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**Auction with Liquidity Providers
in Securities Trading on Wiener Börse**

**Auction with Liquidity Providers in Securities Trading
through the Trading System Xetra® on Wiener Börse AG**

1	Introduction	3
2	Legal Framework	3
3	Liquidity Provider Commitments in the Auction Procedure	3
3.1	Entering Quotes	3
3.2	Minimum Size	4
3.3	Maximum Spread	4
4	Trading	4
4.1	Trading Hours	4
4.2	Safety Mechanisms	4
5	Monitoring of Liquidity Provider Commitments	4
6	Revocation from Liquidity Provider Commitments	5
6.1	Resigning from Liquidity Provider Commitments	5
6.2	Termination from Commitments on the part of Wiener Börse	5
7	Disclaimer	5

1 Introduction

Liquidity in stock trading on the markets of Wiener Börse AG is a basic prerequisite for adequately valuating securities. The higher the certainty that the stock of a company can be sold or bought at any time, the higher will be the willingness of investors to invest in such securities.

The core function of a liquidity provider in securities trading is to create liquidity by bridging temporary imbalances between supply and demand. The liquidity provider enters firm buy and sell prices into the trading system, increasing the probability of orders being executed and thus raising liquidity. Due to the multiplier effect expected – liquidity attracts liquidity – stocks with liquidity provider commitments are much more attractive to investors.

To comply with international standards and meet demands for more transparency, Wiener Börse AG offers together with issuers and trading participants the possibility of clearly defined liquidity-enhancing measures also for securities (in particular shares including and ADCs, participation certificates and profit sharing rights) traded in the Xetra® trading system under the single auction procedure.

“Auction with Liquidity Providers“ is the name of the liquidity-enhancing system on the secondary market that has been in place for securities traded in Xetra® trading system under the single auction procedure since 4 November 2002 on Wiener Börse AG.

For trading participants, in addition to the segment standard market auction, in the segments direct market plus and direct market, which has been in existence since 21 January 2019, there is also the option of taking over the function as a liquidity provider.

2 Legal Framework

Within the scope of securities trading through the electronic trading system Xetra® (trading architecture T7), all trading participants have the possibility of assuming responsibility for the liquidity of securities in the trading auction procedure by placing quotes during the trading phase into the system and by concluding trades in these orders. The binding prices may be entered for both the sell and buy side and must be for a certain minimum amount (minimum size) and must comply with a maximum price spread (maximum spread); by all means the quote has to be entered in the trading system at the time of the price determination.

sie müssen jedenfalls zum Zeitpunkt der Preisermittlung in das Handelssystem eingestellt sein.

- The legal framework for the “Auction with Liquidity Providers“ is
 - Article 11a Trading Rules for the Automated Trading System Xetra® of Wiener Börse AG
 - Letter of Commitment to assume responsibility for securities traded with only one price fixed per day (single-quote securities) under the auction procedure for securities trading on Wiener Börse AG

3 Liquidity Provider Commitments in the Auction Procedure

3.1 Entering Quotes

A trading participant who has agreed to act as a liquidity provider for a certain security has to enter firm quotes for this security during the call phase of the auction and must stand by the quote up to the time of the price determination. The liquidity provider may modify or change the quote at any time during the call phase.

3.2 Minimum Size

The minimum size of orders entered by the liquidity provider for a security for which it has assumed responsibility depends on the price of the instrument and is updated on a quarterly basis:

Determination Minimum Size:		
value in EUR	min. in pieces	max. in pieces
10.000	50	5.000

The quarterly adjustment is based on the closing price on the penultimate trading day of the preceding month taking account of the determined Value in the amount of € 10.000,-; the resulting number of pieces is rounded to 50 units and has to be at least 50 units and at most 5.000 units.

3.3 Maximum Spread

The maximum spread for all instruments with a liquidity provider under the auction procedure is 5%.

Progressive adjustment of the maximum spread:

If the price is constantly at EUR 5 on three consecutive trading days, the maximum spread is fixed as an absolute value at EUR 0.25; if the price is constantly at EUR 1 on three consecutive trading days, the maximum spread is fixed as an absolute value at EUR 0.10.

4 Trading

4.1 Trading Hours

Irrespective of the Liquidity Provision, in the segments standard market auction, direct market plus auction und direct market auction the trading hours for securities traded in the auction procedure are the same (main trading phase from 12:30 until 13:30 hrs):

Main Trading			
Pre-Trading	Auction		Post-Trading
08:00 – 12:30	Call ¹ 60 mins	PD ³ max. 30 sec	13:30 ² - 17:45

¹ random end | ² earliest begin | ³ PD = price determination

4.2 Safety Mechanisms

The **volatility corridors** are determined by the exchange operating company in each case and are not published.

5 Monitoring of Liquidity Provider Commitments

Liquidity providers are continuously monitored as to whether or not they fulfil their obligations. The percentage rates that liquidity providers, i.e., the responsible institution, must meet to fulfil the liquidity commitments, are published on the

homepage of Wiener Börse. If a liquidity provider fails to fulfil its obligations regularly, the provider may lose the right to act as a liquidity provider and consequently the orderbook in the specific instrument may be closed.

A trading participant who has assumed the function as a liquidity provider shall be considered to have fulfilled its obligations if

- in the course of one calendar month, it meets $\geq 80\%$ of its quotation obligations (Minimum Size and Maximum Spread) during the daily observation period.

The daily observation period is the time from the beginning of the call phase of the single intraday auction at 12:30 pm until the end of the single intraday auction on each trading day; for the calculation of the daily degree of performance (in %) by all means the fulfilment of the quotation obligation at the time of the price determination is required.

6 Revokation from Liquidity Provider Commitments

6.1 Resigning from Liquidity Provider Commitments

The termination of a Liquidity Provider Commitment by the exchange member is only possible at the end of a month by giving one month's notice; the obligation as Liquidity Provider must be met in any case until the expiration of the termination period.

6.2 Termination from Commitments on the part of Wiener Börse

A Liquidity Provider Commitment may be terminated by the exchange operating company in any case at the end of a month by giving one month's notice; the obligation as Liquidity Provider must be met in any case until the expiration of the termination period.

Further the agreement may be terminated by the exchange operating company at any time with immediate effect for material reasons. A material reason that would entitle the exchange operating company to terminate a quotation commitment shall be deemed given if, among other things, the exchange member persistently fails to meet its quotation commitments for a security. A persistent breach of the quotation commitment shall be deemed given if the exchange member fails to meet its quotation obligation for at least six months within the preceding eight months in the concerned security for which it has assumed a quotation commitment. If the exchange operating company has terminated the agreement with an exchange member for a quotation obligation for any material reason whatsoever, said exchange member shall only be permitted to assume a quotation commitment for the concerned security again at the earliest one year after termination by the exchange operating company. Further measures under statutory provisions shall not be affected.

7 Disclaimer

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