
Guidelines to the application form “Admission of companies to Exchange trading”

Preliminary remarks

According to section 19 (1) of the German Exchange Act (Börsengesetz, BörsG), section 12 of the Exchange Rules of the Stuttgart Stock Exchange (Börsenordnung, der Baden-Württembergischen Wertpapierbörse, BörsO) participation in Exchange trading of companies at the Baden-Württembergische Wertpapierbörse (Stuttgart Stock Exchange) requires an application for admission, to be submitted in written form to the Management Board, that shall decide upon the admission.

Value Added Tax (VAT) identification number of foreign based trading participants based in the EU

As a precondition for invoicing services exempt from VAT, we require the company's VAT identification number as evidence that the applicant company is registered for VAT assessment in its home country.

1. Evidence of admission requirements pursuant to section 19 BörsG and section 13 and 16 BörsO

1.1. Most recent excerpt from the companies register (“Handelsregister”)

Certified by court or by a notary, or, should the entry in the companies register be impossible, corresponding evidence, in particular by way of presenting provisions by law, the by-laws or the articles of association, as well as legally binding declarations of such enterprise regarding the persons authorized to represent the association by law, the by-laws or the articles of association. In the case of foreign companies, appropriate certificates shall be presented.

1.2. Current memorandum and articles of association or by-laws certified as a true copy by the Company Secretary

1.3. Evidence, that

1.3.1. The company has the status of a credit institute or of a financial services institution or

1.3.2. The applicant is a branch of a foreign company as defined in section 53 (1) sent. 1 or section 53 b (1) sent. 1 of the German Banking Act (Kreditwesengesetz, KWG) and is licensed to conduct financial transactions as per section 1 (1) sent. 2 no. 4 or section (1a) sent. 2 no. 1 to 4 German Banking Act (Kreditwesengesetz, KWG) through presenting a confirmation of authorization from the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) or

1.3.3. If the company does not satisfy any of the abovementioned conditions (e.g., finance company authorized for proprietary business), the evidence that the company has equity capital of **at least EUR 50,000.00**, by presentation of a confirmation of an auditor/ tax advisor (section 19 (4) no. 3 BörsG, section 13 (2) no. 3 BörsO). Equity capital is defined as paid-in capital and the reserves after deduction of any withdrawals by the proprietor or the personally-liable shareholders and any credit extended to such persons as well as any excess of indebtedness with respect to the free assets of the proprietor.

1.4. Evidence of the guarantee of the orderly conduct of trading and the orderly settlement of transactions at the exchange is ensured pursuant to section 19 (4) no 2 BörsG, section 13 (6) BörsO

- 1.4.1. Evidence is provided, if the company conducts its transactions via a recognized central securities depository according to section 1 (3) of the German Law on Deposits of Securities (Depotgesetz, DepotG), namely, Clearstream Banking AG, Eschborn, and maintains a bank account accepted by Clearstream Banking AG either with Deutsche Bundesbank or with another central bank of an EU member state with direct connection to the payments system TARGET2 of the European System of Central Banks and the European Central Bank. Therefore the company must have a separate trading participant's account number (“KV-Nummer”) for its operations at Stuttgart Stock Exchange.
- 1.4.2. In case of credit institutes and financial services institution based in Germany or abroad, the account can usually be opened directly with Clearstream Banking AG. The department responsible for new clients is the Relationship Management Department; contact Clearstream Banking AG, General Customer Support Domestic (Phone: +49- (0) 69-211-11177 / email: csdomestic@clearstream.com or International (Phone: + 49- (0) 69-2111-18320 or 18340 / email: csfra.int.@clearstream.com). The account number for CBF-settlement must be mentioned; further, the name, address, telephone and telefax numbers as well as the email address of the contact person responsible for trading (XITARO) via the new KV-Nummer must be specified.
- 1.4.3. In case the applicant is neither a credit institute nor a financial services institution, the applicant has the option of instructing a recognized credit institute with experience as in custodian bank admitted as a trading participant at Stuttgart Stock Exchange to settle the applicant's transactions on its behalf. However, in this case, a transaction and settlement agreement between the exchange, the applicant, and the concerned credit institute must be concluded. The necessary documents are available from the Listing Department of the Stuttgart Stock Exchange. In this case, the Listing Department of the Stuttgart Stock Exchange will apply on behalf of the applicant for an account number.
- 1.4.4. Pursuant to section 13 (8) BoersO the enterprise must fulfil the technical requirements, as applicable, for connection to the electronic trading system. Such requirements are deemed fulfilled if the orderly exchange trading and the orderly settlement of trades executed at the Exchange are ensured at all times – and, in particular, provided that the enterprise has entered into a Connection Agreement for trading participants with Boerse Stuttgart GmbH.

For participation in exchange trading, a connection to the exchange order routing, trading and settlement system XITARO is fundamentally required (except in case a credit institute has been authorized with the clearing and settlement of all exchange transactions). This connection incurs additional costs. For XITARO details please contact the Xitaro Customer Support (telephone: +49-(0) 711-222-985-750 / e-mail: xiatohelp@boerse-stuttgart.de).

The connection agreement for trading participants including any other attachments must be signed and submitted with the other documents to the Listing Department of Stuttgart Stock Exchange. Hence the connection agreement will be achieved without further ado.

1.4.5. Note:

We recommend initiating certain processes in parallel. Some steps, however, can only be undertaken in sequence. For example, a connection to XITARO can only be created and tested once a participant number (KV number) is already available. The creation of a participant number for the Stuttgart Stock Exchange occasionally can take up to 4 weeks with Clearstream Banking AG. The creation of the technical connections/wiring for XITARO trading system can take between two to eight weeks.

