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**Implementation Rules relating to the
Exchange Rules of the
Stuttgart Stock Exchange**

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Chapter 1: General Provisions

Part 1: Scope of Application; Trading

Section 1 Scope of Application

In order to substantiate the provisions of the Exchange Rules, the Board of Management (*Geschäftsführung*) of the Stuttgart Stock Exchange (*Baden-Württembergische Wertpapierbörse* – the “Exchange”) has issued these Implementation Rules pursuant to section 8 (4) of the Exchange Rules. In case of any conflicts, the provisions of the Exchange Rules shall prevail over these Implementation Rules insofar as these Implementation Rules contradict the Exchange Rules.

Section 2 Market Model

Prices are determined in accordance with the 'best-price' principle: prices for domestic and foreign equities are not determined outside the Reference Market quote provided that the Board of Management has admitted Reference Markets. Prices for investment fund units and ETPs are not determined outside the Reference Market quote, provided that the Board of Management has admitted Reference Markets.

Section 3 Partial Execution

- (1) Despite liquidity having been made available by the Quality Liquidity Provider using its own or third-party liquidity, it is possible that some orders cannot be executed in full by the electronic trading system. The assignment by the electronic trading system to assignable orders is carried out on a percentage basis. Both the executed and the remaining part of the order must correspond to a tradable lot.
- (2) Partial executions shall only be carried out to the extent that these are commercially feasible. If this would require a diversion from the percentage allocation pursuant to paragraph 1 above, such allocation requires a prior approval by the Trading Surveillance Office.
- (3) In the event of an order book situation that does not permit a commercially feasible partial execution, nor a full execution, the Quality Liquidity Provider may initiate – with the prior approval of the Trading Surveillance Office – a price determination without applying the auction principle. In this scenario, the Quality Liquidity Provider is authorised to collect very small orders for subsequent execution. Orders are executed based on the sequence of entry into the order book. The best-price principle shall remain unaffected.
- (4) The corresponding notation shall be published.
- (5) Partial executions are excluded for Fill-or-Kill orders.

Part 2: Quality Liquidity Provider

Section 4 Exceptions to the Tasks of the Quality Liquidity Provider

- (1) An exception to the tasks of the Quality Liquidity Provider shall exist if the Quality Liquidity Provider is unable to fulfill its tasks due to the existence of extraordinary circumstances. The following circumstances in particular shall be considered as extraordinary:
1. a situation of extreme volatility,
 2. war, industrial action, civil unrest or cyber sabotage,
 3. market-disrupting trading conditions in the electronic trading system,
 4. impairment of sound risk management procedures, in particular due to market disruptive trading conditions in the PLP systems, risk management problems related to the settlement of trades, or the inability to hedge a position due to the prohibition of short selling; or
 5. if the data relevant to price discovery is unavailable (no data available from the Market-Maker, or from relevant Reference Markets), or to the extent that the related bid or ask prices are not firm enough to trade upon.
- (2) The Quality Liquidity Provider shall be obliged to notify the Board of Management without undue delay of the impossibility to perform its tasks if such impossibility lasts for more than 15 minutes. In such cases, the Quality Liquidity Provider shall also be obliged to notify the Board of Management without undue delay as soon as the performance of its tasks is possible again.

Chapter 2: Special Provisions Governing Trading in Specific Types of Security

Part 1: Trading in Foreign Equities

Section 5 Determination and Consideration of Foreign Reference Markets

Either together with the Quality Liquidity Provider's application for determination of a foreign Reference Market, pursuant to section 65 (5) of the Exchange Rules, or upon request of the Board of Management, the Quality Liquidity Provider shall propose a maximum deviation from quotes to the Board of Management, which the Board of Management may take into account in its decision. Such proposal shall be substantiated, based on the following criteria:

1. risk of exchange rate fluctuations;
2. different trading and settlement procedures;
3. different transaction costs;
4. risks of default; and
5. other risks and costs involved, particularly for the Quality Liquidity Provider, with regard to the replacement and delivery of foreign equities.

Section 6 Exceptions from the Consideration of Reference Markets

- (1) Reference Markets do not need to be taken into consideration for the purposes of generating QLP A information or price determination by the Quality Liquidity Provider if and when, as a result of the special circumstances in the Reference Market, taking such Reference Market into consideration is, in the individual case, either not possible at all or only subject to high risks, particularly in the event of:
 1. prohibition of trading in the Reference Market due to government intervention; or
 2. prohibition of short selling in the Reference Market.
- (2) The Board of Management shall be informed, without undue delay, of the start and end of periods during which the inclusion of a Reference Market is not required for quoting in accordance with the above provisions.

Part 2: Trading Investment Fund Units and ETPs

Section 7 Restrictions Imposed by the Investment Company on the Issuance and Redemption of Fund Units

- (1) Where a fund management company suspends the issuance or redemption of fund units, the Quality Liquidity Provider shall notify the Board of Management without undue delay. In this case, the Board of Management may suspend trading in the relevant fund.
- (2) Where a fund management company has restricted the issuance of fund units, all trades effected by the Quality Liquidity Provider as open transactions subject to designation of the counterparty (*Aufgabegeschäfte*) during the period from the last opportunity for issuance of the fund units by the fund management company and the time of restriction of issuance or the time when the restriction of issuance in the form of such transaction by the Quality Liquidity Provider was announced, whichever occurs later, may be cancelled by the Board of Management upon the Quality Liquidity Provider's application, unless the relevant trades have already been settled.
- (3) Where a fund management company has restricted the redemption of fund units, all trades effected during the period from the last opportunity for redemption of the fund units by the fund management company and the close of trading on the trading day, on which the fund management company announced the restriction of redemption, or the actual suspension of trading in the relevant fund unit, whichever occurs later, may be cancelled by the Board of Management, unless the settlement period (as defined in the Conditions for Trading) has already elapsed. The trading participants concerned shall be notified thereof.
- (4) Where the Board of Management has suspended trading in a fund, trading shall only resume after a reasonable waiting period.

Section 8 Exceptions to the Duties of the Quality Liquidity Provider

Upon application, the Board of Management may relieve a Quality Liquidity Provider from its duties pursuant to section 6 during the Early and/or Late Trading Phase. Such waiver will be granted for a maximum period of one year, and may be repeated.

Chapter 3: Final Provisions

Section 9 Ability to Contact Trading Participants

- (1) Other trading participants must ensure that they can be contacted regarding orders or mistrades.
- (2) Trading participants shall be liable for any damages incurred by themselves or third parties as a result of their non-availability for being contacted.

Section 10 Effective Date

These Implementation Rules shall come into force by way of electronic publication on the Exchange's website.