must be possible for trade participants. When determining the stock exchange price, prices of another stock exchange, of an organized market with registered seat abroad, or of a multilateral trading system in the sense of Section 2 paragraph 3 sentence 1 No. 8 of the Securities Trading Act may be taken into account.

(3) To the extent that Section 31 does not provide otherwise, stock exchange prices and the volumes underlying them must be announced to the trade participants without undue delay and at reasonable commercial conditions in an easily accessible manner, unless a delayed announcement appears necessary in the interest of avoiding unreasonable disadvantages for those participating in the transaction. The details are governed by the stock exchange regulations. The stock exchange regulations may also determine that prior to the determination of a stock exchange price, the price of the highest limited purchase order and of the lowest limited selling order must also be disclosed to the trade participants.

(4) Transactions, which resulted in stock exchange prices, shall be specifically marked when entering them in the stock exchange's transaction settlement system.

Section 25 Suspension and Discontinuation of Trading

(1) The management may

1. suspend the trading of commodities or rights, if proper stock exchange trading is temporarily endangered or if this appears advisable to protect the public; and
2. discontinue the trading of commodities or rights, if proper stock exchange trading no longer appears ensured.

The management informs the stock exchange supervisory authority and the Federal Agency without undue delay about measures pursuant to sentence 1. It is obliged to publish these measures. The stock exchange regulations shall provide for details concerning the publication.

(2) Objection and action for rescission against the suspension of trading do not have any suspensive effect.

Section 26 Inducement to Speculative Stock Exchange Transactions

(1) It is prohibited to induce others commercially, exploiting their inexperience with speculative stock exchange transactions, to conduct such transactions or to directly or indirectly participate in such transactions.

(2) Speculative stock exchange transactions in the sense of paragraph 1 are particularly

1. purchase or sale transactions with postponed delivery time, even if they are concluded outside of a domestic or foreign stock exchange, and
2. options on such transactions,

which are aimed to generating a profit from the difference between the price determined for the time of delivery and the stock exchange or market price existing at the time of delivery.

Part 3

Lead Broking and Transparency Requirements at Securities Exchanges

Section 27 Admission as Lead Broker

(1) The management of a securities stock exchange may, taking into account the trading system used by the stock exchange, entrust companies admitted to participate in the stock exchange trading upon their request with the determination of stock exchange prices at this securities stock exchange (admission as lead broker). The applicant and its managing directors must have the reliability required for lead broking and must be suitable for lead broking based on their professional and economic capability. The management shall admit persons, who are to be authorized to act for a lead broker in lead broking (lead broking persons), if these persons are stock exchange traders and have the professional aptitude required for lead broking. The stock exchange regulations govern the details.

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(2) The management shall revoke the admission as lead broker after hearing the stock exchange supervisory authority, except pursuant to the provisions of the Administrative Procedure Act, if the lead broker has culpably committed a gross violation of his duties. The management may revoke the admission, if the Federal Agency has taken measures to secure the fulfillment of the liabilities of the lead broker vis-à-vis his creditors. In urgent cases, the management may prohibit a lead broker's participation in the stock exchange trading with immediate effect even without hearing him; objection and action for annulment do not have any suspensive effect.

(3) If a reasonable suspicion exists that one of the conditions referred to in paragraph 1 had not been fulfilled or had subsequently ceased to exist, the management may order that the admission of a lead broker is suspended for a period of no more than six months.

(4) The Federal Agency shall notify the management without undue delay, if it has taken measures to secure the fulfillment of the liabilities of the lead broker vis-à-vis his creditors.

Section 28 Duties of the Lead Broker

(1) In connection with the tasks of the lead broker, the lead broker and the lead broking persons shall work towards an orderly market development and carry out the lead broking neutrally. The lead broker shall ensure compliance with the duties incumbent upon him through suitable organizational measures. When determining the price, he shall act free from instructions. The duties have to be carried out so that an effective supervision of compliance with the duties is ensured. The stock exchange regulations shall govern the details.

(2) The lead broker and the lead broking persons shall treat all orders existing at the time of price determination equally when carrying them out, taking into account the special rules existing at the stock exchange. The stock exchange regulations shall govern the details.

