

## **Conditions for Transactions on the Tradegate Exchange**

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### **Section 1: Scope of Application**

#### **§ 1 Scope of application**

- (1) All transactions in securities, assets or rights made on the electronic trading system of the Tradegate Exchange (hereafter referred to as „the Exchange“) between companies admitted to the Exchange shall be concluded under the following conditions and in accordance with the laws applicable to the Exchange (laws, regulations, articles of association, trading regulations, implementation regulations, rulings of the Management Board, existing usages etc.).
- (2) By entering an order into the electronic trading system of the Exchange the trading participant always and at the same time recognises the validity of the Terms and Conditions of the Exchange, in particular the Exchange Rules, these Conditions for Transactions, the Trading Regulations for the Regulated Unofficial Market and the Implementation Regulations issued by the Management Board as well as other laws applicable to the Exchange (laws, regulations, articles of association, trading regulations, implementation regulations, rulings of the Management Board, existing usages etc.).

### **Section 2: Orders in the Electronic Order System**

#### **§ 2 Types of order, estimated prices**

- (1) Orders can be entered into the electronic trading system of the Exchange as orders or quotes.
- (2) An order is the binding offer of a trading participant to buy (buy order) or sell (sell order) as per specific instructions a particular number or a particular nominal value (both referred to as order volume) of a particular security admitted to the Exchange for trading in the regulated market or the regulated unofficial market or another such asset or right admitted to the Exchange for trading.

- (3) A quote is the simultaneous entry of a binding bid price and a binding ask price in each case for a particular number or a particular nominal value (both referred to as quote volume) of a particular security admitted to the Exchange for trading in the regulated market or the regulated unofficial market or another such asset or right admitted to the Exchange for trading.
- (4) An estimated price is non-binding pre-trading price information. Through an estimated price trading participants are informed in the form of a non-binding bid (buy price) and a non-binding ask (sell price) of the market situation on the Exchange and the rough execution price to be expected for a particular security admitted to the Exchange for trading in the regulated market or the regulated unofficial market or another such asset or right admitted to the Exchange for trading, and are prompted to enter orders into the electronic trading system of the Exchange. Estimated prices can be entered into the electronic trading system of the Exchange with or without a particular number or a particular nominal value (both referred to as estimated price volume). Regardless of whether the volume of an estimated price is specified or not an estimated price does not constitute an order in the aforementioned sense since it is not legally binding.
- (5) Orders can be entered into the electronic trading system of the Exchange by all admitted trading participants. Quotes and estimated prices can only be entered into the electronic trading system of the Exchange by Specialists.

### § 3 Types of order

- (1) The following types of order are admitted for trading on the electronic trading system of the Exchange:
  1. Limit order:

A limit order is placed with a specified price (price limit). A buy order can be executed subject to the other formalities and conditions on the Exchange at a price which is equal to or lower than the limit; a sell order can be executed subject to the other formalities and conditions on the Exchange at a price which is equal to or higher than the limit.
  2. Market order:

A market order is placed without a specified limit but with an offer for the next following price which, subject to the other formalities and conditions on the Exchange, allows a purchase or sale "at best".
  3. Stop limit order (stop buy limit order or stop loss limit order):

A stop limit order is placed with a price limit (stop limit) which, when reached, as detailed below, by an exchange price or by one side of the pre-trading price information (quote or estimated price), triggers the entry of a buy limit order (stop buy limit order) or a sell limit order (stop loss limit order) into the electronic trading system of the Exchange. In the event of a

    - a) stop buy limit order, the stop limit is reached either
      - (1) when a transaction occurs at an exchange price which equates to or is higher than the stop limit or
      - (2) when the "bid" (buy price) of the quote or estimated price equates to or is higher than the stop limit,whichever occurs first;
    - b) stop loss limit order, the stop limit is reached either

