



# **Market Maker in Trading with Securities on Wiener Börse**

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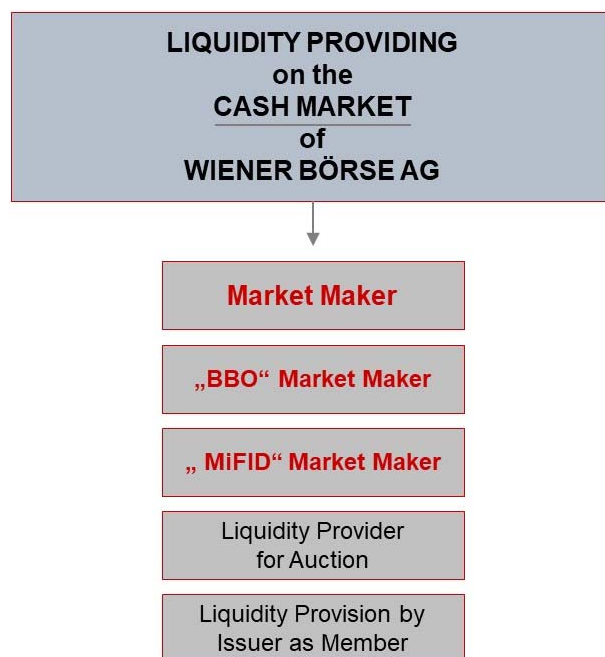
## Market Maker

### in Securities Trading through the Trading System Xetra® on Wiener Börse

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## 1 Introduction

This documentaion represents a comprehensive overview about the liquidity providing as marekt maker.



*Figure: Liquidity Providing of Wiener Börse AG*

Liquidity providers are trading participants who, by assuming such a function in securities trading, increase the liquidity and thus also the price quality of the securities they manage.

Market makers are trading participants who provide additional liquidity in the order book with binding buy and sell orders (quotes) and ensure execution at market-driven prices.

In addition to the market makers in the prime market, BBO market makers (Best Bid and Offer) may ensure an increase in price quality. The BBO market maker undertakes to offer liquidity at the best available prices - at the top of the order book.

## 2 Market Segmentation of Wiener Börse AG

The market segmentation allocates the financial instruments traded on the markets of Wiener Börse AG according to certain criteras into market segments. The market segmentation does not take into account whether a financial instruments are admitted to listing on a regulated market (Official Market) or is traded on a Multilateral Trading System (Vienna MTF).; these markets are used only as a criterion for the allocation to the different market segments.

The allocation criteria to the different market segments is determined particulary by

- Markets (Official Market, Vienna MTF)
- Type of financial instruments (shares, participation certificates, bonds, certificates etc)
- More stringent reporting, quality and disclosure requirements
- Liquidity Providing (Market Maker, Auction with Liquidity Providers etc.)
- Trading system and type trading

The financial instruments traded on the markets of Wiener Börse AG are grouped into the following segments:

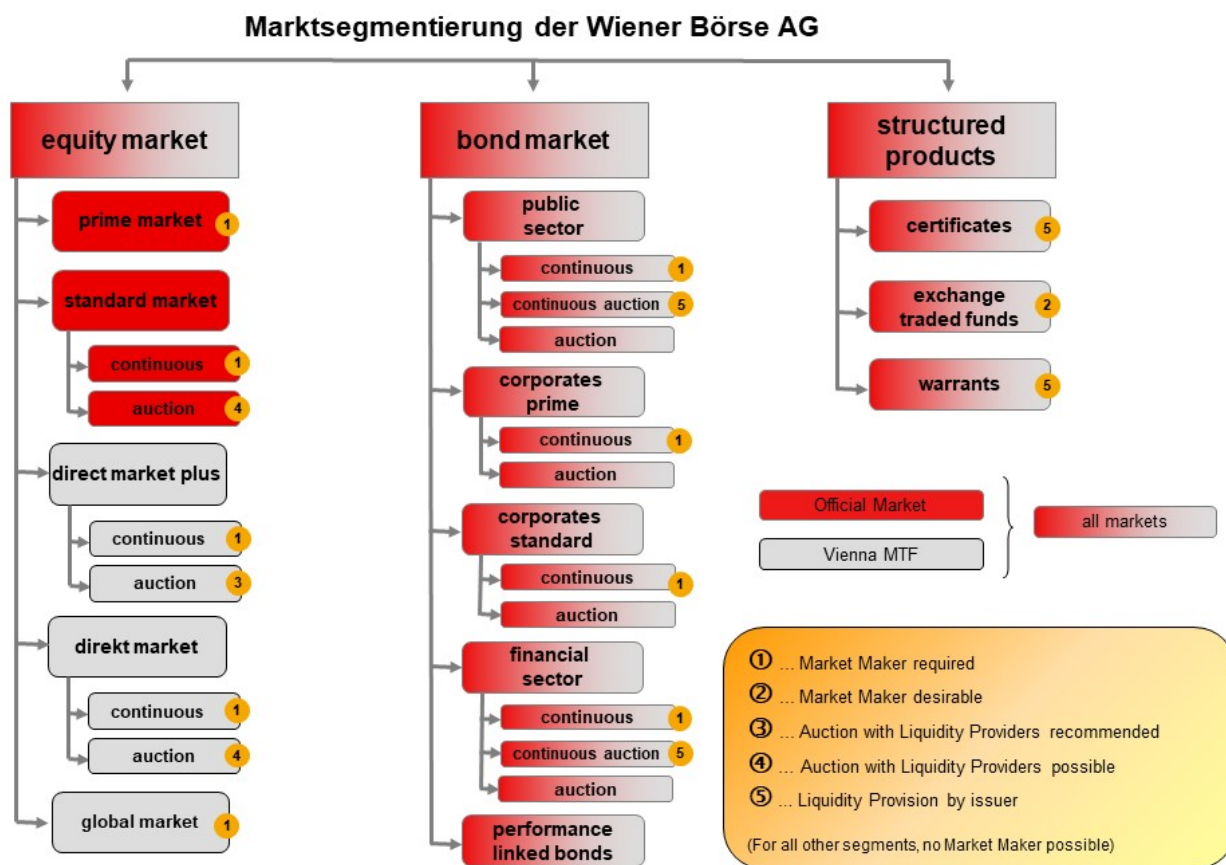


Figure: Market Segmentation of Wiener Börse AG

The exact criteria for admission and allocation as well as the basic features of the individual segments are explained in greater detail in the publication "Market Segmentation of Wiener Börse AG".

The following chart provides a brief overview of the different market segments and lists the criteria for allocating securities to each of them:

Market segment	Type of security	Markets and specific criteria	Market Maker / Liquidity Provision	Xetra® T7 Trading procedure
<b><u>equity market</u></b>				
<b>prime market</b>	Stocks	Official Market; additional prerequisites to be met by the issuer *1)	market maker required; BBO-market maker possible	“Continuous Trading” in conjunction with an <u>opening auction</u> , <u>intraday auction</u> and <u>closing auction</u>
<b>standard market continuous</b>	Stocks	Official Market	market maker required	“Continuous Trading” in conjunction with an <u>opening auction</u> and <u>closing auction</u>
<b>standard market auction</b>	Stocks and other equities (e.g. participation certificates, profit-sharing rights, UCITS shares etc.)	Official Market	Auction with Liquidity Providers possible	“Auction”
<b>direct market plus continuous</b>	Stocks	Vienna MTF; additional prerequisites to be met by the issuer *2)	market maker required	“Continuous Trading” in conjunction with an <u>opening auction</u> and <u>closing auction</u>
<b>direct market plus auction</b>	Stocks	Vienna MTF; additional prerequisites to be met by the issuer *2)	Auction with Liquidity Providers desirable	“Auction”
<b>direct market continuous</b>	Stocks	Vienna MTF	market maker required	“Continuous Trading” in conjunction with an <u>opening auction</u> and <u>closing auction</u>
<b>direct market auction</b>	Stocks and other equities (e.g. participation certificates, profit-sharing rights, UCITS shares etc.)	Vienna MTF	additional market makers possible	“Auction”
<b>global market</b>	Stocks	Thrid Market	“applicant” market maker required, additional market makers desirable	“Continuous Trading” in conjunction with an <u>opening auction</u> and <u>closing auction</u>