Section 29 Allocation of the Order Books

The management decides about the allocation of the order books among the applicants suitable for lead broking pursuant to Section 27 paragraph 1 sentence 2 and the number of lead brokers. Order books may be allocated for limited periods of time. The stock exchange regulations shall govern the details. The stock exchange regulations may particularly provide for the professional and economic capability of the applicant as criteria for allocating the order books.

Section 30 Pre-Trading Transparency for Shares and Certificates Representing Shares

(1) For shares and certificates representing shares, which are admitted to trading on the regulated market or included in the regulated market, the price of the highest limited purchase order and of the lowest limited sale order and the volume tradable at these prices shall be published continuously during the usual business hours of the stock exchange at reasonable commercial conditions. The stock exchange

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supervisory authority may provide for exemptions for stock exchanges from the obligation pursuant to sentence 1 in accordance with Chapter IV Part 1 and 4 of Commission Regulation (EC) 1287/2006.

(2) Notwithstanding Section 19, stock exchanges may grant systematic internalizers in the sense of Section 2 paragraph 10 of the Securities Trading Act access to the systems, which they use for the publication of the information pursuant to paragraph 1.

(3) The details of the publication obligations pursuant to paragraph 1 are governed by Commission Regulation (EC) 1287/2006 and the stock exchange regulations.

Section 31 Post-Trading Transparency for Shares and Certificates Representing Shares

(1) For shares and certificates representing shares, which are admitted to trading on the regulated market or included in the regulated market, stock exchange prices as well as the volume and the time of the stock exchange transaction shall be published without undue delay and at reasonable commercial conditions. The stock exchange supervisory authority may permit a delayed publication of the information pursuant to sentence 1 in accordance with Chapter IV Part 3 and 4 of Commission Regulation (EC) 1287/2006 depending on the nature and scope of the orders. The delay shall be published in accordance with Chapter IV Part 4 of Commission Regulation (EC) 1287/2006.

(2) The details of the publication obligations pursuant to paragraph 1 are governed by Chapter IV Part 1, 3, and 4 of Commission Regulation (EC) 1287/2006 and the stock exchange regulations.

Part 4

Admission of Securities to Stock Exchange Trading

Section 32 Conditions of Admission

(1) Securities, which are to be traded on the regulated market at a stock exchange, require admission or inclusion by the management, unless provided otherwise in Section 37 or in other laws.

(2) The admission must be applied for by the issuer of the securities together with a bank, financial service institution, or a company operating pursuant to Section 53 paragraph 1 sentence 1 or Section 53b paragraph 1 sentence 1 of the Banking Act. The institution or company must be admitted at a domestic securities stock exchange with the right to participate in trading and must document liable equity equivalent to at least EUR 730,000. An issuer, who is an institution or company in the sense of sentence 1 and fulfills the preconditions of sentence 2, may submit the application alone.

(3) Securities shall be admitted, if

1. the issuer and the securities meet the requirements under Article 35 of Commission Regulation (EC) 1287/2006 as well as the provisions, which were issued for the protection of the public and for proper stock exchange trading pursuant to Section 34, and

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2. an issuing prospectus approved or certified pursuant to the provisions of the Securities Prospectus Act, or a detailed selling prospectus in the sense of Section 42 of the Investment Act, or a prospectus in the sense of Section 137 paragraph 3 of the Investment Act has been published, unless it is possible to refrain from publishing a prospectus pursuant to Section 1 paragraph 2 or Section 4 paragraph 2 of the Securities Prospectus Act.

(4) The application for admission of the securities may be rejected even if the preconditions of paragraph 3 are fulfilled, if the issuer does not fulfill his duties resulting from the admission to the regulated market or another organized market.

(5) The management determines at least three domestic newspapers with supra-regional distribution as announcement papers for the required publications (supra-regional mandatory stock exchange publications). The determination may be made for a limited time; it must be published by stock exchange announcement.

Section 33 Inclusion of Securities into the Regulated Market

(1) Securities may be included in the regulated market for stock exchange trading upon request of a trade participant or *ex officio* by the management, if

1. the securities are already admitted
 - a) at a different domestic stock exchange to trading on the regulated market,
 - b) in another member state of the European Union or in another contracting state of the European Economic Area Agreement to trading on an organized market, or
 - c) on a market in a third country, if admission requirements and reporting and transparency obligations exist at this market, which are comparable with those on the regulated market for admitted securities, and if the information exchange for purposes of supervising trade is ensured with the competent bodies in the respective country, and
2. no circumstances are known, which lead to overreaching of the public or damage to significant general interests, if the securities are included.

