

**Exchange Regulation (consolidated version)**  
**of 16 December 2008 (Law Gazette of the State of Hesse I page 1061), as most recently amended by**  
**the Regulation of**  
**5 October 2018 (Law Gazette of the State of Hesse page 642)**

By virtue of

1. section 4 (6) of the Exchange Act (Börsengesetz) of 16 July 2007 (Federal Law Gazette I pages 1330, 1351), as amended by the Act of 21 December 2007 (Federal Law Gazette I page 3089), in conjunction with section 17 no. 1 of the Delegated Regulation (Delegationsverordnung) of 12 December 2007 (Law Gazette of the State of Hesse I page 859),
2. section 6 (7) sentence 1 of the Exchange Act in conjunction with section 17 no. 2 of the Delegated Regulation,
3. section 13 (4) sentence 1 of the Exchange Act in conjunction with section 17 no. 3 of the Delegated Regulation and
4. section 22 (1) sentence 1 of the Exchange Act in conjunction with section 17 no. 4 of the Delegated Regulation,

the following is ordered after hearing the Exchange Council of Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange) and the Exchange Council of Eurex Deutschland, to the extent that the Regulation contains provisions within the meaning of section 13 (4) sentence 1 of the Exchange Act:

**Table of contents**

**PART ONE**

Nature, extent and form of disclosures to be made and documents to be submitted in accordance with section 4 (2) of the Exchange Act

Section 1 Nature and extent of disclosures to be made and documents to be submitted in accordance with section 4 (2) of the Exchange Act

Section 2 Form

**PART TWO**

Notification of a qualifying holding

Section 3 Nature and scope of the notification in accordance with section 6 (1) of the Exchange Act

**PART THREE**

Election of the Exchange Councils of the Frankfurt Stock Exchange and Eurex Deutschland

Section 4 Composition of the Exchange Council of the Frankfurt Stock Exchange

Section 5 Composition of the Exchange Council of Eurex Deutschland

Section 6 Election

Section 7 Election Committee

Section 8 Announcements

Section 9 Date of the election

Section 10 Proposals for election

Section 11 Eligibility for election

Section 12 Lists of voters

Section 13 Eligibility to vote and voting rights

Section 14 Election procedure

Section 15 Determining the results of the election

Section 16 Record of the election

Section 17 Announcement of the results of the election

Section 18 Scrutiny

Section 19 Election of the investor representatives

Section 20 Loss of seat on the Exchange Council and supplementary election

Section 21 Term of office of the Exchange Council

**PART FOUR**

Disciplinary Committee

Section 22 Establishment

Section 23 Members of the Disciplinary Committee

Section 24 Organisation of the Disciplinary Committee

Section 25 Initiation of disciplinary proceedings

(Convenience Translation from German into English)

Section 26 Involved parties

Section 27 Participation of the Exchange Supervisory Authority and the Exchange Management

Section 28 Principle of written proceedings

Section 29 Oral hearing

Section 30 Evidence and hearing of involved parties

Section 31 Participation of witnesses and experts

Section 32 Decision and costs

**PART FIVE**

Concluding provisions

Section 33

Entry into force, expiry

**PART ONE**

Nature, extent and form of disclosures to be made and documents to be submitted in accordance with section 4 (2) of the Exchange Act

**Section 1**

**Nature and extent of disclosures to be made and documents to be submitted in accordance with section 4 (2) of the Exchange Act**

(1) The balance sheet, an income statement, a cash flow statement and the financial projections shall be submitted to the Exchange Supervisory Authority as evidence of the resources required to operate an exchange under section 4 (2) sentence 2 no. 1 of the Exchange Act. The documents shall be prepared separately for the operation of the exchange and for the exchange operator. They should cover the most recently closed financial year and three projected years.

(2) The following information shall be provided with each application in addition to the information in accordance with section 4 (2) sentence 2 no. 2 of the Exchange Act in order to enable an assessment of whether the requirements for managing directors and members of the administrative or supervisory body of the exchange operator in accordance with sections 4a and 4b (1), (2) and (4) of the Exchange Act have been met:

1. date and place of birth, personal national identification number or similar, and further contact details;

(Convenience Translation from German into English)