Market segment	Type of security	Markets and specific criteria	Market Maker / Liquidity Provision	Xetra® T7 Trading procedure
<b><u>bond market</u></b>				
<b>public sector continuous</b>	government bonds, austrian treasury bills, interest rate and government strips	Official Market or Vienna MTF	market maker required	“Continuous Trading” in conjunction with an opening auction, and closing auction
<b>public sector continuous auction</b>			Liquidity Provision by issuer or in agreement with the issuer	“Continuous Auction”
<b>public sector auction</b>				“Auction”
<b>corporates prime continuous</b>	corporate bonds	Official Market or Vienna MTF; furthermore in corporates prime additional prerequisites have to be met by the issuer *3)	market maker required	“Continuous Trading” in conjunction with an opening auction, and closing auction
<b>corporates prime auction</b>				“Auction”
<b>corporates standard continuous</b>	corporate bonds	Official Market or Vienna MTF	market maker required	“Continuous Trading” in conjunction with an opening auction, and closing auction
<b>corporates standard auction</b>				“Auction”
<b>financial sector continuous</b>	banking bonds and convertible bonds banking bonds and convertible bonds	Official Market or Vienna MTF	market maker required	“Continuous Trading” in conjunction with an opening auction, and closing auction

Market segment	Type of security	Markets and specific criteria	Market Maker / Liquidity Provision	Xetra® T7 Trading procedure
<b>financial sector continuous auction</b>			Liquidity Provision by issuer or in agreement with the issuer	"Continuous Auction"
<b>financial sector auction</b>				"Auction"
<b>performance linked bonds</b>	performance linked bonds (debt securities or interest payment based on performance of relevant underlying)	Official Market or Vienna MTF		"Auction"

Market segment	Type of security	Markets and specific criteria	Market Maker / Liquidity Provision	Xetra® T7 Trading procedure
<b>structured products</b>				
<b>certificates</b>	<ul style="list-style-type: none"> <li>▪ basket certificates</li> <li>▪ index certificates</li> <li>▪ leverage (knock out) certificates</li> <li>▪ discount certificates</li> <li>▪ bonus certificates</li> <li>▪ express certificates</li> <li>▪ guarantee certificates</li> <li>▪ reverse convertibles</li> <li>▪ outperformance certificates</li> <li>▪ other certificates</li> </ul>	Official Market or Vienna MTF	Liquidity Provision by issuer as member	“Continuous Auction” only if a liquid market is guaranteed by the Liquidity Provider; otherwise trading procedure “Auction”
<b>exchange traded funds</b>	passively managed investment funds	Official Market or Vienna MTF	market maker basically desirable	“Continuous Trading” in conjunction with an opening auction and closing auction; without Market Maker trading procedure “Auction”
<b>warrants</b>	warrants	Official Market or Vienna MTF	Liquidity Provision by issuer as member	“Continuous Auction” only if a liquid market is guaranteed by the Liquidity Provider; otherwise trading procedure “Auction”

*Note: In case shares are represented by certificates (such as ADCs - Austrian Depositary Certificates, GDRs - Global Depositary Receipts etc.), they are subject to the same terms and conditions that apply to the shares.*

\*1) ⇒ "prime market rules"

\*2) ⇒ "direct market plus rules"

\*2) ⇒ "corporates prime rules"



### 3 Obligation as Market Maker

A trading participant may assume a market maker commitment for certain securities by entering into an agreement with the exchange operating company.

Trading participants who are obliged to act as market maker are under the obligation to place binding buy and sell prices (quotes) into the system during a certain period in continuous trading, which must be entered for both the demand and the supply side for specified minimum quotation size (minimum size) and in accordance with the maximum price spread between demand and supply (maximum spread).

#### 3.1 Market Maker

Market makers have the obligation to fulfill the requirements prescribed by Wiener Börse AG (period of time for placing quotes, maximum spread, minimum size).

For continuously traded stocks and other equities in the market segment **equity market** the determination of the conditions regarding the maximum spread and the minimum size is based by allocating the stocks to different liquidity classes:

Market Segment	Liquidity Class	Market Maker	
		Maximum Spread	Minimum Size Volume in EUR
Stocks/ADCs represented in the <b>Prime Market</b>	<b>LQ1</b>	0,65 %	35 TSD
	<b>LQ2</b>	0,85 %	25 TSD
	<b>LQ3</b>	1,30 %	17 TSD
	<b>LQ4</b>	1,80 %	9 TSD
	<b>LQ5</b>	2,70 %	9 TSD
Stocks/ADCs represented in the <b>Standard Market Continuous</b>	<b>LQ6</b>	4,00 %	10 TSD
Stocks/ADCs represented in the <b>Direct Market Plus Continuous</b> <b>Direct Market Continuous</b>	<b>LQ7</b>	4,00 %	10 TSD
Stocks/ADCs represented in the <b>Global Market</b>	<b>LQ7</b>	5,00 %	10 TSD
<i>securities that are traded in the trading model <b>auction with liquidity provision</b> (specific securities of the market segments <b>Standard Market Auction, Direct Market Plus Auction und Direct Market Auction</b>)</i>	<b>LQ8</b>	5,00 %	10 TSD

For the market segment prime market the allocation of the stocks to the respective liquidity class (LQ1 to LQ5) is pre-given from the exchange operating company and fixed for one year (usually from the beginning of May to the end of April of the following year).

