

AGM Season 2013

Germany - Review and Outlook



German AGM Season 2013

Germany

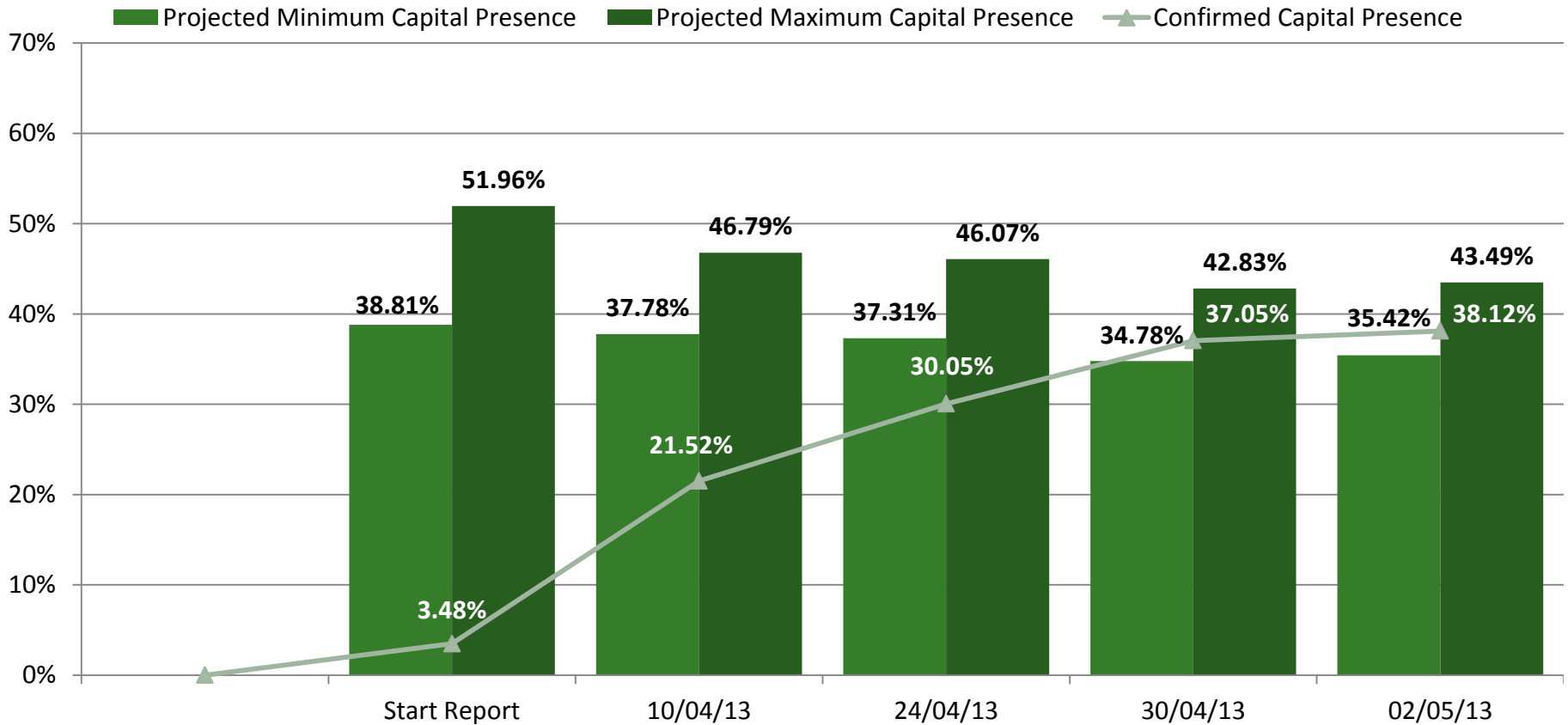
- Participation at German AGMs suffered greatly from consequences of OLG decision in 2012
 - Average participation at DAX registered share issuer meetings dropped by over 15%
- Consequently, individual institutional investors, German institutions and retail investors had greater influence on vote outcomes
 - Greater volatility in approval rates, with lower average support