(2) The stock exchange rules and regulations shall set forth more detailed provisions concerning the inclusion of securities as well as concerning the duties to be fulfilled by the applicant after the inclusion has occurred. The stock exchange regulations must particularly contain provisions concerning the information of the stock exchange trading about facts, which have to be published by the issuer on the foreign market, where the securities are admitted, to protect the public and to ensure proper conduct of trading; Section 38 paragraph 1, the Sections 39 and 41 do not apply.

(3) The management informs the issuer, whose securities were included into trading pursuant to paragraph 1, about the inclusion.

(4) Section 25 applies accordingly to the suspension and discontinuance of the stock exchange price. Section 39 paragraph 1 applies accordingly to the revocation of the inclusion.

Section 34 Authorizations

The Federal Government is authorized, through statutory ordinance with the consent of the Federal Council, to issue the provisions necessary for the protection of the public and for proper stock exchange trading about

1. the preconditions for the admission, particularly
 - a) the requirements concerning the issuer in respect to his legal basis, his size, and the duration of his existence;
 - b) the requirements concerning the securities to be admitted in respect to their legal basis, tradability, denomination, and print features;
 - c) the minimum amount of the issuance;
 - d) the requirement to extend the admission application to all shares of the same class or all bonds of the same issue;
2. the admission process.

Section 35 Rejection of Admission

(1) If the management refuses an application for admission, it shall notify the other stock exchanges on which the securities of the issuer are to be traded thereof, stating the reasons for the rejection.

(2) Securities the admission of which has been refused by another stock exchange, may be admitted only with the consent of such stock exchange. The consent shall be given if admission was refused because of local conditions or if reasons preventing the admission have ceased to exist.

(3) If an application for admission is filed at several domestic stock exchanges, the securities may be admitted only with the consent of all stock exchanges, which have to decide upon the application. The consent may not be refused by reason of local conditions.

Section 36 Cooperation within the European Union

(1) If an issuer having his registered seat in another member state of the European Union or in another contracting state of the European Economic Area Agreement, whose shares are admitted in such member state or contracting state pursuant to Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities (OJ EC L 184/1), applies for the admission of securities to which subscription rights to such shares are attached, the management shall obtain a statement from the competent body of the other member state or contracting state prior to its decision.

(2) The provisions about the cooperation under the Securities Prospectus Act remain unaffected.

Section 37 Government Bonds

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Bonds of the Federal Government, of its special assets, or of a state, including to the extent that they are registered in the Federal Debt Register or the debt registers of the states, as well as bonds, which are issued by another member state of the European Union or by another contracting state of the European Economic Area Agreement, are admitted to trading on the regulated market at each domestic stock exchange.

Section 38 Introduction

(1) The management decides upon application of the issuer about the inclusion of the listing of admitted securities in the regulated market (introduction). In the application, the issuer shall inform the management about the time for the introduction and the characteristics of the securities to be introduced. The stock exchange regulations shall govern the details.

(2) Securities, which are issued for public subscription, may be introduced only after the allocation has been completed.

(3) For the protection of the public, the Federal Government is authorized by ordinance with the consent of the Federal Council to determine the earliest time at which the securities may be introduced.

(4) If the securities are not introduced within three months after the publication of the admission decision, their admission expires. The management may reasonably extend the period upon request, if a justified interest of the issuer of the admitted securities in the extension is explained.

Section 39 Revocation of Admission of Securities

(1) The management may revoke the admission of securities for trading on the regulated market, other than pursuant to the provisions of the Administrative Procedure Act, if proper stock exchange trading is permanently no longer ensured and if the management has discontinued the listing on the regulated market or if the issuer does not fulfill his duties under the admission even after a reasonable deadline.