2. the position being accepted and the minimum amount of time to be spent exercising that position;
3. a curriculum vitae providing a description of the experience and expertise of the person;
4. excerpts from the criminal registers in the countries in which the person has maintained their residence in the past ten years or, if no such documents are issued in the respective countries, an official certificate of good conduct or, if no such documents are issued in the respective countries, an affidavit as to whether criminal convictions have been handed down in connection with the provision of financial services or due to fraudulent actions or embezzlement;
5. declaration of consent to the competent authorities making enquiries into whether
  - a) a decision has been made against the person in any type whatsoever of criminal or administrative fine proceedings initiated against them by a regulatory authority or government agency or whether any such proceedings are still pending;
  - b) a decision has been made against the person in civil proceedings in connection with the provision of financial services or due to misconduct or fraud in the conduct of business;
  - c) the person has been a member of the management body of a company against which a decision has been made by a regulatory authority or which has been subject to sanctions or for which a regulatory authority has withdrawn the registration or license;
  - d) any regulatory authorities have refused to grant the person the right to exercise activities requiring registration or a licence;
  - e) the person has been a member of the management body of a company that filed for insolvency or was liquidated during the time in which that person held the position or within one year following the person's departure from that position;
  - f) any professional organisation has imposed a fine on the person, suspended them or declared them unsuitable or imposed any other sanctions on them due to fraud, embezzlement or in connection with the provision of financial services;
  - g) the person has been removed from a management, leadership or other position in a company due to misconduct or abusive practices;
6. which conflicts of interest arise or might arise in connection with the person's responsibilities and which rules apply in the case of a conflict of interest;
7. any additional management or supervisory positions held by the person if the exchange operator is of material significance due to its size, internal organisation and the nature, scope and complexity of its business."

(3) If so required by the Exchange Supervisory Authority, additional information shall be disclosed, in particular about existing activities as a person in a management position, as a member of a supervisory or administrative board of another company, or about existing direct investments of the person in the management position amounting to an interest of at least 25 per cent of the capital of a company, and additional documents shall be submitted, in particular employer references that substantiate the previous activities disclosed in the curriculum vitae.

(4) The business plan in accordance with section 4 (2) sentence 2 no. 3 of the Exchange Act shall contain the following information:

*(Convenience Translation from German into English)*

1. development of the planned business fields with a description of the operational and strategic objectives, together with corresponding measures to implement them,
2. resolutions relating to the exchange by the governing body with authority to represent the exchange operators and by any supervisory body of the exchange operator,
3. the organisational structure of the exchange operator, disclosing the responsibilities within the governing body with authority to represent the exchange operator,
4. a description of the risk management system, in particular of the internal control procedure for identifying, assessing, managing and supervising the risks of exchange operation and a risk report prepared for the governing body with authority to represent the exchange operator.

(5) The disclosure on the ownership structure of the exchange operator in accordance with section 4 (2) sentence 2 no. 4 of the Exchange Act shall list the members of partnerships and corporations, with the exception of stock corporations. Stock corporations whose shares are admitted to trading on an exchange shall provide information about the holders of equity interests that hold at least three per cent of the voting rights in the exchange operator, together with the amount of the equity interest in each case. If registered shares have been issued, an extract from the shareholder register shall additionally be provided. Stock corporations whose securities have not been admitted to trading on an exchange shall notify their shareholders to the Exchange Supervisory Authority, to the extent that those shareholders are known to them. Sentences 1 to 4 shall apply, with the necessary modifications, to companies domiciled outside the Federal Republic of Germany.

(6) Subsection (2) above shall apply, with the necessary modifications, to the owners of qualifying holdings and the persons authorised to represent them, and to general partners.

## **Section 2**

### **Form**

Two copies of the documents to be submitted and information to be disclosed in accordance with section 1 shall be provided in writing in German.

## **PART TWO**

### **Notification of a qualifying holding**

## **Section 3**

### **Nature and scope of the notification in accordance with section 6 (1) of the Exchange Act**

The notification shall contain the documents set out in section 1 (2). If the person subject to the notification obligation is a legal person or a commercial partnership, they shall provide these documents for each person who is authorised to represent in accordance with the law or the articles of association and for each general partner. If their trustworthiness has been verified by another authority, evidence of this verification and its outcome shall be attached. In addition, evidence of the source of the funds used to acquire the qualifying holding shall be submitted.

## PART THREE

Election of the Exchange Councils of the Frankfurt Stock Exchange and Eurex Deutschland

### Section 4

#### Composition of the Exchange Council of the Frankfurt Stock Exchange

The following groups are represented with the following number of seats on the Exchange Council of the Frankfurt Stock Exchange, broken down by voter groups and subgroups (groups):

1. Credit institutions admitted to exchange trading,  
including securities trading banks  
Subgroups:
  - a) Cooperative credit institutions one seat,
  - b) Credit institutions under public law one seat,
  - c) Other credit institutions, including the securities  
trading banks six seats,
2. Capital investment companies admitted to participation in  
exchange trading one seat,
3. Financial services providers and other companies  
admitted to participation in exchange trading two seats,
4. Specialists two seats,
5. Insurance companies whose issued securities  
are admitted to trading on the exchange, one seat,
6. Other issuers of such securities two seats and
7. Investors two seats.

