

Questions on the conversion of bearer shares into registered shares

What is a registered share?

A registered share is registered in the name of the owner not the bearer. A company with registered shares maintains a share registry in which the name, birth date, address as well as number of shares of each Shareholder are recorded (Section 67, paragraph 1 and 2 of the German Stock Corporation Act - AktG). Only those listed in the share registry are considered Shareholders by the company (Section 67, paragraph 1 and 2 of the German Stock Corporation Act - AktG). Registered shares are very common in other countries. In Germany, many stock corporations have also switched from bearer to registered shares in recent years.

Why is GESCO AG proposing to change over to registered shares?

GESCO AG places great importance on direct and transparent communication as well as direct contact to its shareholders. Registered shares offer many advantages over bearer shares in this respect. Their entry in the share register enables us to make direct contact with our shareholders and to inform them about developments in our company.

Registered shares also simplify preparations for the Annual General Meeting, for instance when sending out invitations and receiving instructions. No “detour” via the depository bank is necessary if a shareholder’s details are entered in *the share register*.

For what purpose may GESCO use the information in the share registry?

Information contained in the share registry is subject to applicable data protection provisions. The company may use the information in the registry in relation to its responsibilities to the Shareholders.

Is there a difference between bearer and registered shares with a depository?

There is no difference between bearer and registered shares with respect to a depository. With registered shares however, the invitation to the annual Shareholders’ meeting will be sent directly from the company to the Shareholder if it is listed in the share registry.

What does converting to registered shares change for the Shareholder?

In the future, Shareholders recorded in the share registry will receive company information, for example the invitation to the annual Shareholders’ meeting, directly from the company and no longer from their depository bank. Shareholders recorded in the share registry can personally register to attend the annual Shareholders’ meeting. Shareholders not recorded in the share registry however can only participate in the annual Shareholders’ meeting if they are authorized by the Shareholder recorded in the share registry. Dividends are still credited via the Shareholder’s depository bank.

Which expenses are incurred by Shareholders in the conversion to registered shares?

The conversion to registered shares is free of charge for Shareholders.

Do Shareholders incur higher expenses due to the maintenance of a share registry and is there an increase in depository fees?

There are no ongoing expenses for Shareholders as a result of maintaining a share registry, nor is there any increase in depository fees for Shareholders.

Why is it important for shareholders to be entered in the share register?

Being entered in the share register of the company is important because the company only acknowledges registered shareholders, with registration being a requirement for participating in the Annual General Meeting and exercising voting rights. The company only invites registered shareholders to the Annual General Meeting.

Can a Shareholder refuse to be recorded in the share registry?

In the case that a Shareholder objects to its entry in the share registry, the depository bank will be requested to be entered into the share registry in the Shareholder's place. The company then recognizes the depository bank as the Shareholder. The Shareholder, who has objected to being recorded in the share registry, will not receive any information from the company directly, in particular the invitation to the annual Shareholders' meeting will not be sent directly from the company and the Shareholder can not exercise its Shareholder rights without additional action.

Does a Shareholder who has objected to being recorded in the share registry receive a dividend?

Yes.

Does the company have to be informed about changes in address?

Depository banks are obligated to inform the company regarding changes in address. It is also possible for Shareholders to submit a brief message with the new address. It is however recommended to always inform the depository bank.

Who has access to the share registry and where can it be viewed?

Every Shareholder can demand information regarding their personal share registry data from the company. Shareholders can view their personal share registry information on the company's premises.

Can a Shareholder, who is not recorded in the share registry, attend the annual Shareholders' meeting?

The attendance at the annual Shareholders' meeting by a Shareholder not recorded in the share registry is not possible without additional action since only those recorded in the share registry are considered Shareholders by the company. Unregistered Shareholders are not permitted to register themselves for the annual Shareholders' meeting. Attendance at the annual Shareholders' meeting in this case requires the issuance of a proxy by the party recorded in the share registry in place of the Shareholder.

Is an issued continuing proxy still valid?

The general voting proxy (continuing proxy) issued to a depository bank also applies for registered shares.

How is the dividend paid out?

Shareholders' dividend payouts do not change in any way. Dividends will be paid into shareholders' depository banks, as usual.

Does the conversion to registered shares have tax consequences?

There are no tax consequences connected with the conversion to registered shares. Tax law does not distinguish between bearer and registered shares.

How are deposited shares converted?

The new division of GESCO AG's share capital into unit registered shares requires for shareholders to enter their data in the share register. Unit bearer shares held at depository banks also have to be converted into unit registered shares at a 1:1 ratio. In addition, the listing of GESCO shares will be changed and all shares will receive a new securities identification number (SIN) and ISIN.