- (1) when a transaction occurs at an exchange price which equates to or is lower than the stop limit or
  - (2) when the “ask” (sell price) of the quote or estimated price equates to or is lower than the stop limit,  
whichever occurs first.
4. Stop market order (stop buy market order or stop loss market order):  
A stop market order is placed with a price limit (stop limit) which, when reached, as detailed below, by an exchange price or by one side of the pre-trading price information (quote or estimated price), triggers the entry of a buy market order (stop-buy market order) or a sell market order (stop-loss market order) into the electronic trading system of the Exchange. In the event of a
  - a) stop buy market order, the stop limit is reached either
    - (1) when a transaction occurs at an exchange price which equates to or is higher than the stop limit or
    - (2) when the “bid” (buy price) of the quote or estimate price equates to or is higher than the stop limit,  
whichever occurs first;
  - b) stop loss market order, the stop limit is reached either
    - (1) when a transaction occurs at an exchange price which equates to or is lower than the stop limit or
    - (2) when the “ask” (sell price) of the quote or estimated price equates to or is lower than the stop limit,  
whichever occurs first.
5. Trailing stop order:  
A trailing stop order is a stop order (stop limit order or stop market order) to which the provisions of no. 3 or 4 apply and of which the price limit (stop limit) is, in certain cases, also adjusted according to the following regulations:
  - a) with a trailing stop loss order (trailing stop loss limit order or trailing stop loss market order), if the “bid” (buy price) of the pre-trading price information (quote or estimated price) rises, the stop limit is automatically adjusted upwards; if the “bid” of the pre-trading price information falls, the last reached stop limit remains unchanged. The stop limit is set by the trading participant and is defined as an absolute or percentaged difference from the “bid” (buy price) of the pre-trading price information (quote or estimated price). As soon as the difference set by the trading participant is reached, it is maintained by the automatic adjustment of the stop limit if the “bid” of the pre-trading price information rises. If the “bid” of the pre-trading price information falls, the price limit is adjusted downwards.
  - b) with a trailing stop buy order (trailing stop buy limit order or trailing stop buy market order), if the “ask” (sell price) of the pre-trading price information (quote or estimated price) falls, the stop limit is automatically adjusted downwards; if the “ask” of the pre-trading price information rises, the last reached stop limit remains unchanged. The stop limit is set by the trading participant and is defined as an absolute or percentaged difference from the “ask” (sell price) of the pre-trading price information (quote or estimated price). As soon as the difference set by the trading participant is reached, it is maintained by the automatic adjustment of the stop limit if the “ask” of the pre-trading price information falls. If the “ask” of the pre-trading price information rises, the price limit is adjusted upwards.
6. One cancels other order:  
A one cancels other order is a combination of two different orders, whereby the execution of one of the orders automatically leads to the cancellation of the other.

Possible combinations are: a sell order with a stop loss limit order; a sell order with a stop loss market order; a buy order with a stop buy limit order or a buy order with a stop buy market order, all of which are subject to the provisions in nos. 1, 3 and/or 4.

- (1a) If the price determination for a security, asset or right takes place using more than one price determination method within the meaning of § 28 paragraph 2 of the Exchange Rules, then for the order types described in paragraph 1 nos. 3 to 6 only the pre-trading price information and transactions of the price determination method are consulted to which the order is assigned for price determination and order execution.
- (2) The use by a trading participant of order types referred to in paragraph 1 nos. 3 to 6 depends on his/her chosen technical connection to the electronic trading system of the Exchange. The Implementation Regulations of the Management Board shall govern the details.

## **§ 4 Order and execution instructions**

- (1) The following order instructions are permitted as execution instructions for orders for the electronic trading system of the Exchange:
  1. FOK (fill or kill):  
Orders entered into the electronic trading system of the Exchange with the instruction FOK are either executed at their full order volume or, if execution of the full order volume is not possible, cancelled.
  2. IOC (immediate or cancel):  
Orders entered into the electronic trading system of the Exchange with the instruction IOC are executed either immediately in part or at their full order volume or, if an immediate execution is not possible, cancelled immediately. If a part execution occurs the remaining unexecuted order volume is cancelled immediately. Orders with the instruction IOC cannot be executed in the first Continuous Auction of an exchange day (Opening Auction).
  3. AON (all or none)  
Orders with the instruction AON can only be executed at their full order volume. Part execution of orders with the instruction AON are not possible.
  4. SPOT (spot trading)  
Orders entered into the electronic trading system with the instruction SPOT are checked for full and immediate execution in spot trading and, if possible, are executed in full. If full and immediate execution is not possible, or if the order is entered into the electronic trading system during an Order Book Block, the SPOT instruction is cancelled automatically and the price determination and order execution takes place in Continuous Auction. The order instruction SPOT may be allocated to the order types referred to in § 3 paragraphs 1 and 2.
- (2) The use of an order instruction by a trading participant depends on his/her chosen technical connection to the electronic trading system of the Exchange. The Implementation Regulations of the Management Board shall govern the details.