### Section 5

#### Composition of the Exchange Council of Eurex Deutschland

The following groups are represented with the following number of seats on the Exchange Council of Eurex Deutschland, broken down by voter groups and subgroups (groups):

1. Credit institutions admitted to exchange trading,  
including securities trading banks  
Subgroups:
  - a) Cooperative credit institutions one seat,
  - b) Credit institutions under public law one seat,

- |   |                 |
|---|-----------------|
| c) Other credit institutions, including the securities trading banks                              | six seats,      |
| 2. Financial services providers and other companies admitted to participation in exchange trading | eight seats and |
| 3. Investors  | two seats.      |

## **Section 6**

### **Election**

The elections to the Exchange Council of the Frankfurt Stock Exchange and the Exchange Council of Eurex Deutschland shall be conducted in each case in accordance with the following provisions.

## **Section 7**

### **Election Committee**

(1) The members of the Election Committee shall be a chair, a deputy chair and three ordinary members. The members of the Election Committee shall be appointed by the Exchange Council. The Exchange Council shall announce the composition of the Election Committee.

(2) The Election Committee shall be responsible for preparing and conducting the election in accordance with the relevant rules. The Election Committee shall be quorate if the chair or, if the chair is unable to attend, the deputy chair and at least two ordinary members attend the meeting. The Election Committee shall decide by a majority of votes cast; in the event of equality of votes, the chair shall have a casting vote.

## **Section 8**

### **Announcements**

All announcements by the Exchange Council and the Election Committee shall be published in at least one national newspaper for statutory exchange announcements and by publishing them electronically on the Internet such that they can be accessed on the websites of the Frankfurt Stock Exchange (<http://www.deutsche-boerse.com>) and Eurex Deutschland (<http://www.eurexexchange.com>). The Exchange Council and the Election Committee can designate other electronic media for publishing announcements.

## **Section 9**

### **Date of the election**

The election of the Exchange Council shall be held no earlier than 34 months and no later than 35 months after the beginning of the term of office of the Exchange Council currently in office. The date of the election shall be determined by the Election Committee and shall be announced by it at least three months before the date.

## **Section 10**

### **Proposals for election**

(1) In the announcement of the date of the election, the Election Committee shall call on the groups to submit proposals for election for each group. The request shall contain an indication of how many members are to be elected for each of the various groups, as well as the final date by which and the place where proposals for election are to be submitted.

(2) A proposal for election shall contain the name of the group for which the proposal is being made, the name and a declaration of consent to the candidacy by the person being proposed, and the name of the company represented by the person being proposed. Only one person authorised to represent it may be nominated for each company eligible to vote, including its affiliated companies within the meaning of section 15 of the Stock Corporation Act (Aktengesetz) of 6 September 1965 (Federal Law Gazette I page 1089), as most recently amended by the Act of 17 July 2017 (Federal Law Gazette I page ).

(3) The documents necessary to assess the eligibility for election in accordance with section 11 of the persons being proposed shall be submitted to the Election Committee. The documents cited in section 1 (2), with the exception of the documents cited in section 1 (2) no.7, shall be submitted to the Election Committee in order to assess the trustworthiness and professional qualifications of the persons being proposed in accordance with subsection (2) sentence 1, as well as compliance with the requirements set out in section 13 (3) sentence 2 in conjunction with section 4b (1) and (2) sentence 2 of the Exchange Act.

(4) If a person being proposed stops being eligible prior to the date of the election or if there is a reason that would lead to loss of the seat in accordance with section 20 (1) or (2), the Election Committee shall remove that person from the proposal for election. In this case, the Election Committee may extend the deadline for submitting proposals for election and, if necessary, may specify a separate election day for the group in question. The Election Committee shall announce this decision.

(5) If the Election Committee has not received a sufficient number of proposals for election for a group by the date to be determined in accordance with subsection (1) sentence 2 above, the Election Committee can itself prepare proposals for election. To do so, it shall obtain the consent of the persons being proposed and of the companies they represent. If no valid proposal for election can be made for a group, the group shall not participate in the election and the seat on the Exchange Council shall remain vacant. The Election Committee shall notify this in writing to the group in question.

(6) The Election Committee shall examine the proposals for election for eligibility. It shall combine the eligible proposals for election by groups and, within the group, by alphabetical order of the names of the persons being proposed.