In extraordinary situations (for example massive reduction of free float) the exchange operating company may change liquidity classes of instruments throughout the year.

The minimum size for a quote is quarterly calculated from the predefined value in Euro to a number of pieces (shares) and depends on the last price of the concerned instrument on the day before the last trading day of a quarter and is determined on the day before the last trading day of quarter.

If necessary (e.g. in the case of changes in the capital, inclusion in electronic trading), the market maker minimum quotes will be fixed based on the reference price during the current quarter and promulgated by separate notice.

In special market situations, it is possible to refrain from adjusting the market maker minimum size requirements (minimum size).

### 3.1.1 equity market

The following table lists the Market Maker's obligations for continuously traded shares in the segment *equity market*:

Market segment	Finable period of quotation	Maximum spread	Minimum size
<b>equity market / prime market</b>			
<b>prime market</b>	On average, <b>≥ 80% of the observation period</b> during the calendar month.  Observation period: 09:00 to 17:30 hrs	<b>Annual determination</b> (valid for one year usually beginning of May y until end April y+1): LQ1 = <b>0,65 %</b> LQ2 = <b>0,85 %</b> LQ3 = <b>1,30 %</b> LQ4 = <b>1,80 %</b> LQ5 = <b>2,70 %</b>  <i>(calculated based on buy limit to sell limit of the quote)</i>  <b>adjustment</b> for stocks with a low market value	<b>Quarterly adjustment</b> based on the closing price on the penultimate trading day of the preceding month taking account of the <b>determined Value</b> in Euro of the respective liquidity class; the resulting number of units is rounded up to the next whole number of units:  LQ1 = € 35.000,-- LQ2 = € 25.000,-- LQ3 = € 17.000,-- LQ4 = € 9.000,-- LQ5 = € 9.000,--  <b>adjustment</b> at high market volatility.

equity market / standard market			
<b>standard market continuous</b>	<p>On average, <b>≥ 80% of the observation period</b> during the calendar month.</p> <p>Observation period: 09:00 to 17:30 hrs</p>	<p><b>Fix 4%</b> <i>(calculated based on buy limit to sell limit of the quote)</i></p> <p><b>adjustment</b> for stocks with a low market value</p>	<p><b>Quarterly adjustment</b> based on the closing price on the penultimate trading day of the preceding month taking account of the <b>determined Value</b> in the amount of € 10.000,--; the resulting number of units is rounded up to the next whole number of units and is at most 5.000 units.</p>
equity market / direct market plus			
<b>direct market plus continuous</b>	<p>On average, <b>≥ 80% of the observation period</b> during the calendar month.</p> <p>Observation period: 09:00 to 17:30 hrs</p>	<p><b>Fix 5%</b> <i>(calculated based on buy limit to sell limit of the quote)</i></p> <p><b>adjustment</b> for stocks with a low market value</p>	<p><b>Quarterly adjustment</b> based on the closing price on the penultimate trading day of the preceding month taking account of the <b>determined Value</b> in the amount of € 10.000,--; the resulting number of units is rounded up to the next whole number of units and is at most 5.000 units.</p>
equity market / direct market			
<b>direct market continuous</b>	<p>On average, <b>≥ 80% of the observation period</b> during the calendar month.</p> <p>Observation period: 09:00 to 17:30 hrs</p>	<p><b>Fix 5%</b> <i>(calculated based on buy limit to sell limit of the quote)</i></p> <p><b>adjustment</b> for stocks with a low market value</p>	<p><b>Quarterly adjustment</b> based on the closing price on the penultimate trading day of the preceding month taking account of the <b>determined Value</b> in the amount of € 10.000,--; the resulting number of units is rounded up to the next whole number of units and is at most 5.000 units.</p>
equity market / global market			
<b>global market</b>	<p>On average, <b>≥ 50% OR ≥ 25% (*) of the observation period</b> during the calendar month.</p> <p><i>(*) <u>Only with a share of the market maker turnover in the total turnover in double counting ≥ 40 %!</u></i></p> <p>Observation period: 09:00 to 17:30 hrs</p>	<p><b>Fix 5%</b> <i>(calculated based on buy limit to sell limit of the quote)</i></p> <p><b>adjustment</b> for stocks with a low market value</p>	<p><b>Quarterly adjustment</b> based on the closing price on the penultimate trading day of the preceding month taking account of the <b>determined Value</b> in the amount of € 10.000,--; the resulting number of units is rounded up to the next whole number of units.</p>