(2) The management may revoke the admission in the sense of paragraph 1 also upon the issuer's request. The revocation may not conflict with the protection of investors. The management must publish such a revocation on the Internet without undue delay. The period between the publication and the effectiveness of the revocation may not exceed two years. The stock exchange regulations shall stipulate more detailed provisions concerning the revocation.

Section 40 Duties of the Issuer

(1) The issuer of admitted shares is obligated to apply for the admission to the regulated market for subsequently issued shares of the same class.

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(2) The Federal Government is authorized, through statutory ordinance with Consent of the Federal Council, to issue provisions as to when and under which conditions the obligation pursuant to paragraph 1 applies.

Section 41 Providing Information

(1) The issuer of the admitted securities as well as the institute or company, which has applied for the admission of the securities pursuant to Section 32 paragraph 2 sentence 1 together with the issuer, are obligated to provide all information from their sphere to the management, which is necessary for the proper fulfillment of its task in respect to the admission and introduction of the securities.

(2) The management may demand that the issuer of the admitted securities publishes certain information in an appropriate form and within an appropriate deadline, if this is necessary to protect the public or for proper stock exchange trading. If an issuer does not fulfill the request of the management, the management may publish such information itself after hearing the issuer at the latter's request.

Section 42 Sections of the Regulated Market with Special Duties for Issuers

(1) For sections of the regulated market, the stock exchange regulations may, in addition to the documents to be filed by the companies, stipulate additional preconditions for the admission of shares or certificates representing shares and additional notification obligations of the issuer based on the admission of shares or certificates representing shares to protect the public or for proper stock exchange trading.

(2) If the issuer does not fulfill the additional duties pursuant to Section 42 even after a reasonable deadline set for him, the management may exclude the issuer from the corresponding section of the regulated market. Section 25 paragraph 1 sentence 2 and 3 applies accordingly to measures of the management under this paragraph.

Section 43 Obligation of the Insolvency Administrator

(1) If insolvency proceedings are opened for the assets of someone obligated to act under this law, the insolvency administrator shall support the debtor in the fulfillment of the duties under this law, particularly by providing the funds required for this from the assets under insolvency.

(2) If a preliminary insolvency administrator is appointed prior to the opening of insolvency proceedings, he shall support the debtor in the fulfillment of his duties, particularly by consenting to the use of funds by the obligated party or, if a general disposal prohibition was imposed on the obligated party, by making the funds available from the assets administered by him.

Sections 44 – Section 47 have been deleted

Part 5
Regulated Unofficial Market

Section 48 Regulated Unofficial Market

(1) For securities, which are neither admitted to trading on the regulated market nor included for trading on the regulated market, the stock exchange may permit the operation of a regulated unofficial market by the stock exchange operator, if a proper conduct of the trading and of the business settlement appears ensured through trading rules as well as through the general terms and conditions of the stock exchange operator, which were approved by the management. The trading rules govern the course of the trading. The general terms and conditions govern the participation in the trading and the inclusion of securities for trading. Issuers, whose securities were included in the regulated unofficial market without their consent, may not be obligated under the general terms and conditions to publish information in respect to these securities.

(2) The stock exchange supervisory authority may prohibit trading on the regulated unofficial market, if proper trading no longer appears to be ensured for the securities.

(3) The operation of the regulated unofficial market requires written permission from the stock exchange supervisory authority. The provisions of this Act, except for Sections 27 to 29 and 32 to 43, apply accordingly to the operation of the regulated unofficial market.

Part 6
Provisions on Penalties for Crimes and Infractions; Final Provisions

Section 49 Criminal Provisions

Whoever induces others to speculative stock exchange transactions or to a participation in such a transaction in violation of Section 26 paragraph 1 is punished by up to three years imprisonment or fine.

Section 50 Punishment for Infractions

- (1) An infraction commits, who willfully or grossly negligent
1. informs a person contrary to Section 3 paragraph 11,
 2. contrary to Section 4 paragraph 7 does not report a change of one of the persons referred to therein at all, incorrectly, incompletely, or not in time,
 3. contrary to
 - a) Section 6 paragraph 1 sentence 1, 5 or 6 or
 - b) Section 6 paragraph 5 sentence 1 or 4 or paragraph 6 sentence 1,in each case also in connection with a statutory ordinance pursuant to paragraph 7 sentence 1, does not file a notification at all, incorrectly, incompletely, or not in time,

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4. acts contrary to an enforceable order pursuant to Section 6 paragraph 1 sentence 7,
5. contrary to Section 6 paragraph 6 sentence 2 does not make a publication at all or not in time, or
6. contrary to Section 41 paragraph 1 does not provide information at all, incorrectly, or incompletely.