## **Section 11**

### **Eligibility for election**

(1) In the case of companies that are operated in the legal form of a sole proprietorship, the owner shall be eligible for election. In the case of other companies, those persons are eligible for election who are entrusted by virtue of the law, the articles of association or the partnership



agreement with the management of the company's business and are authorised to represent it. Persons who are authorised to manage the business of and to represent a German branch of a company are also eligible for election if they have been recorded in this capacity in the commercial register. To the extent that the eligible person represents a trading participant, they should have the professional qualifications necessary to trade securities on the exchange.

(2) A person is not eligible for election if

1. they are the owner or a member of a governing body authorised to represent a company that itself operates an exchange or a multilateral trading facility in Germany or abroad or is affiliated within the meaning of section 15 of the Stock Corporation Act with the operator of an exchange or a multilateral trading facility, or
2. they are a member of the management of an exchange or an operator of a multilateral trading facility in Germany or abroad.

## **Section 12**

### **Lists of voters**

(1) The Election Committee shall prepare lists of companies eligible to vote in accordance with section 13 (1) (lists of voters) separately for each group.

(2) The Election Committee shall display the lists of voters for inspection no earlier than six weeks before the election day on at least five successive exchange days on the premises of the exchanges. The lists shall stop being displayed no later than four weeks before the election day. The Election Committee can decide to display the lists of voters for inspection at other suitable locations. The Election Committee shall announce the period and location of display, giving adequate notice, and shall draw attention to the opportunities and conditions for lodging objections.

(3) The Election Committee shall on request notify individual companies eligible to vote about their allocation to the individual groups in writing or electronically. This applies in particular to companies domiciled abroad.

(4) If a company eligible to vote belongs to several groups, it shall notify the Election Committee of the group in which it will cast its vote. If it fails to make this notification, the Election Committee shall determine the group in which the company eligible to vote can cast its vote. If the group membership of a company eligible to vote changes after the lists of voters have been prepared, the Election Committee shall change the allocation to the group, provided that the lists of voters have not yet been displayed.

(5) Objections to a list of voters may be lodged in writing with the Election Committee within one week after the expiry of the display period. The Election Committee shall take a decision on the objection within one week after expiry of the period for lodging objections. The decision shall be justified in writing and shall be notified to the company making the complaint without undue delay.

## **Section 13**

### **Eligibility to vote and voting rights**

(1) Companies that are admitted to exchange trading when the lists of voters start being displayed and companies whose securities are admitted to exchange trading at that date are eligible to vote.

(2) Companies that lose their admission to exchange trading before the election day and companies whose securities are no longer admitted to trading on the exchange on the day before the election day shall lose their eligibility to vote.

(3) Votes shall be cast by the companies eligible to vote. Each such company shall be entitled to as many votes as the number of seats on the Exchange Council allocated to the group of companies eligible to vote. If the number of persons standing for election is smaller than the number of seats on the Exchange Council allocated to the group, the companies eligible to vote shall be entitled to as many votes as the number of persons standing for election. Only one of those votes may be cast in each case per person standing for election.

## **Section 14**

### **Election procedure**

(1) Votes shall be cast by postal vote by marking the ballot paper provided. The vote shall be secret.

(2) Each company entitled to vote shall receive a ballot paper, a ballot envelope, a ballot certificate and a voting envelope from the Election Committee. The ballot paper shows, in alphabetical order, the names of the persons who are standing for election for the group to which the company entitled to vote belongs. The ballot paper states the group and indicates the number of votes to which the company entitled to vote is entitled in accordance with section 13 (3), and warns that exceeding the number of votes stated will result in all of the votes being invalidated.

(3) The ballot paper shall be returned to the Election Committee by the election day in the sealed ballot envelope, which shall be placed with the ballot certificate in the voting envelope. The ballot certificate contains the statement that the vote or votes has or have been cast by persons authorised to cast votes who belong to the company eligible to vote and that the vote or votes has or have been cast as intended by the company. Election papers for postal votes received by the Election Committee cannot be returned.

## **Section 15**

### **Determining the results of the election**

(1) The voting envelopes shall be opened on the working day following the election day under the supervision of the Election Committee. The Election Committee shall verify the eligibility to vote based on the information contained in the ballot certificate; the ballot envelope shall then be removed and placed unopened in a ballot box – which is sealed before counting begins – in such a way that attribution to the company eligible to vote is no longer possible.

*(Convenience Translation from German into English)*

(2) Once all ballot envelopes have been placed in the ballot boxes, the ballot boxes shall be opened under the supervision of the Election Committee. The ballot envelopes shall be opened under the supervision of the Election Committee and the ballot papers shall be removed and counted. The validity of the votes cast shall be verified in the process.