adidas Group

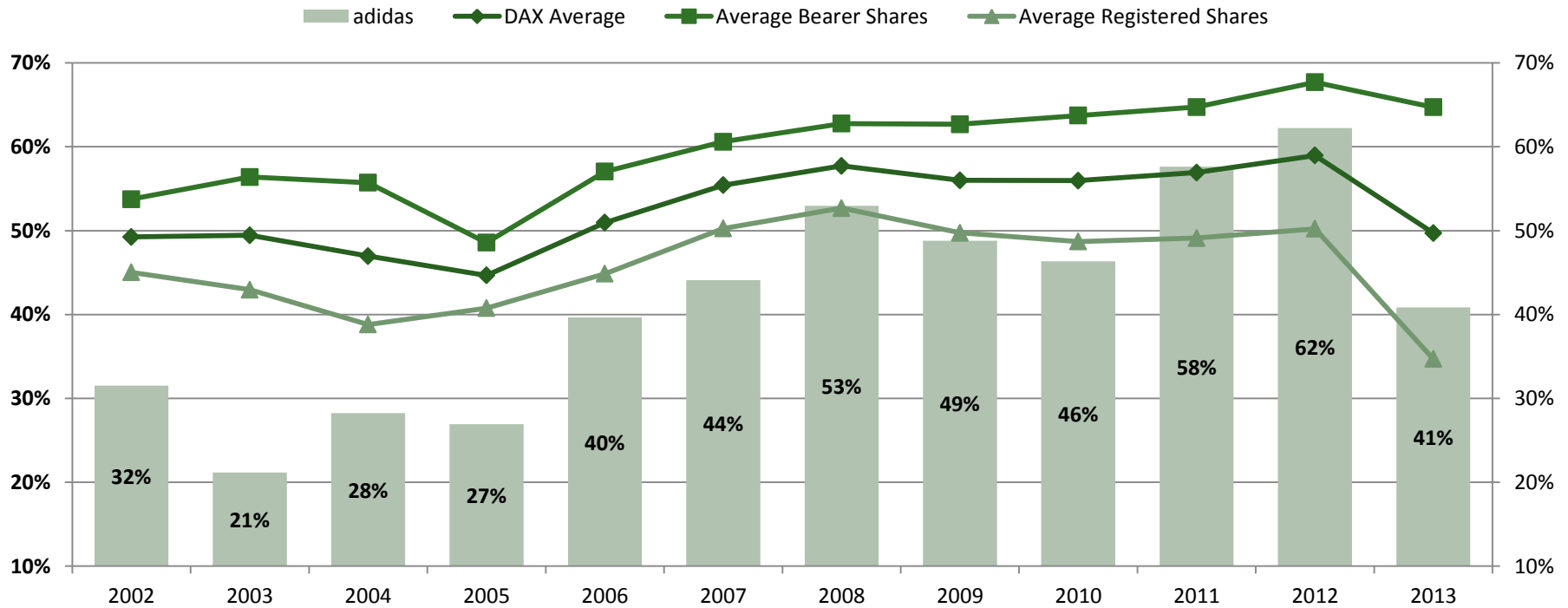
- Combination of low AGM quorum and selected top investors with more demanding voting policies, which were not impeded by consequences of OLG decision, lead to close result on capital items – despite positive proxy advisor recommendations

AGM Participation – Solicitation Campaign



Initially estimated impact of OLG decision matches final capital presence.

AGM Participation – DAX



Average decrease by more than 15 percentage points across all DAX registered share issuers

Main reasons for non-participation:

- Consequences of OLG Köln decision,
- Investor Policy/Conditional Voting, and
- Sharelending