▪ **Spread parameters:**

a) Calculation of maximum spreads:

For all stocks in the prime market, the determination of the maximum spreads is based by allocating the stocks to different liquidity classes:

Liquidity Class	Maximum Spread
LQ1	0,65 %
LQ2	0,85 %
LQ3	1,30 %
LQ4	1,80 %
LQ5	2,70 %

The maximum spreads are appraised for the stocks of the liquidity classes LQ1 to LQ5 by using the calculation method given below and are determined with 0,65 %, 0,85 %, 1,30 %, 1,80 % or 2,70 %:

Market Spread (Median) + W (Turnover) + X (Vola) + Y (kap. FF) + Z (Unwinding Period)	
Market Spread (mean value)	<u>Mean value of market spreads of the last 3 trading months</u>
W (turnover)	<u>Class value for the average daily turnover</u> Pursuant ATX watch list
X (vola)	<u>Class value for 60-day volatility</u> as a benchmark for risk
Y (cap. FF)	<u>Class value for capitalized free float</u> (market capitalization * FF factor) as a benchmark for the relevance of the marketplace and the interest signaled by institutional investors
Z (unwinding period)	<u>Class value for unwinding period</u> as a benchmark for tradability

For the market segment prime market the allocation of the stocks to the respective liquidity class (LQ1 to LQ5) is pre-given from the exchange operating company and fixed for one year (usually from the beginning of May to the end of April of the following year).

In extraordinary situations (for example massive reduction of free float) the exchange operating company may change liquidity classes of instruments throughout the year.

b) Constant adjustment of the maximum spreads for stocks:

If the price is constantly at € 5 on three consecutive trading days, the absolute value corresponding to the respective percentage of € 5 will be fixed as a maximum spread as set out below; if the price is constantly at EUR 1 on three consecutive trading days, the maximum spread will be fixed as an absolute value as set out below:

	LQ1	LQ2	LQ3	LQ4	LQ5	LQ6	LQ7	LQ8
<b>Relative spread</b>	0,65 %	0,85 %	1,30 %	1,80 %	2,70 %	4 %	5 %	5 %
<b>Stagnating spread at price ≤ EUR 5,00</b>	€ 0,08	€ 0,10	€ 0,10	€ 0,10	€ 0,15	€ 0,20	€ 0,25	€ 0,25
<b>Fixed spread price ≤ EUR 1,00</b>	€ 0,08	€ 0,10	€ 0,10	€ 0,10	€ 0,10	€ 0,10	€ 0,10	€ 0,10

LQ1 – LQ5 = prime market  
LQ6 = standard market continuous  
LQ7 = direct market plus continuous + direct market continuous + global market  
LQ8 = standard market auction + direct market plus auction + direct market auction  
(auction with liquidity provision)

If the price is higher than EUR 5,00 on three consecutive trading days, the maximum spread is again fixed as a percentage.

■ **Constant adjustment of Min.-Size im Prime Market:**

For stocks represented in the Prime Market, in situations of sustained increased market volatility, the minimum quantity to be quoted by market makers (min.-size) is continuously adjusted, namely when the EURO STOXX 50® Volatility (VSTOXX®) on five consecutive trading days on average falls below or exceeds the following limits:

Index level VSTOXX®	minimum quote quantity
0 - 30,00 index points	according table 1.a) (=Base)
30,01 - 40,00 index points	reduction of quoting size by 30%
more than 40,00 index points	reduction of quoting size by 60%

The adjustment takes place two trading days after the specified limits are exceeded or fallen short of. The base is reduced based on the minimum quote quantity in pieces; The rounding is done commercially to whole pieces.

### 3.1.2 bond market

The following table lists the Market Maker's obligations for continuously traded bonds in the segment *bond market*.