## **§ 5 Automatic allocation of the order instructions AON (all or none) and SPOT (spot trading)**

- (1) In order to avoid uneconomic part executions, an order with an order volume no larger than the tradable volume of the order's opposite side which is published for the purpose of pre-trade transparency at the time of entry of the order into the electronic trading system of the Exchange and which is not flagged according to § 38 paragraph 1 sentence 2 of the Exchange Rules will be automatically given the order instruction AON (all or none) as execution instruction by the electronic trading system of the Exchange. The execution of such limit orders is based upon § 4 paragraph 1 no. 3.
- (2) Limit orders and market orders are automatically given the order instruction SPOT (spot trading) as execution instruction by the electronic trading system of the Exchange. The execution of such orders is based upon § 4 paragraph 1 no. 4.
- (3) Paragraphs 1 and 2 apply regardless of the technical connection to the electronic trading system of the Exchange chosen by the trading participant.

## **§ 6 Order validity**

- (1) An order can be entered into the electronic trading system of the Exchange with temporary validity, however it must be given an expiry date.
- (2) An order expires
  1. if it is revoked by the trading participant who entered it into the electronic trading system of the Exchange (order cancellation),
  2. automatically if trading in the security, asset or right it relates to is suspended or discontinued, or
  3. if the Management Board orders it to be deleted unless it has already been deleted earlier according to paragraph 3 or 4.
- (3) Irrespective of the provision of paragraph 2 an order
  1. with temporary validity expires automatically after the end of trading on the last exchange day of its validity;
  2. without temporary validity expires automatically after the end of trading of the day it is entered into the electronic trading system;
  3. in a security, asset or right with a detachable coupon (dividends, subscription rights etc.) expires after the end of trading on the trading day preceding the separation day of such right (ex-day);
  4. in subscription rights expires at the end of the penultimate exchange day on which the subscription rights are traded.
- (4) If the number of tradable securities, assets or rights held by a trading participant is reduced the orders of the trading participant in the securities, assets or rights of the trading participant which are no longer tradable are cancelled.
- (5) The entry by a trading participant of orders with temporary validity according to paragraph 1 depends on his/her chosen technical connection to the electronic trading system of the Exchange. The Implementation Regulations of the Management Board shall govern the details.

## § 7 Making orders for particular price determination only

- (1) Orders for a particular price determination (single price or similar) can be entered into the electronic trading system of the Exchange as far as this is provided for.
- (2) The entry by a trading participant of orders for a particular price determination according to paragraph 1 depends on his/her chosen technical connection to the electronic trading system of the Exchange. The Implementation Regulations of the Management Board shall govern the details.

## § 8 Incorrect orders

- (1) The entry of orders which endanger orderly exchange trading or orderly settlement is not allowed.
- (2) Orderly exchange trading or orderly settlement is particularly endangered if
  1. a large number of orders are entered into the electronic trading system of the Exchange only for a short time and then cancelled again shortly after being entered into the electronic trading system of the Exchange, particularly if this causes an adverse effect on the performance of the electronic trading system of the Exchange and/or the activities of the Specialist,
  2. orders, by way of their volume and limit, are seen to deliberately manipulate exchange trading and/or price determination,
  3. orders are regarded as compromising market integrity, especially if
    - a) the entry of such orders or a series of orders is intended to start or exacerbate a trend and to encourage other participants to accelerate or extend the trend in order to create an opportunity to unwind/open a position at a favourable price, or
    - b) they are submitted on one side of the order book with the intention of executing a trade on the other side of the order book and, once that trade has taken place, the orders will be removed,
  4. , in the case of sell orders, at the time of execution of the sell order, the seller of the securities is not the owner of all the securities sold or
  5. orders are generated by algorithmic trading within the meaning of § 33 paragraph 1a sentence 1 of the German Securities Trading Act and do not contain the required identification and details according to § 14b of the Exchange Rules.

The seller is deemed to be the owner within the meaning of sentence 1 no. 4 if before the execution of the sell order he has bought, however at the time of the sale has not yet received, a corresponding number of securities of the same class on a regulated market or a multilateral trading system, as long as the securities are delivered at a time which guarantees the due and proper settlement of the sale.
- (3) The Management Board may rule the cancellation of incorrect orders. It may also rule the complete or part reversal and/or complete or part rescindment of transactions which are concluded by means of incorrect orders.

## Section 3: Transactions on the Exchange



### **§ 9 Accomplishment of transactions**

- (1) A transaction on the exchange comes about by the matching of opposing orders through the determination of an exchange price by the electronic trading system.
- (2) When a transaction is accomplished the trading participants involved in the concluded agreement shall be directly authorised and obligated.