(3) Within the individual groups, those persons shall be elected who have received the most votes, but at a minimum one vote within the group. In the event of equality of votes, the election for that seat shall be decided by lots drawn by the chair of the Election Committee. The chair of the Election Committee determines the results of the election.

(4) Eligible voters and persons authorised to represent may be present when the votes are counted. The chair of the Election Committee can also allow other persons to be present.

## **Section 16**

### **Record of the election**

(1) The Election Committee shall prepare a record of the election procedure and the results of the election. The following information shall be recorded by groups:

1. the number of companies eligible to vote,
2. the number of companies eligible to vote that participated in the election,
3. the number of valid and invalid votes cast,
4. the number of votes cast for each person proposed and
5. the persons who have been elected.

The record of the election shall also note other events that are significant for the election procedure and the determination of the results of the election.

(2) The record of the election shall be approved and signed by the members of the Election Committee.

## **Section 17**

### **Announcement of the results of the election**

(1) The Election Committee shall announce the results of the election within five exchange days after it has been determined. The announcement shall contain an indication of the location and period in which the record of the election can be inspected by the companies eligible to vote. The announcement shall also draw attention to the opportunities and conditions for lodging objections to the validity of the election.

(2) The Election Committee shall notify the elected persons in writing of their election by way of the announcement under (1) above. If an elected person does not accept the election or if one of the reasons set out in section 20 (1) or (2) applies before the end of the term of office of the Exchange Council, the elected person shall be replaced by that person who received the next

highest number of votes. If two or more persons share the next highest number of votes, the election for that seat shall be decided by lots drawn by the chair of the Election Committee.

(3) If there are no further elected persons, the other members of the newly elected Exchange Council shall, on the proposal of the Election Committee, elect without undue delay by a simple majority of votes cast a successor member from the group to which the originally elected person belonged. The Election Committee should propose more persons than are needed to fill the vacant seats.

## **Section 18**

### **Scrutiny**

(1) The companies eligible to vote can lodge an objection to the validity of the election in writing, stating the reasons, with the Election Committee within two weeks after the announcement of the results of the election.

(2) The Election Committee shall decide on the objection before the first meeting of the new Exchange Council. It shall notify the company making the complaint in writing of the decision, stating the reasons. It can declare the election to be invalid overall or with regard to individual groups and can order a repeat election or a by-election. The holding of the repeat election or the by-election shall be announced by the Election Committee. The provisions for new elections shall apply to the repeat election or the by-election, with the necessary modifications.

## **Section 19**

### **Election of the investor representatives**

On the proposal of the Election Committee, the investor representatives shall be elected with their consent by a simple majority of votes cast by the newly elected Exchange Council without undue delay, and by no later than at its first meeting. Section 10 (3) sentence 2 shall apply, with the necessary modifications.

## **Section 20**

### **Loss of seat on the Exchange Council and supplementary election**

(1) An elected person shall lose their seat on the Exchange Council if

1. they resign their seat,
2. they lose their eligibility for election or the ability to hold public office,
3. the company they represent is no longer admitted,
4. they no longer belong to the represented company or
5. the represented company is no longer a member of the existing group.

(2) If a company represented on the Exchange Council becomes an affiliated company within the meaning of section 15 of the Stock Corporation Act of another company represented on the

Exchange Council, the person who represents the company in which the majority interest is held or that is a dependent company shall lose their seat. If only a cross-shareholding is involved, lots shall be drawn to determine the person who loses their seat. If companies represented on the Exchange Council become affiliated companies of the company that is not represented on the Exchange Council, sentence 2 above shall apply, with the necessary modifications. The chair of the Exchange Council shall draw the lots.

(3) To replace the person who has lost their seat, the remaining members of the Exchange Council shall, on the proposal of the chair, elect by a simple majority of votes cast a successor member from the group to which the person who lost their seat belonged for the remaining period of office. The chair shall take account of proposals made by the members of the Exchange Council. The chair can define a reasonable period for the submission of proposals in accordance with sentence 2 above. The chair shall verify the eligibility for election, the trustworthiness and the professional qualifications. Section 10 (3) shall apply, with the necessary modifications. The by-election shall be held at the end of the Exchange Council meeting following the date on which the person lost their seat.

## **Section 21**

### **Term of office of the Exchange Council**

(1) The term of office of the Exchange Council shall commence on the day after the expiry of the term of office of the old Exchange Council and shall end after three years.

(2) The newly elected Exchange Council shall meet no later than three weeks after the expiry of the term of office of the old Exchange Council.

(3) If there has not been a valid election for all groups by the expiry of the term of office of the old Exchange Council, the existing Exchange Council shall remain in office until a newly elected Exchange Council meets for the first time. The term of office of the new Exchange Council shall be reduced to reflect the prolonged term of office of the existing Exchange Council.