Market segment	Finable period of quotation	Maximum spread	Minimum size
<b><u>bond market</u> / public sector continuous corporates prime continuous + corporates standard continuous financial sector continuous</b>			
<b>continuously traded bonds</b>	On average, <b>≥ 80% of the observation period</b> during the calendar month.  Observation period: 09:00 to 17:30 hrs	<b>FIX 500 basis points</b> <i>(calculated based on buy limit to sell limit of the quote)</i>	<b>FIX</b> equal to the minimum tradeable unit, at least correspondig to the value of Nominale € 10.000.--

### 3.1.3 structured products

The following table lists the Market Maker's obligations for continuously traded investment funds in the segment *structured products*.

Market segment	Finable period of quotation	Maximum spread	Minimum size
<b><u>structured products</u> / exchange traded funds</b>			
<b>passively managed investment funds (ETF's)</b>	On average, <b>≥ 50% OR ≥ 25% (*) of the observation period</b> during the calendar month.  (*) <u>Only with a share of the market maker turnover in the total turnover in double counting ≥ 40 %!</u>  Observation period: 09:00 to 17:30 hrs	<b>Individual arrangement per Investment fund; at most yet 3 %</b> <i>(calculated based on buy limit to sell limit of the quote)</i> <b>adjustment</b> for ETFs with a low market value	<b>Quarterly adjustment</b> based on the closing price on the penultimate trading day of the preceding month taking account of the <b>individual arranged Value</b> (at least € 30.000.--); the resulting number of units is rounded up to the next whole number of units.

Constant adjustment of the maximum spreads for ETFs:

If the price is constantly  $\leq$  EUR 5 on three consecutive trading days, the maximum spread is fixed as an absolute value and must be at least EUR 0,15; if the price is constantly only  $\leq$  EUR 1 on three consecutive trading days, the maximum spread is EUR 0.10.

If the price is constantly higher than EUR 5 on three consecutive trading days, the maximum spread is fixed according to the defined percentage.

## 3.2 MiFID Market Maker

In the trading procedure continuous trading members pursuing a market maker strategy must enter into a MiFID Market Maker Agreement with the exchange operating company. The MiFID Market Maker is obligated to quote bid and ask prices (quotes) at least for  $\geq 50\%$  of the trading hours. With regards to the minimum quotation quantity (minimum size) and the maximum permissible price range (maximum spread), the following provisions apply:

The minimum quote size for MiFID market maker must correspond to EUR 2,500. When determining the minimum size of a quote in units, the number of units is rounded up to the next whole number of units.

The maximum spread for MiFID market maker is defined at twice the value which applies for market maker but no more than 5.00% respectively EUR 0.25.

## 3.3 BBO (Best Bid and Offer) Program for MiFID Market Maker

Trading members participating the BBO program as MiFID market maker may commit as a BBO market maker for all securities contained in a security basket. Both security baskets available cover all securities contained in the ATX (ATX basket) respectively all prime market securities which are not contained in the ATX (non-ATX basket). As requirement to commit as BBO market maker trading members need to conclude a MiFID market maker commitment for every single security contained in the selective basket. No additional market maker commitment may be concluded in any of these securities.

The BBO market maker program covers two levels of fulfilment (Tier 1 and Tier 2) for which following requirements must be met cumulatively:

### 3.3.1 Order Book Presence (→ BBO Presence)

BBO market maker fulfil their requirements on the BBO presence if they place the best or equal best buy and/or sell limit for a specific period in per cent of the daily continuous trading phase within a calendar month specified for "BBO Presence" in the table under 3.3.4.. The average BBO presence for the buy and sell side is calculated per day and security. To calculate the BBO presence per day and security basket those securities are considered which show the highest BBO presence per day. The number of securities to be considered is specified for "BBO Base" in the table under 3.3.4. and defined in per cent of the total number of securities within a security basket and rounded down to whole number of units. To assess the BBO presence per month and security basket the average of each BBO presence per day and security basket is calculated.

### 3.3.2 Average Quotation Size (→ Market Maker Size)

BBO market maker fulfil their requirements on the market maker size if they place a minimum quotation size on average during continuous trading phase in EUR within a calendar month specified for "Market Maker Size" in the table under 3.3.4.. The market maker size is timely weighted for every single quote and order with market maker account per day and security calculated in EUR. To calculate the market maker size per day and security basket those securities are considered which show the highest BBO presence per day. To assess the market maker size per month and security basket the average of each market maker size per day and security basket is calculated.

### 3.3.3 Share of Passive Market Maker Turnover on Total Turnover (→ Passive Market Share)

BBO market maker fulfil their requirements on passive market share if during continuous trading phase their passive market maker turnover within a calendar month exceed a certain threshold in per cent of the total passive turnover in a security basket specified for "Passive Market Share" in the table under 3.3.4..