(2) An infraction commits, who willfully or negligently

1. acts contrary to an enforceable order pursuant to
 - a) Section 3 paragraph 4 sentence 1 or sentence 4 No. 1, in each case also in connection with Section 7 paragraph 3, or
 - b) Section 6 paragraph 2 sentence 1 or paragraph 4 sentence 1, or
2. contrary to Section 3 paragraph 4 sentence 5 or 6, in each case also in connection with sentence 8, does not permit or tolerate entry.

(3) The infraction may be punished in the cases of paragraph 2 No. 1 lit. b with a fine of up to EUR five hundred thousand, in the cases of paragraph 1 No. 3 lit. a and No. 4 and 6 with a fine of up to EUR one hundred thousand, in the remaining cases with a fine of up to EUR fifty thousand.

Section 51 Application to Bills of Stock Exchange and Foreign Currency

(1) Sections 24 and 27 to 29 also apply to stock exchange trading with bills of stock exchange and foreign currencies.

(2) Disbursements, payment orders, and checks are also deemed currencies in the sense of paragraph 1.

Section 52 Transitional Provisions

(1) If issuing prospectuses, based on which securities were admitted to stock exchange trading with official listing, or company reports were published prior to 1 April 1998, the provisions of Sections 45 to 49 and 77 of the Stock Exchange Act, as amended by the announcement of 17 July 1996 (BGBl. I pg. 1030) continue to apply to such prospectuses and company reports.

(2) If issuing prospectuses, based on which securities were admitted to stock exchange trading on the official market, or company reports were published prior to 1 July 2002, the provision of Section 47 of the Stock Exchange Act, as amended by the announcement of 9 September 1998 (BGBl. I pg. 2682), which was most recently amended by Article 35 of the law of 27 April 2002 (BGBl. I pg. 1467), continues to apply to such prospectuses and company reports.

(3) If issuing prospectuses, based on which securities were admitted to stock exchange trading on the official market, were published prior to 1 July 2005, the provision of Section 45 of this law in the version applicable prior to 1 July 2005 continues to apply to such prospectuses. To company reports, which were published prior to 1 July 2005, Sections 44 to 47 and 55 of the Stock Exchange Act in the version applicable prior to 1 July 2005 continue to apply.

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(4) To securities, the term of which is not determined and which have been introduced for less than ten years at a domestic exchange on 1 July 2002, Section 5 paragraph 1 sentence 1 of the Stock Exchange Act, as amended by the announcement of 9 September 1998 (BGBl. I pg. 2682), which was most recently amended by Article 35 of the law of 27 April 2002 (BGBl. I pg. 1467), applies. To the securities referred to in sentence 1, Section 17 paragraph 1 No. 5 applies only after the expiration of ten years since the introduction.

(5) Stock exchange operators, who were granted a permit pursuant to Section 1 paragraph 1 of the Stock Exchange Act in the version applicable until 31 October 2007 prior to 1 November 2007, do not require a permit insofar pursuant to Section 4. However, they must submit the documents necessary pursuant to Section 4 paragraph 2 sentence 2 to the stock exchange supervisory authority by 30 April 2009. The powers of the stock exchange supervisory authority pursuant to Section 4 apply accordingly in respect to the permits issued prior to 1 November 2007.

(6) Stock exchange operators, who commenced the operation of a regulated unofficial market already prior to 1 November 2007, are required to file the application for the issuance of the permit pursuant to Section 48 paragraph 3 sentence 1 subsequently by 30 April 2009.

(7) Securities, which were admitted to the official market or to the regulated market prior to 1 November 2007, are deemed admitted to the regulated market from 1 November 2007.

(8) For claims resulting from an incorrect issuing prospectus, that are the basis for the admission of shares to trading at a domestic stock exchange and that have been published before 1 June 2012 in the territory of the country, Sections 44 to 47 in the version valid until 31 May 2012 are still applicable.