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Trading Regulation for the Regulated Unofficial Market on Baden-Württembergische Wertpapierbörse

as resolved by the Exchange Council on 15 December 2021,
announced in the Official List dated 20 December 2021,
entered into force on 01 January 2022,
as last amended by the 3rd Amendment Charter dated 15 December 2021

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Section 1 Scope of Application

The Trading Regulation regulates the course of trading in the Regulated Unofficial Market of Baden-Württembergische Wertpapierbörse including the settlement of transactions.

Section 2 Regulations

- (1) The prices determined on the Regulated Unofficial Market are stock exchange prices within the meaning of the Stock Exchange Act (*Börsengesetz*). They are subject to the supervision of the Exchange Supervisory Authority and the Trading Surveillance Office.
- (2) Prices in the Regulated Unofficial Market are determined in the electronic trading system. Independently of this, the Administration Institution (*Freiverkehrsträger*) determines the type of price determination. The regulations of the Exchange Rules for the Baden-Württembergische Wertpapierbörse (*BörsO*) apply to trading on the Regulated Unofficial Market, with the exception of Part 1 in Chapter V of the *BörsO* (Admission, Listing and Inclusion of Securities). With regard to the cancellation and modification of price determination in the securities category Securitised Derivatives, the regulations of these trading rules apply exclusively; the regulations on the cancellation and modification of transactions in the exchange rules do not apply to the securities category Securitised Derivatives.
- (3) The conditions for trading on Baden-Württembergische Wertpapierbörse shall apply accordingly.
- (4) Transactions in Bonds that are included pursuant to section 7 para. 1 of the terms and conditions for the Regulated Unofficial Market on the Baden-Württemberg Stock Exchange are concluded under the suspensive condition that the bonds are legally created and that free negotiability and proper fulfilment are guaranteed. These transactions must be fulfilled on the second settlement day after the execution of the orders, but at the earliest on the day on which the transactions become effective by the occurrence of the conditions pursuant to sentence 1.

Section 3 Supporting measures for the winding-up

- (1) Insofar as this is necessary to perform the tasks of the winding-up authority, the Board of Management may suspend or discontinue trading in financial instruments issued by the institution affected by winding-up measures. The Board of Management is obliged to publish measures pursuant to sentence 1.
- (2) The exchange supervisory authority and the Federal Financial Supervisory Authority shall be informed immediately of any suspension or discontinuation of trading pursuant to para.1.
- (3) Suspension and termination shall be announced by the Board of Management.

Section 4 Cancellation of Price Determinations (Mistades) in Securitised Derivatives

- (1) The Board of Management may cancel erroneous price determinations in Securitised Derivatives if the price deviates evidently and significantly from the true prevailing market situation, or if the QLP becomes aware of circumstances, after a price determination supported by the QLP's liquidity, that make it impossible to specify a counterparty.
- (2) Specifically, a price determination may be cancelled if:
 1. the price determination in question resulted from technical failure; or
 2. the price determination in question was based on a Market-Maker price information, or Order Upon Request, that was evidently not in line with prevailing market prices at the time of price determination; or
 3. the price determination in question was based on a Reference Market quote or price, and that Reference Market quote or price was subsequently corrected or revoked; or
 4. the price of the underlying instrument on which the calculation of the price of a Securitised Derivative is based (in the market in which price determination takes place) was corrected by an entity officially entrusted with price correction responsibility.
- (3) Incorrect entry of the order quantity shall not give rise to a right of cancellation with regard to price determination.
- (4) The Board of Management decides on the cancellation of a challenged price determination. When making such a decision, the Board of Management shall take into consideration both the interests of the trading participants in a price that corresponds to the actual prevailing market situation and the reliance of the trading participants in the validity of the price as determined and published. Specifically, the Board of Management's decision shall take into account the type of security concerned, the period of time elapsed since the erroneous price determination, the amount of damages incurred, as well as the divergence of the challenged price determination from the prevailing market price.
- (5) The Board of Management shall inform the affected trading participants of its decision. It will publish its decision on the Exchange's website (www.boerse-stuttgart.de), under a special "Mistrade" heading.