### 3.3.4 Parameters for the BBO Program

Security Basket	ATX Basket		non-ATX Basket	
Level of Fulfilment	Tier 1	Tier 2	Tier 1	Tier 2
BBO Presence	20%	10%	20%	10%
Market Maker Size	EUR 5,000	EUR 5,000	EUR 2,500	EUR 2,500
Passive Market Share	2%	1%	2%	1%
BBO Base	80%	80%	60%	60%

### 3.3.5 Temporary Suspension or Reduction of the Quotation Obligations

The Fast Market Rule applies analogously to MiFID Market Makers participating the BBO program.

### 3.3.6 Benefits

MiFID Market Makers who participate in the BBO Program are entitled to further reduced transaction fees.

-> Further details are regulated in the [fee schedule of the Vienna Stock Exchange!](#)



## 4 Benefits for Market Maker

### 4.1 Transaction fees

Trading participants which commit themselves to market making obligations in a security continue to enjoy reduced transaction fees as up until now.

-> Further details are regulated in the [fee schedule of the Vienna Stock Exchange!](#)

### 4.2 Issuer Contribution

An issuer has the option of making a financial contribution to the trading participant that will be assuming the Market Maker function in its stock. Wiener Börse AG does not prescribe the amount to be provided, as this money is contributed exclusively on a voluntary basis.

### 4.3 Transparency Regarding the Fulfillment of the Obligation to Place Quotes

- The rates for Market Maker obligations fulfilled by the responsible trading participants for a security in a given month are published in the following media:
- Website of Wiener Börse AG
- Wiener Börse AG's electronic newsletter E-Monitor

## 5 Surveillance of Market Maker

The Market Makers will be continuously monitored as to whether or not they fulfill their obligations.

### 5.1 Method of surveillance and Information

Market Makers are monitored ex post on every trading day. The results of the performance ratio will be compiled into reports after the close of the trading session and then sent to the Market Makers at the latest by the next trading day.

Notices regarding the performance of obligations during the trading day may be obtained by telephone from the exchange operating company.

### 5.2 Performance ratio and sanctions in cases of noncompliance

In the event that a Market Maker fails to meet its obligations, the exchange operating company has a series of sanctions that in extreme cases may result in losing its right to the function as Market Maker. The limits to be observed and the respective sanctions may vary from one market segment to the next.

A trading participant who has assumed an obligation

- as Market Maker shall be considered to have fulfilled its obligations in an instrument if in the course of one calendar month, it meets at least a certain percentage of its quotation obligations (Minimum Size and Maximum Spread) during the daily observation period:

market segment	percentage to be used to measure fulfillment
<u>equity market</u> - prime market - standard market - direct market plus - direct market	at least $\geq 80\%$
<u>equity market</u> - global market	at least $\geq 50\%$ OR at least $\geq 25\%$ provided that the share of the market maker turnover in the total turnover in double counting is at least $\geq 40\%$ in the relevant instrument
<u>structured products</u> - exchange traded funds	at least $\geq 50\%$ OR at least $\geq 25\%$ provided that the share of the market maker turnover in the total turnover in double counting is at least $\geq 40\%$ in the relevant instrument
<u>bond market</u>	at least $\geq 80\%$

- as "MiFID Market Maker" shall be considered to have fulfilled its obligations in an instrument if in the course of one calendar month, it meets at least  $\geq 50\%$  of its quotation obligations (Minimum Size and Maximum Spread) during the daily observation period

The daily observation period is the time between 09:00 and 17:30.

If a Market Maker fails to fulfill its obligations within an observation month, Wiener Börse AG has the following measures at its disposal:

- to reverse amounts booked for transactions concluded in the relevant month on the basis of principal fees;

### 5.3 Temporary suspension or reduction of quote obligations

#### 5.3.1 „Fast Market Regulation“

When the ATX changes by +/- 3% versus the closing price of the ATX on the preceding day, the fast market rule is triggered for trading members who have assumed market maker commitments

- in the market segments
  - Prime Market
  - Standard Market Continuous
  - Direct Market Plus Continuous
  - Direct Market Continuous
  - Global Market (Continuous),

which means that the applicable quotation requirements are cancelled by Wiener Börse AG and any failures to meet the requirements on the trading day concerned are not considered.

