

Q & A Catalogue for Wirecard Investors, last updated 23 July 2020

Which effects do the latest news around the imprisonment of further Wirecard managers including the former CEO Markus Braun have on possible legal claims?

The District attorney of Munich published on 22 of July 2020 the provisional results of their investigation with respect to a collusive cooperation of different Wirecard managers with the involvement of Markus Braun which confirm or worst fears regarding this scandal. So far, we have to assume that the figures of the Wirecard AG were presented in a much more positive way by faked business activities. These manipulations led to the fact that since 2015 negative business development was turned into positive financial statements. Therefore, it can be assumed that the members of the management board and further management acted with intent. If this is confirmed, the existing D & O insurance for the members of the management board will not cover any compensation claims by investors since they only pay in case of negligence. Since it is hard to believe that such a massive fraud case could not have been detected by the supervisory board, the next step would be to go against the members of the supervisory board and prove their negligent actions. Furthermore, the current auditors of Wirecard, namely EY, are in the focus of any possible claims.

If I want to join any legal actions, does it make any difference if I need to sell my Wirecard shares or if I keep them?

Whether you still hold your Wirecard shares or not does not deprive you from entering/joining any legal action. The fact that you either still hold the shares or already sold them is however decisive for the way and the amount of a possible compensation. If you already sold your shares, the sales proceeds have to be taken into consideration and will lower your possible claim.

Do I have to act immediately and hire an attorney for my legal claims?

Since the hiring of an attorney is regularly connected with costs, we recommend currently that you should first of all keep yourself informed on the ongoing developments in the Wirecard case. There is no reason to hurry and hire an attorney at this point in time. This could be judged differently if you have an insurance covering this kind of legal expenses. In this case you should ask your insurer whether they will cover your costs. There is no “first comes first serves” rule i.e. there is no advantage to be a first mover with respect to legal actions.

Do you see any other means than going to court to receive compensation?

DSW currently focuses its investigations on possible legal actions vs. current and/or former board members of Wirecard and the auditors, but we also see room for alternative solutions, such as a possible settlement e.g. with EY. We will regularly inform all registered Wirecard investors about the latest developments. If you would like to be kept informed you can register [here](#) free of charge.

Do you see solvent opponents who will be able to pay for these compensation claims?

This is a very important aspect in the discussion. Even if there exist enough sound possible legal claims against board members and/or the auditor the main question will be whether this party/or these parties are able to cover all claims. This is at least doubtful but for the moment difficult to judge since we do not know whether and to which extent EY is covered by their insurers.

Is it true that auditors in Germany have by law only a limited liability?

There is a limited liability which derives from our Commercial Code and limits the liability of the auditing company in case of a negligent violation of their duties in case of corporations to 4 Mio €.

So far, we do not believe in negligence on the side of the auditors, but this will be investigated. The main question will be whether the banks of Wirecard from the Philippines really confirmed that the underlying accounts did not exist. Then, we have to ask whether and which addresses EY had to contact to receive all balance confirmations. With respect to the possible extent of liability of EY it will also be decisive whether only EY Germany or EY Europe or EY worldwide would be available as opponent.

What about the liability of the supervisory authority BaFin - is it true that there exists a kind of privilege with regard to their liability? And if yes, what does this mean for me? Is BaFin still a potential opponent of legal actions by investors?

§ 4 paragraph 4 Finanzdienstleistungsaufsichtsgesetz establishes a privilege to BaFin with regard to liability issues ("Staatshaftung"). Apart from that, the responsibility of BaFin is mainly dependent on the existing competences of this authority. As we know of today, the Wirecard case revealed a number of deficiencies with respect to an efficient and entire supervision of all daughter companies of the Wirecard group which obviously increased the risk of a possible fraud.

What can DSW do for me as a damaged Wirecard investor?

DSW set up a team of experts to investigate all legal possibilities in the Wirecard scandal. Next to this team we also offer a strong network of attorneys specialized in capital market law. On 16 of July DSW held a press conference to explain all current alternatives for Wirecard investors. See [here](#) for more information.

If you [register](#) for free at DSW we will keep you informed on the latest developments in this case and your best and most cost efficient options to receive compensation in this scandal as Wirecard investor.