## **PART FOUR**

### **Disciplinary Committee**

## **Section 22**

### **Establishment**

A Disciplinary Committee shall be established at each of the exchanges. The Disciplinary Committee is a governing body of the exchange. It conducts its activities free from the instructions of other governing bodies of the exchange. It is subject to legal supervision by the Exchange Supervisory Authority.

## **Section 23**

## **Members of the Disciplinary Committee**

(1) The Disciplinary Committee shall consist of one or more chairs and ordinary members. If the Disciplinary Committee has only one chair, a deputy chair shall be appointed. The members of the Disciplinary Committee shall be entitled to a flat-rate amount of up to EUR 2,000, to be set by the exchange operator, for each proceedings concluded as compensation for their activity. In addition, the chairs shall be entitled to an annual flat-rate amount of up to EUR 5,000, to be set by the exchange operator.

(2) The chairs and any appointed deputy chair shall be qualified to exercise the functions of a judge or the higher public administrative service within the meaning of section 110 of the German Judiciary Act (Deutsches Richtergesetz) in the version of the promulgation of 19 April 1972 (Federal Law Gazette I, page 713), as most recently amended by the Regulation of 8 June 2017 (Federal Law Gazette I, p. 1570). They may not be members of other exchange governing bodies or of the Exchange Supervisory Authority. They shall be appointed by the Exchange Council on the proposal of the Exchange Management with the consent of the Exchange Supervisory Authority. The appointment may be for a limited term. The Exchange Council may revoke the appointment for cause with the consent of the Exchange Supervisory Authority. If disciplinary proceedings have not been completed on expiry of the term of the appointment in accordance with sentence 4, the term of office of the chair of these disciplinary proceedings shall end, by way of derogation from sentence 4, when a decision is adopted in these disciplinary proceedings in accordance with section 32.

(3) The Exchange Council shall, on the proposal of the trading participants admitted in accordance with section 19 of the Exchange Act, the issuers of securities admitted to trading on the exchange or the Exchange Management, appoint for a limited term as ordinary members of the Disciplinary Committee persons from the group of trading participants admitted in accordance with section 19 of the Exchange Act and the group of issuers of securities admitted to trading on the exchange, with the consent of the Exchange Supervisory Authority. If disciplinary proceedings to which the ordinary member has been assigned in accordance with section 24 (2) sentence 1 have not yet been completed by the expiry of the period of appointment in accordance with sentence 1 above, the term of office of the ordinary member shall end when a decision is adopted in these proceedings in accordance with section 32. Subsection (2) sentence 5 shall apply, with the necessary modifications. An ordinary member shall leave the Disciplinary Committee in particular if they no longer meet the conditions of appointment in accordance with sentence 1 above. If disciplinary proceedings have not yet been completed when the conditions of appointment no longer apply, the ordinary member shall not leave the Disciplinary Committee until the decision is adopted in these disciplinary proceedings in accordance with section 32.

## **Section 24**

### **Organisation of the Disciplinary Committee**

(1) When it takes decisions, the Disciplinary Committee shall be composed of a chair and two ordinary members. If the Disciplinary Committee consists of several chairs, the individual disciplinary proceedings shall be allocated to the chairs in the alphabetical sequence of their names in the order in which the proceedings are received.

(2) The chair shall designate the two ordinary members by the alphabetical sequence of the names of the appointed ordinary members. The ordinary members should be designated in accordance with sentence 1 above:

1. in proceedings against trading participants admitted in accordance with section 19 of the Exchange Act, from among this group of persons, and
2. in proceedings against issuers of securities admitted to trading on the exchange, from among this group of persons.

(3) If individual disciplinary proceedings are related in both matters of fact and of law, the chair can designate the same ordinary members for these proceedings by way of derogation from subsection (2) sentence 1 above. In addition, if these proceedings involve the same parties and the same subject matter, the chair can combine the proceedings into a joint hearing and decision and separate them again. If proceedings are combined into a joint hearing and decision, the proceedings shall be continued under the older proceedings with the ordinary members designated for these proceedings. The designation of the ordinary members for the newer proceedings shall end. The records of the newer proceedings shall be maintained as supplementary records for the proceedings that are to be continued. If proceedings are separated, the chair can appoint the same ordinary members for the separated proceedings.