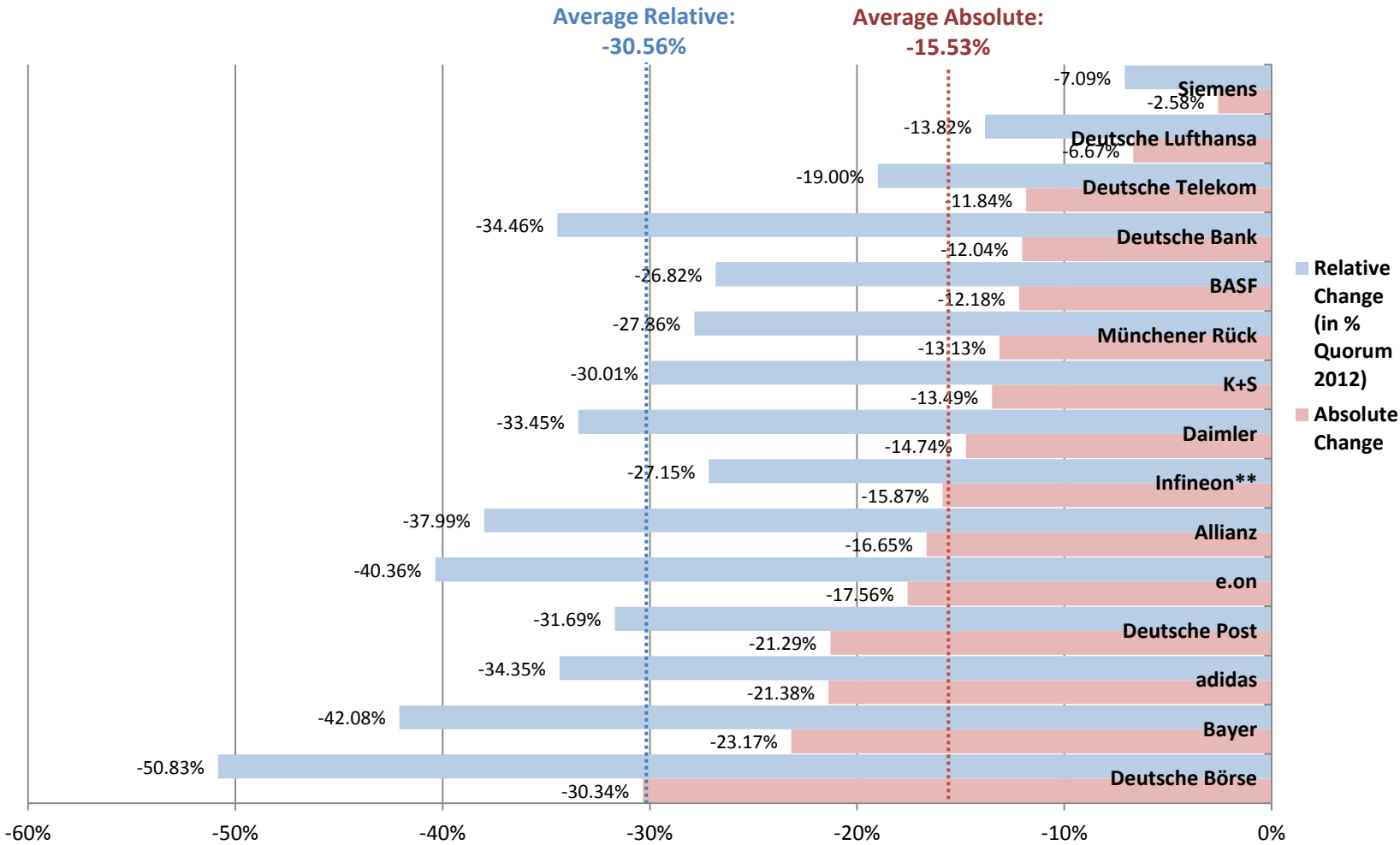
OLG Köln – Impact I

All DAX registered share issuers experienced significant decreases in participation at their Annual General Meetings