1.5. Collaterals

In order to be able to fulfill the obligations, arising from transactions concluded at the exchange or in one of the electronic trading systems approved by the exchange and settled via the exchange systems at any time, the exchange’s management may require collaterals security from the applicant as per section 20 (1) BörsG and section 17 (1) BörsO.

1.6. Audited financial statement from the previous business year

Where available, a recent interim report for the current year must be presented.

1.7. Information concerning the nominated person

In accordance with section 19 (4) sent. 1 BörsG and section 13 (2) no. 1 BörsO, in order to register, the company must additionally designate at least one member of its Board of Management as a “Nominated Person” who is entrusted with the applicant’s business operations according to the law, the by-laws or the articles of association and is authorized to represent the company. The person to be registered must prove their personal reliability and the necessary professional qualification and experience for securities business on exchanges. Individuals registered as managing directors of credit institutes are considered to have met the necessary professional qualification.

As the continuity of admission is subject to the registration of a Nominated Person, we recommend having at least two individuals out of the above-mentioned group of persons registered.

In case of a change of nominated person, the company is required to submit the form “Application Nominated Person” for the new person.

1.8. Information concerning the responsible person for questions concerning the compulsory settlement

In accordance with section 13 (7) BörsO the enterprise ascertains that it can be contacted for the purposes of forced settlement at any time during general trading hours and half an hour prior to the start of exchange trading, by providing their current address and contact details (including telephone and fax numbers plus e-mail addresses) and keeping such details up to date throughout their term of admission.

In case of a change of either the responsible person and/or the contact details, the company is required to submit the change immediately via e-mail to the Listing Department of Stuttgart Stock Exchange (listing@boerse-stuttgart.de).

1.9. Evidence of the personal reliability and professional qualification necessary for securities business on exchanges in the case of individuals applying for admission as exchange traders according to the Regulation for Admission of the Stuttgart Stock Exchange

Each enterprise admitted for participation in exchange trading must have at least one admitted trader who will participate in Exchange trading on its behalf.

All individuals who enter orders in the electronic trading system of Stuttgart Stock Exchange must have an admission as Exchange Trader.

For the admission of Exchange Traders, please refer to the “Regulation for the Admission of Exchange Traders at the Stuttgart Stock Exchange (“Zulassungsordnung für Börsenhändler an der Baden-Württembergischen Wertpapierbörse”).

1.10. List of authorized signatures

1.11. In case the company applying has its headquarters outside Germany, further evidence is required, namely

- 1.11.1. Evidence that the company is subject to a banking or exchange supervision in its home country by presentation of a confirmation from the concerned supervisory authority and/or a copy of the letter of approval from the supervisory authority.
- 1.12.2. Evidence that the company applying has granted a power of attorney to act as agent for the service of process to a person within the Federal Republic of Germany in order to ensure that any act of services which must be addressed to the company or to the individuals authorized to represent the company may be delivered with legal effect within the Federal Republic of Germany (power of attorney to receive mail).

2. Particular functions as trading participants

On being admitted as a trading participant, the successful applicant can also perform different activities, such as

2.11.1. Trading participant as order flow provider:

The order flow provider is the classic trading participant. He routes his clients' orders to the Stuttgart Stock Exchange or executes proprietary trades.

2.11.2. Trading participant as issuer of securitized derivative products

Besides the classic order flow provider, a trading participant can also play the role as an issuer of securitized derivative products, including market making, at the Stuttgart Stock Exchange.

According to the regulations of the Stuttgart Stock Exchange (section 44 et seq. BörsO, the applicant for the EUWAX trading segment is obliged to act as a market maker for securitized derivatives issued by him or an affiliated enterprise as defined in section 15 et seq. of the German Stock Corporation Act (Aktengesetz, AktG)). Market makers are obliged to quote tradable bid and ask prices on a continuous basis during the trading hours for the securities concerned, maintaining the maximum spread that is valid for a certain minimum trading volume. In order to do so, he is required to enter into an issuer agreement with Börse Stuttgart GmbH. The applicant can also appoint a third party as market maker for the securities admitted to the EUWAX trading segment upon the applicant's application. In this case, the market maker's duties pursuant to the Exchange Rules (Börsenordnung, BörsO) and the Implementation Rules (Ausführungsbestimmungen) issued hereunder shall remain incumbent upon the applicant for the EUWAX trading segment, who shall be obliged to ascertain compliance with such duties by the market maker instructed. The third party shall enter into a supplementary market maker agreement to the connection agreement for trading participants. Further information on this subject can be obtained from "Emittentenbetreuung" (issuer assistance) at the Stuttgart Stock Exchange via E-mail: emittenten@boerse-stuttgart.de.

3. Fees

The fees for the admission of companies to Exchange Trading include a one-time application fee (section 8 Fee Regulations (Gebührenordnung der Baden-Württembergischen Wertpapierbörse) and an annual participation fee (section 9 Fee

Regulations (Gebührenordnung)). This amounts to between EUR 1,800.00 und EUR 6,100.00 (plus VAT where applicable), depending on the relevant classification. The classification will be based on the company's significance in the securities business as well as its presumed interest in the exchange facility.

The annual fee for persons admitted as exchange trader (section 9 (2) Fee Regulations (Gebührenordnung)) amounts to EUR 75.00 (plus VAT where applicable).

For the avoidance of doubt: Please note that these documents are provided for convenience purposes only. The German Versions prevail as the arrangements are purely governed by German Law.

In particular Stuttgart Stock Exchange does not intend to provide any legal advice through the translation and rejects any responsibility for actuality, accuracy and completeness. The participant may seek for legal advice on his own discretion.