(4) If the chair is unable to act as chair, the member appointed to deputise for the chair shall substitute for the chair. If the Disciplinary Committee consists of several chairs, a substitute shall be appointed for the chair by alphabetical order of the appointed chairs. The chair shall notify the Exchange Management without undue delay if they are unable to act as chair. If this notification is not made within four weeks despite the inability to act as chair, the Exchange Supervisory Authority shall make a binding decision that the chair is unable to act as a chair. If an ordinary member designated in accordance with subsection (2) above is prevented from acting as an ordinary member or if such a member leaves the Disciplinary Committee before disciplinary proceedings are completed, they shall be replaced by the ordinary member of the group of persons concerned whose name follows alphabetically. This shall not affect subsection (2) sentence 2 above.

## **Section 25**

### **Initiation of disciplinary proceedings**

The Exchange Management or the Exchange Supervisory Authority shall initiate the disciplinary proceedings by referring proceedings to the Disciplinary Committee. The content of the referral order shall designate the parties and the subject matter of the disciplinary proceedings. Proceedings may have as their subject matter several violations within the meaning of section 22 (2) of the Exchange Act. Following referral to the Disciplinary Committee, the Exchange Management or the Exchange Supervisory Authority can also extend the proceedings subsequently to additional persons or other violations within the meaning of section 22 (2) of the Exchange Act. The referral order should contain the following information relating to the parties and the violations:

1. address for service of the parties;
2. involvement in other disciplinary proceedings;
3. in the case of trading participants, the date of their admission to exchange trading;

4. facts indicating violation of the provisions under exchange law;
5. other facts known to the referring authority that may be important for a decision on the merits, including the nature and amount of the disciplinary measure, and
6. the provisions under exchange law whose violation is the subject of the referral order.

## **Section 26**

### **Involved parties**

(1) The parties in the disciplinary proceedings are

1. the trading participant or issuer concerned and
2. the persons who have been called to participate in the proceedings by the Disciplinary Committee in accordance with subsection (2) below.

(2) The Disciplinary Committee can call persons whose legal interests may be affected by the outcome of the proceedings to participate as parties to the proceedings.

(3) The parties can be represented by an authorised person at their own expense.

## **Section 27**

### **Participation of the Exchange Supervisory Authority and the Exchange Management**

(1) Section 29 (2) sentence 1, section 30 (3) and (4) sentences 1 and 2, section 31 (1) sentence 2 and section 32 (3) sentence 3 shall apply to the participation of the Exchange Supervisory Authority, with the necessary modifications. The Exchange Supervisory Authority can comment on matters of fact and matters of law relating to the case at any stage of the proceedings. Statements on matters of fact or law that are introduced into the proceedings by the parties or the Exchange Management shall be notified to the Exchange Supervisory Authority.

(2) Subsection (1) above shall apply to the Exchange Management, with the necessary modifications.

## **Section 28**

### **Principle of written proceedings**

(1) The Disciplinary Committee shall take decisions in written proceedings.

(2) Following the initiation of disciplinary proceedings, the chair of the Disciplinary Committee shall call on the trading participants or issuers concerned to submit, within a specified deadline, written statements on matters of fact and matters of law relating to the case. This request shall include the composition of the Disciplinary Committee and a copy of the referral documents. The parties should participate in determining the facts of the matter. In particular, they should disclose facts and evidence known to them." The Disciplinary Committee should take a decision on the subject matter of the proceedings within three months after receiving the referral of proceedings.



## **Section 29**

### **Oral hearing**

(1) The Disciplinary Committee can take a decision following an oral hearing, to the extent that such a hearing appears to be appropriate in light of the particular importance of the subject matter of the proceedings. If a member of the Disciplinary Committee designated to take a decision in accordance with section 24 (1) sentence 1 requires an oral hearing, it shall be conducted. In this case, the proceedings should be concluded at a comprehensively prepared meeting.

(2) The chair of the Disciplinary Committee shall determine the date of the oral hearing and invite the parties. The invitation shall contain the time and location of the meeting. Section 28 (2) sentence 2 shall apply, with the necessary modifications. It should contain the names of the witnesses and appointed experts invited to appear, as well as the date of an inspection of the evidence. Before the meeting, the trading participants or issuers concerned shall be given an opportunity to submit, within a specified deadline, written statements on matters of fact and matters of law relating to the case. The parties shall be advised that, if a party fails to appear, the matter can also be heard and decided in their absence.

(3) The chair can order the personal appearance of the trading participants or issuers concerned.

(4) Meetings of the Disciplinary Committee are not public. On the application of a party, a person who is not a party to the proceedings may be allowed to attend if no party objects. This shall not affect section 27.

(5) The chair shall open, chair and close the oral hearing.

(6) The chair shall be responsible for order and can remove persons who do not follow the instructions issued to maintain order. The hearing can be continued without these persons.