Section 5 Mistrade application

- (1) A price determination may be cancelled upon application by a trading participant.
- (2) Said application must contain the following information as a minimum with regard to each price determination challenged:
 1. the company name and address of the applicant;
 2. specification of the security (including WKN/ISIN);
 3. time of price determination;

4. trade price;
 5. volume of price determination;
 6. prevailing market price and information as to its calculation (e.g. calculation formula and associated factors). Where a security is covered by a Market-Maker, the Market-Maker shall also provide this information to the Board of Management when said Market-Maker is not the applicant; and
 7. an explanation as to why incorrect price determination is claimed.
- (3) An application must be lodged with the Exchange's Board of Management without undue delay when becoming aware of the grounds for error correction, but in any case no later than two trading hours (based on the security's trading hours) after the challenged price determination, unless prompt transmission of the application was not possible due to force majeure. Said application may be submitted by e-mail (mistrade@boerse-stuttgart.de). In addition, advance notification of the lodging of said application shall be given by telephone (+49 711 222985-682). In exceptional circumstances, an announcement by phone shall be sufficient, provided that the application is submitted by e-mail without undue delay.
- (4) The application of the respective enterprise shall apply to the entire matter concerning the specified securities ID numbers for a period of two hours. This shall apply independently of order size and the parties who took part in the individual price determinations. The applicant shall forward a copy of the application to its compliance unit for their information. Notwithstanding the two-hour deadline, in special exceptional cases, price determinations of the current or the immediately preceding Exchange trading day may also be cancelled.
- (5) Where an application is not lodged in time, or any of the information specified in paragraph 2 is missing, said application will generally be rejected.

Section 6 'Ex Officio' Decisions by the Board of Management

- (1) The Board of Management is authorised to cancel any price determination *ex officio* in special cases. In justified exceptional cases, the Board of Management may cancel price determinations of the current or the immediately preceding Exchange trading day even in the absence of an application lodged in good time. The same shall apply if an application does not contain the details required pursuant to section 5 para.2. If the orderly settlement of trades is impossible already at the time of price determination, the Board of Management will decide upon the cancellation of such price determination, *ex officio*.
- (2) Section 4 para. 4 and 5 shall apply *mutatis mutandis*.

Section 7 Cancellation of Price Determination for Sold-out Securitised Derivatives

If the QLP is unable to specify a counterparty pursuant to section 5 para. 1 (especially in the case of sold-out or redeemed issues), upon application by the QLP or Market-Maker (as defined for the EUWAX trading segment), the Board of Management may also cancel the trade even if the prerequisites set out in section 5 para. 2 are not met, or the deadline pursuant to section 5 para. 3 has been missed.

Section 8 Administration Fee for Mistrade Applications in Securitised Derivatives

- (1) As a rule, the applicant will be charged an administration fee of EUR 1,000 for the processing of a mistrade application (concerning identical facts, which may include several WKNs).
- (2) The Board of Management may reduce or waive the fee if this is deemed appropriate, given the specific circumstances.

Section 9 Cooperation of Three Experts

- (1) Where it is not clearly identifiable whether the challenged price determination was evidently and significantly out of line with prevailing market prices (pursuant to section 4 para. 1), the Board of Management may instruct three experts (*fachkundige Personen*) to determine a price in line with prevailing market conditions (*marktgerechter Preis*), taking this into consideration in its decision pursuant to section 6 para.1.
- (2) The three selected experts shall be representatives of trading participants who are not party to the trades executed on the basis of the challenged price determination, and who are not biased otherwise. These individuals must be reliable and have the necessary professional qualifications.
- (3) The Board of Management will not disclose the names of the selected experts.

Section 10 Modification of Price Determinations in Securitised Derivatives

- (1) The Board of Management may modify price determinations especially where the addenda and symbols used in conjunction with a price determination are erroneous.
- (2) Price determinations may be modified upon application by a QLP, or *ex officio*.
- (3) The Board of Management shall be authorised to modify price determinations which have occurred as a result of the erroneous triggering, modification or execution of event-driven orders.
- (4) Section 4 para. 4 and 5 and section 5 para. 2 to 5 and section 6 para. 1 sentences 2 and 3 shall apply *mutatis mutandis*.

Section 11 Announcements

Unless otherwise provided, announcements to this Trading Regulation shall be made on the internet under <http://www.boerse-stuttgart.de>.

Section 12 Effective Date

These Trading Rules for the Regulated Unofficial Market on the Baden-Württembergische Wertpapierbörse shall enter into force on upon their completion and announcement by electronic publication on the website of the exchange.