### **§ 10 Conditions for when-issued trading**

- (1) At the request of a Specialist the Management Board may authorise the usage of the electronic trading system for the accomplishment of transactions in securities, assets or rights before they have been officially issued or listed on the Exchange (when-issued trading).
- (2) Transactions arising from when-issued trading shall be accomplished according to these Conditions for Transactions and, in addition, according to the Implementation Regulations for when-issued trading approved by the Management Board.

### **§ 11 Cancellation and/or ruling of the rescindment of transactions accomplished by incorrect means, correction of other errors in price determination**

- (1) The Management Board may cancel transactions accomplished by incorrect means ex officio and/or rule the rescindment thereof.
- (2) A transaction is deemed to be accomplished by incorrect means if it has been concluded in violation of the Terms and Conditions of the Exchange, especially the Exchange Rules, these Conditions for Transactions, the Trading Regulations for the Regulated Unofficial Market and the Implementation Regulations approved by the Management Board, also other laws applicable to the Exchange (laws, regulations, articles of association, instructions or guidelines from supervisory authorities, trading regulations, implementation regulations, rulings of the Management Board, existing usages etc.). A transaction is deemed to be accomplished by incorrect means in particular if
  1. the electronic trading system was not working properly at the time of the accomplishment of the transaction as a result of a technical malfunction,
  2. there was a corporate action or other changes to the terms and conditions of the security concerned which were not taken into consideration.
  3. trading in the relevant security, asset or right was suspended on an important reference market,
  4. an incorrect order in terms of § 8 has been executed to accomplish the transaction,
  5. uniform cancellations and/or rescindments of transactions in the relevant security, asset or right have been made on other markets and/or trading places across the market, even retroactively,
  6. at the time of the accomplishment of the transaction there was a technical malfunction in the systems of the Specialist supporting the price determination or in the electronic trading system of the Exchange which prevented the Specialist from making the orderly entry of quotes or estimated prices into the electronic trading

- system,
7. an obviously incorrect quote volume was entered into the electronic trading system of the Exchange by a Specialist insofar as the incorrect quote volume exceeds the market standard or the quote volume defined in the Implementation Regulations,
  8. signs of manipulation are evident in connection with the accomplishment of the transaction, also on other markets and trading places where the relevant security, asset or right is traded,
  9. the transaction is accomplished at a price level that has been created artificially on the Tradegate Exchange, a reference exchange or on another market or trading place, also by means of entering incorrect orders in terms of § 8.
- (3) Notwithstanding cases as described in paragraph 2 nos. 1, 6 and 9 the Management Board may correct mistakes in connection with price determination, retroactively and immediately but at latest by the start of price determination on the next exchange day, by subsequently replacing the wrongly determined exchange price with a corrected exchange price, otherwise leaving the transaction as it is, provided that this is reasonable for the parties involved in the transaction. The incorrect exchange price shall be replaced by the exchange price which the electronic trading system would have determined without the occurrence of the mistake or the artificial creation of the price level.

## **§ 12 Cancellation and/or ruling of rescindment of transactions accomplished at conditions not customary in the market (mistrades)**

- (1) The Management Board may cancel or rule the rescindment of transactions accomplished at conditions not customary on the market (mistrades) at the request of a trading participant according to § 13 or ex officio.
- (2) A transaction accomplished at conditions not customary in the market (mistrade) may exist especially if the exchange price determined by the electronic trading system differs significantly and obviously from the market-driven price available at the time the transaction was concluded. In order to determine the market-driven price at the time the transaction was concluded a reference market may be consulted for the true market situation.

## **§ 13 Application for cancellation and/or ruling of rescindment of a transaction accomplished at conditions not customary in the market (mistrades)**

- (1) The application of a trading participant for cancellation and/or ruling of the rescindment of a transaction accomplished at conditions not customary in the market (mistrade) shall be made directly to the Trading Surveillance Office in the form of a notification according to paragraph 2.
- (2) Notification by a trading participant of a transaction accomplished at conditions not customary in the market (mistrade) is allowed only if it complies with the following requirements:
  1. Notification of a mistrade can only be made by the trading participants involved.
  2. Notification of a mistrade must be made at the latest by 10 am of the next trading day (notification period).
  3. Notification must take place by telephone within the notification period.



Immediately afterwards, the notifying trading participant must send a written confirmation by fax or email to the Trading Surveillance Office stating the reasons why it is suspected that a mistrade has occurred. Written confirmation must be received within 60 minutes after notification by telephone. If written confirmation is received within the notification period then prior notification by telephone is not necessary.

