Deutsche Bank AG  
Taunusanlage 12  
Frankfurt am Main  
60325  
Germany

Attn.: Dieter Bernhard  
Dieter.bernhard@db.com

5th February 2013

Dear Mr Bernhard,

Re: Soft Blocking in the German market

We are writing on behalf of the International Corporate Governance Network (ICGN) in response to the announcement of "soft blocking" of registered shares by a number of global custodians in Germany.

By way of background, the ICGN is a global membership organisation of institutional and private investors, corporations and advisors from approximately 50 countries. Our investor members are responsible for investing or servicing global assets of U.S. $18 trillion. The ICGN's mission is to establish and raise standards of widely accepted good corporate governance worldwide. In doing so, the ICGN encourages cross-border dialogue at conferences and influences corporate governance public policy through ICGN Committees. We promote best practice guidance, encourage leadership development and keep our members informed on emerging issues in corporate governance through publications and the ICGN website. For more information about the ICGN, its members and activities please visit our website: www.icgn.org.

We understand that introducing soft blocking serves to protect custodians following the ruling of the Oberlandesgericht Köln (OLG Köln, 06.06.2012 - 18 U 240/11). However, we are concerned about the impact of soft blocking in terms of shareholder participation in the German market. Requiring vote cancellation and de-registration requests in order for shares to be settled where a vote instruction has already been lodged is a convoluted, manual process vulnerable to error on multiple levels. This is exacerbated by the fact that there are a number of different approaches being taken by global custodians, causing uncertainty and additional effort when voting. We are concerned that institutional investors will not participate in German shareholder meetings as a pre-emptive measure to mitigate the risk of costly failed trade settlement.

By way of this letter, we are asking the custodians operating in the German market to establish a consistent and automated approach to soft blocking in the short term. Longer term, we are working separately with companies and regulators to try to get the rule reviewed as we believe it will have negative consequences for German issuers, particularly those with a significant foreign shareholder base.
Please do not hesitate to contact Kerrie Waring, Acting Head of the ICGN Secretariat, at kerrie.waring@icgn.org, on this matter.

Yours sincerely,

Michelle Edkins
Chairman of the ICGN Board of Governors

Alexander Juschus
Co-Chair, ICGN Shareholder Rights Committee

Bram Hendriks
Co-Chair, ICGN Shareholder Rights Committee

Cc: ICGN Board Members
ICGN Shareholder Rights Committee