### 5.3.2 Exceptional Market Conditions (EMC)

In the case of Exceptional Market Conditions (EMC) pursuant to Art. a to e Delegated Regulation (EU) 2017/578 the obligation to provide liquidity is cancelled to trading participants committed as market maker.

The beginning and end of EMC are announced by the exchange operating company through the trading system (Newsboard).

An exceptional circumstance (= Exceptional Market Condition - EMC) is for instance:

- Extreme volatility - Trigger for EMC if > 50 % of shares and ETFs tradeable in Continuous Trading with Market Making are in a volatility interruption at the same time
- War, industrial action, civil unrest, cyber sabotage
- Disorderly trading conditions (Significant delay performance of trading system or Multiple erroneous orders/transactions)
- Trading Participant has problems to maintain prudent risk management practices (eg Technological issues, Problems risk management or Short selling restrictions)
- For non-equity instruments, if FMA temporarily suspends the pre-trade transparency requirements (MiFIR Art. 9(4))

### 5.3.3 Stressed Market Conditions (SMC)

In the case of Stressed Market Conditions (SMC) in one or more continuously traded liquid shares (MiFIR Article 2 (1) (17)) or liquid investment funds (ETFs), the exchange operating company will set temporarily according to Art. 6 Delegated Regulation (EU) 2017/578 for the purpose of improving liquidity, a different quote obligation regarding Size and Spread:

	Normal Market Phase		Stressed Market Phase	
	Market Maker	MiFID Market Maker	Market Maker	MiFID Market Maker
Spread <sup>1</sup> (Y)	Y	Y	(Y x 2)	(Y x 2)
Size <sup>2</sup> (A)	A	A	(A ÷ 2)	(A ÷ 2)
Incentive	MM Fees	Regular Fees	MM Fees	MM Fees

1 Y = committed Max. Spread | 2 A = committed Min. Size

The maximum spread applicable to meet the relevant quotation obligation will be doubled and the applicable Minimum Quotation Quantity will be halved.

The beginning and end of SMC are announced by the exchange operating company through the trading system (Newsboard).

The Exchange Operating Company has set out the parameters to identify stressed market conditions (SMC) in terms of significant short-term changes of price and volume:

- Condition 1 (short-term changes in price) is met if the price of the potential trade is outside the double bandwidth for an "Extended Volatility Interruption".
- Condition 2 (short-term changes in volume) is met if the volume of the potential trade is at least 5 times higher than the average amount of a trade of the last year in the respective instrument.

SMC occurs as soon as both market conditions - short-term price and volume changes - are met within an "extended volatility interruption": market condition 1 when the "extended volatility interruption" is triggered and market condition 2 at the time the "extended volatility interruption" ends.



*Figure: Market conditions for SMC*

If both market conditions occur, an SMC phase is triggered in the respective instrument and takes one hour. If both market conditions are met repeatedly within this hour, SMC starts again.

## 6 Revocation of a commitment as Market Maker

### 6.1 Resigning from the Market Maker-Commitment

The termination of a commitment on the part of a Market Maker is only possible at the end of the month upon one month's notice; the obligation as market maker must be met in any case until the expiration of the termination period.

In the event of special and unpredictable circumstances - such as the occurrence of events affecting the shares (extraordinary adjustment of the liquidity bands, capital measures, etc.) - the exchange operating company can determine a different procedure.

### 6.2 Termination by Wiener Börse

An agreement with a market maker 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 market maker must be met in any case until the expiration of the termination period.

Further the agreement with a market maker 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 market maker commitment shall be deemed given if, among other things, the exchange member persistently fails to meet its market maker commitments for a security. A persistent breach of the market maker commitment shall be deemed given in any case if the exchange member fails to meet its commitments for at least six months within the preceding eight months in the securities for which it has assumed market maker commitments.

If the exchange operating company has terminated an agreement with an exchange member for a market maker commitment for any material reason whatsoever, said exchange member shall only be permitted to assume a market maker 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.

### 6.3 Retroactively invoicing the transaction fees

In the event a Market Maker commitment is revoked, and such Market Maker fails to meet its market making commitments until the end of the period of notice, the exchange operating company shall retroactively invoice and collect principal fees for such trades concluded through the market making account in the respective securities during the last three months preceding the notice of revocation of the market making commitment.

In special cases, the exchange operating company may refrain from retroactively invoicing the transaction fees.

The following shall be deemed special cases:

- Merger of the companies of the trading participants
- Insolvency of the listed company or of a company whose stock serves as an underlying
- Takeover with the expected delisting of a company

## 7 Disclaimer

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