(7) Minutes shall be kept of the oral hearing. The minutes shall contain information about

1. the location and date of the meeting,
2. the names of the members of the Disciplinary Committee designated to take a decision in accordance with section 24 (1) sentence 1, the parties, witnesses and experts appearing,
3. the subject matter of the proceedings,
4. the material content of the statements by the witnesses and experts,
5. the results of an inspection of the evidence and
6. the decision of the Disciplinary Committee.

The minutes shall be signed by the chair as well as by any appointed minute-taker.

## **Section 30**

### **Evidence and hearing of involved parties**

(1) The Disciplinary Committee shall make use of the evidence that it believes necessary for investigating the facts of the matter. In particular, it can

1. obtain information of all kinds,
2. hear the parties, question witnesses and experts, not under oath, or obtain their written statements,
3. obtain and consult documents and files, and

4. inspect the evidence.

(2) The parties should participate in determining the facts of the matter. In particular, they should disclose facts and evidence known to them.

(3) The appointment of experts and the written hearing of witnesses shall be notified to the parties. Disciplinary Committee shall allow the parties to inspect the files relating to the proceedings to the extent that knowledge of the files is necessary to assert or defend their legal interests.

(4) The parties shall be given an opportunity to be present during the questioning of witnesses and experts. They can address questions to these persons. If the Disciplinary Committee has called witnesses and experts, they shall be compensated in accordance with the Judicial Remuneration and Compensation Act (Justizvergütungs- und -entschädigungsgesetz) of 5 May 2004 (Federal Law Gazette I page 718, 776), as most recently amended by the Act of 11 October 2016 (Federal Law Gazette I page 2222), with the necessary modifications.

## **Section 31**

### **Participation of witnesses and experts**

(1) The Disciplinary Committee may question witnesses or experts who appear voluntarily before it or ask them to submit expert opinions. Any expert opinion should be made accessible to the parties. The provisions of the Code of Civil Procedure (Zivilprozessordnung) governing the rejection of experts and the examination of members of the public service as witnesses or experts shall apply, with the necessary modifications.

(2) If witnesses or experts refuse to answer questions or give evidence or to submit an expert opinion in the absence of one of the reasons defined in sections 376, 383 to 385 and 408 of the Code of Civil Procedure, the Disciplinary Committee can request the local court having jurisdiction over the place of residence of the witnesses or experts to examine them. In the request, the Disciplinary Committee shall explain the subject matter of the questioning and give the names and addresses of the parties.

(3) If the Disciplinary Committee believes that it is necessary for an oath to be administered in light of the importance of the statement of a witness or an expert or in order to ensure the truthfulness of a statement, it can request the competent court in accordance with subsection (2) sentence 1 above to conduct an examination under oath.

## **Section 32**

### **Decision and costs**

(1) The Disciplinary Committee shall take decisions after considering the overall outcome of the proceedings. The Disciplinary Committee shall discontinue the proceedings if it is established that no violation under section 22 (2) of the Exchange Act occurred.

(2) The Disciplinary Committee shall take decisions by a simple majority of votes cast. Abstentions are not permitted. Only the members of the Disciplinary Committee designated to

take a decision in accordance with section 24 (1) sentence 1 may participate in the discussions and voting.

(3) The decisions shall be recorded and substantiated in writing. They shall be served on the trading participants or issuers concerned together with information about the right of appeal. They shall be notified to the other parties.

(4) Each decision that closes the proceedings before the Disciplinary Committee shall state who shall be required to bear the costs (fees and expenses) of the proceedings. The costs shall be determined in accordance with the Administrative Expenses Act of Hesse (Hessisches Verwaltungskostengesetz) in the version of the promulgation of 12 January 2004 (Law Gazette of the State of Hesse I page 36), as most recently amended by the Act of 13 December 2012 (Law Gazette of the State of Hesse page 622), in each case as amended. The fee shall be determined by the chair and shall amount to between EUR 250 and EUR 10,000. The expenses shall also include the cost of expert opinions.

(5) To the extent that a violation under section 22 (2) of the Exchange Act is established, the trading participant or issuer shall bear the costs of the proceedings. The costs shall be paid to the exchange. The exchange shall distribute the costs without undue delay to the exchange operators. The same shall apply to a disciplinary fine in accordance with section 22 (2) of the Exchange Act. If the Disciplinary Committee does not establish a violation under section 22 (2) of the Exchange Act, no costs shall be charged. On application, the costs incurred by the trading participant or issuer concerned shall be reimbursed by the exchange operator. Costs shall not otherwise be reimbursed.

## PART FIVE

### Concluding provisions

#### **Section 33**

#### **Entry into force, expiry**

This Regulation shall enter into force on the day after its promulgation. It shall expire at the end of 31 December 2025.