

**Guidelines for the Deliverability of Damaged
Officially-Quoted Securities**

- A.** A security is no longer deliverable if
- I. A significant item on the security is damaged.**
 - 1. Significant items of a security include:**
 - a) security numbers
 - b) information for deposit purposes (e.g., nominal amount, tranche, series, alpha-code, interest rate, maturity date, redemption amount, early redemption dates, number of the dividend or interest coupon)

in the case of certificates: in the upper edge outside the frame

in the case of coupons: in the right corner of the dividend, interest or renewal coupon
 - c) control and trustee signatures
 - d) embossed stamp
 - e) endorsements in blank and transfers in blank in the case of registered shares and registered bonds issued to order (Orderteilschuldverschreibungen)
 - f) additional stamped impressions (e.g., change of the nominal amount, the name of the issuer of the security or the amount of the paid-in contribution).
 - 2. Damage includes:**

Any impairment of a security that destroys or significantly reduces the recognizability of a significant item.
 - II. The security is damaged in its substance.**

Damage to substance includes:
 1. Holes, to the extent that frame and interior engraving patterns (Guillochen) are damaged unless damage is insignificant, e.g., pinprick damage. Deliverability is not impaired as a result of a single making of holes in the certificate (by a paper-punch) at the normal distance from the margin and between the two holes, even if such holes damage the engraving patterns of the frame.

2. Cut-outs of the size of a coupon, unless they are not cut-out coupons or cut-outs the size of coupons from the renewal coupon which are cleanly re-attached with adhesive.
3. Tears and tear-outs to the extent that frame and interior engraving patterns are damaged; also without such damage if the tear or tear-out is not accurately and cleanly re-attached with adhesive.

Exception: The tear or tear-out is not accurately re-attached with adhesive but the damage is so minimal that it appears reasonable to require a purchaser to accept the security as proper delivery.

4. Tears and cuts which continue beyond the center of the security or, if smaller, are not cleanly re-attached with adhesive.
5. Any type of erasure.

III. The security exhibits such a considerable flaw in appearance (e.g., discolorations, smudges, creases, stains, or mildew), that it does not appear reasonable to require a purchaser to accept the security as proper delivery.

IV. The security, particularly on the front of the certificate, contains stamped impressions or inscriptions which are not immediately recognizable such that they have no meaning, unless, as a result of the form or manner of harmless impressed stamps or inscriptions, it appears reasonable to require a purchaser to accept the security as proper delivery.

Comment:

The following examples are not exhaustive and are mentioned for reference only:

Deliverable:

date notations; other numerical data (e.g., correct Security Code (Wertpapier-Kennnummer)); repetition of the printed interest rate; justified notation; "replacement certificate".

Undeliverable:

stamp of a bank; notations regarding rights of succession.

Impressed stamps based on statutory or official orders are not considered damage; in case of doubt, the individual submitting the security must present appropriate proof

In addition, impressed stamps which are to be viewed as significant items of a security and are to be affixed by the issuer of the security do not constitute damage (cf. I. 1. f.).

With respect to notations concerning the name of the owner (the "Owner Notations"; Festschreibungsvermerke) on bonds, the following apply:

1. Owner Notations limited in time and already expired for which the time-limitation may be found in the Owner Notation, do not impair the deliverability of the security.

2. Unlimited Owner Notations (Vinkulierungs-Vermerke) prevent the deliverability of the security.
3. Proper removal of unlimited Owner Notations re-establish the deliverability of the security.

B. Validity notations by the issuer of the securities are generally not sufficient to re-establish the deliverability of a security; exceptions are justifiable only if special difficulties exist for the provision of replacement certificates (e.g., for foreign bonds).

C. For the deliverability of damaged securities of foreign issuers not denominated in Deutsche Marks, the foreign rules and regulations shall be applicable if a deliverability affidavit from an exchange in the country where the issuer has its registered office evidencing the damage is enclosed with the securities.

See Appendix for those foreign exchanges whose affidavits are currently recognized.

D. Decisions by a stock exchange regarding the deliverability or non-deliverability of a security are binding upon the other German exchanges. If a security is determined to be undeliverable, the other exchanges shall be informed of this decision.

E. Requests for a decision regarding the deliverability of a security may only be submitted by a credit institution represented on the respective stock exchange.

F. The Standing Commission concerning the Trading in Securities not Officially Quoted (Ständige Kommission für die Angelegenheiten des Handels in amtlich nicht notierten Werten) is requested to ensure that similar principles shall apply in its sector.

March 5, 1975 / May 4, 1981

Appendix to "C" of the Guidelines for the Deliverability of Damaged Officially Quoted Securities

A deliverability affidavit of the following foreign exchanges is currently recognized:

- a) for Belgium: Brussels
- b) for Brazil: Rio de Janeiro
- c) for Denmark: Copenhagen
- d) for Finland: Helsinki
- e) for France: Paris
- f) for Great Britain: London
- g) for Luxembourg: Luxembourg
- h) for the Netherlands: Amsterdam
- i) for Norway: Oslo
- k) for Austria: Vienna
- l) for Sweden: Stockholm
- m) for Switzerland: Zürich, Basel, Geneva
- n) for the Republic of South Africa: Johannesburg