4. The written confirmation must contain at least the following details:
  - a) security, asset or right involved in the mistrade;
  - b) settlement time of transaction concerned;
  - c) traded volume and price of transaction concerned and
  - d) reason explaining why a transaction accomplished at conditions not customary in the market may exist, in particular details regarding the calculation of the market-driven price
- (3) The Trading Surveillance Office checks the notification of a mistrade for its legitimacy, determines the facts and within a reasonable period of time, which should be no longer than two hours, presents the case to the Management Board for a decision.
- (4) The provisions of paragraph 2 apply accordingly to any complaint made by the trading participant with regard to trading or settlement of transactions on the Tradegate Exchange.

## **§ 14 Amicable cancellation of transactions**

- (1) The Management Board may cancel transactions if all trading participants involved agree on the day of the transaction to make an application to this effect. A right to cancellation of transactions does not exist.
- (2) If one of the trading participant's requests for a transaction cancellation is not carried out and the trading participants involved do not wish to keep the transaction they may agree on amicable rescindment.
- (3) The Management Board may request compensation for costs arising due to the cancellation procedure from the trading participants who apply for the amicable cancellation.

## **§ 15 Rescindment of cancelled transactions**

- (1) If the Management Board cancels a transaction according to §§ 11 paragraphs 1, 12 or 14 the transaction is deemed to be not concluded. The trade confirmations issued for the transaction are invalid. Even if a transaction is cancelled by the Management Board after further documents have been issued (settlement instructions or individual trade summary) the trading participants concerned are still obliged to take appropriate measures to complete the cancellation and rescindment of the transaction.

- (2) If a transaction is cancelled for which a Specialist has undertaken related settlement services the latter is entitled to assign to the counterparty all his/her claims arising from respective equivalent transactions vis-à-vis each of the other trading participants and in each case with debt discharging effect.
- (3) All trading participants involved are to be informed of the cancellation or ruling of rescindment immediately but at the latest by 10 a.m. of the next exchange day. In the case of market-wide cancellation and/or rescindment according to § 11 paragraph 2 sentence 2 no. 5 notification is to take place immediately.
- (4) If a transaction is cancelled due to a mistrade the trading participant does not have the right of deletion of the transaction from the data published for the purpose of post-trade transparency. A correction of the indices calculated using the cancelled transaction cannot be requested.

## **§ 15a Exclusion of civil liability claims**

Civil liability claims of business partners for the cancellation and adjustment of transactions and the right to review transactions are excluded. In the event of a cancellation of transactions by the Management Board, all mutual claims of the parties for damages are excluded.

## **§ 15b Assignment of Claims**

Claims arising from exchange trades may only be assigned to companies admitted to participate in exchange trading on the Tradegate Exchange. This does not apply to the assignment of claims to deposit protection schemes.

## **Section 4: Delivery and Forced Settlement of Transactions in Securities**

### **§ 16 Conditions for the delivery and forced settlement of transactions in securities**

- (1) Conditions for the delivery and forced settlement of accomplished exchange trades may be defined by the Management Board in Implementation Regulations for each settlement segment and for those securities which are included in the respective settlement segment. The Implementation Regulations apply unless the trading participants involved in the transaction have made other agreements. The Management Board is to be informed of any agreement between trading participants on different conditions for the delivery and forced settlement of accomplished exchange trades. The agreement is only allowed if it is not to the detriment of orderly exchange trading and settlement.
- (2) If the delivery of exchange trades in securities occurs with the intervention of central depositories, global custodians, depository banks, settlement banks or clearing banks or

other third parties their terms conditions for the delivery and forced settlement of transactions in securities also apply, unless the trading participants involved in the transaction have made other agreements.

## **Section 5: Technical Malfunction**

### **§ 17 Technical malfunction**

- (1) Every trading participant must inform the Management Board immediately in case of technical malfunction of his/her electronic data processing system or of the electronic trading system of the Exchange.
- (2) In case of technical malfunction of the electronic systems according to paragraph 1 the Management Board can take all appropriate and necessary steps to ensure orderly exchange trading.

## **Section 6: Final Provisions**

### **§ 18 Exchange days, days of performance**

- (1) A exchange day is each day on which exchange trading takes place and the opportunity of trading assets and rights admitted to exchange trading exists, regardless of whether trading is suspended or halted for individual assets or rights.
- (2) In case of doubt, a settlement date is each exchange day and every other day additionally designated by the Management Board exclusively for the purpose of settling exchange trades.

### **§ 19 Place of performance**

The place of performance for all transactions governed by the foregoing Conditions shall be Berlin.

### **§ 20 Effective date**

These Conditions for Transactions on the Tradegate Exchange became effective on 15 December 2009.