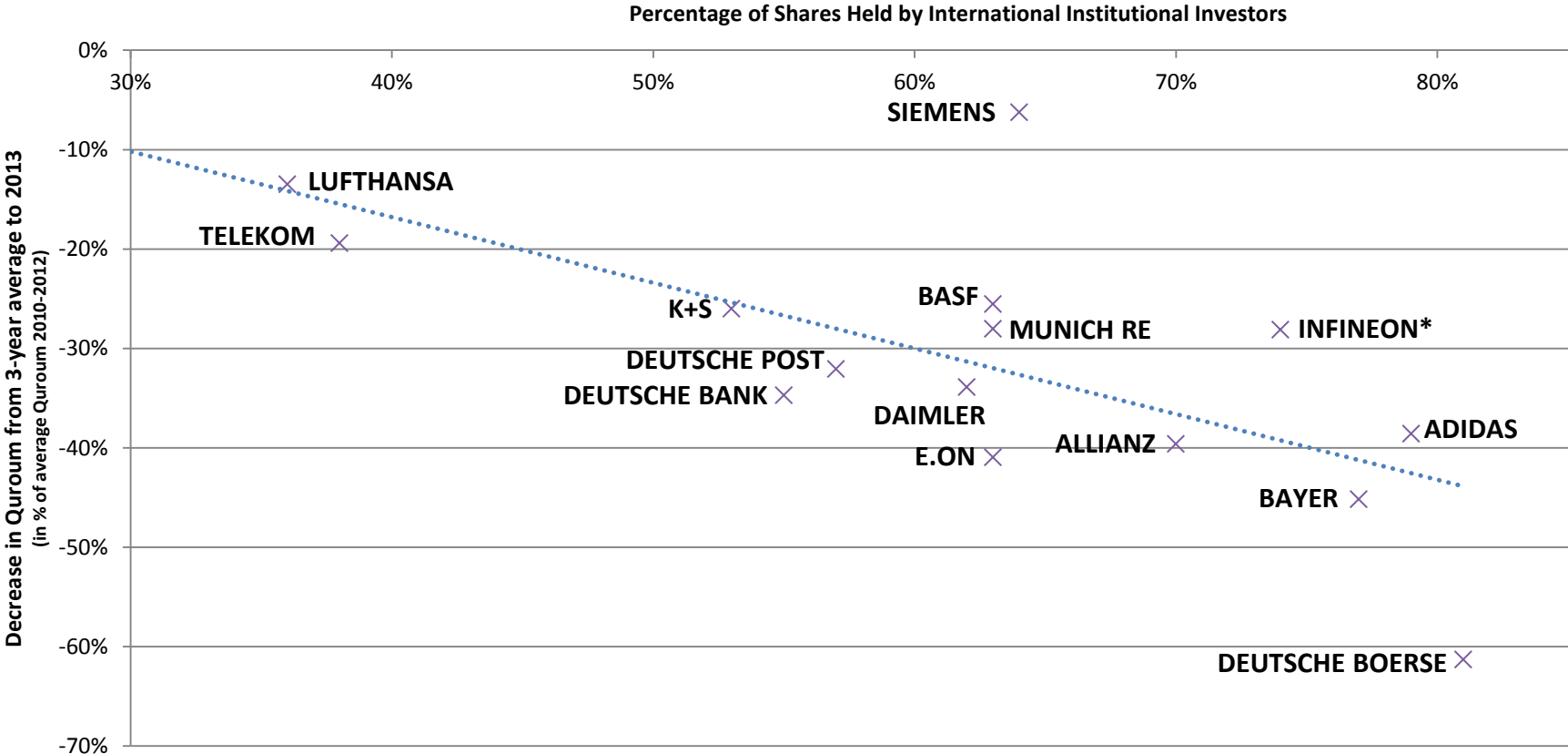
- This development is neither consistent with the trend of previous years nor trends in other European countries and can therefore be **directly attributed to the consequences from the OLG decision**
- Many international investors voted only small, partial positions or refrained from voting all together for **fear of settlement difficulties**
- Some investors implemented internal monitoring processes to ensure seamless communication between back- and front office personnel in the event of trading, allowing them to vote despite “blocking” messaging

Not Voting	Partial Voting	No Impediment
Arrowstreet Blackrock International Henderson HSBC Global Asset Management Investec JPMorgan MFS M&G Schroder Investment Management Thornburg UBS Asset Management Vanguard Wellington	Amundi Aviva UK AXA Investment Management ING Investment Management Fidelity Franklin Templeton Legal & General Newton Investment Management Oppenheimer Northern Trust State Street Global Advisors TIAA-CREF	Blackrock Deutschland Caisse des Dépôts et Consignations Calpers Capital Group Federis Gestion d'Actifs Inter Expansion LSV Sanderson Asset Management, LTD State Street Global Advisors TT International

Individual Results of Registered Share Issuers Comparison 2012-2013

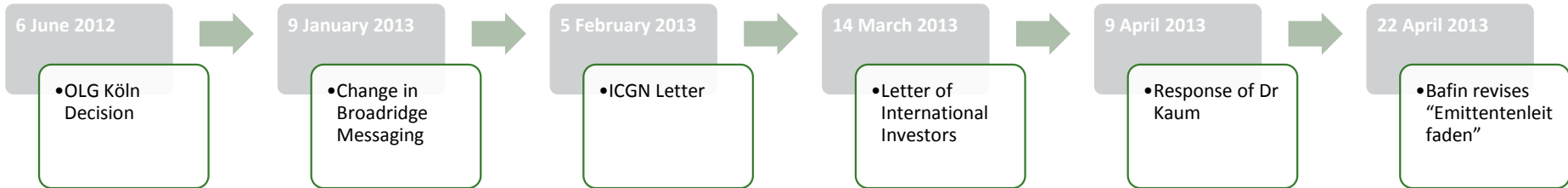


Lower Participation For Registered Share Issuers With Higher Levels of International Institutional Ownership



* Publicly available data incomplete. Retail and/or institutional split estimated or based on data from previous years.

OLG Köln – Next Steps



Action:

- Re-enforced initiative to implement **Record Date** for registered shares prior to vote cut-off date
- **Pro-active outreach to investors** who still voted to facilitate sharing of best practices among international investor peers
- Contact to previous non-voters with stable long-term investments
- Investors to be approached early and entered in share register (depending on processes in 2014)
- **Early dialogue with voting platforms/international custodians** in the event of new administrative procedures