

Classification as an Eligible Counterparty in delivery transactions

1. Client classification

Under the German Securities Trading Act (WpHG), Baader Bank AG (hereinafter referred to as "**Bank**") classifies you as an Eligible Counterparty. In line with this classification, the Bank will execute transactions with you on the basis of the relevant regulations of the German Securities Trading Act (Wertpapierhandelsgesetz; WpHG). You are entitled to demand another classification (e.g. as Professional Client or as Retail Client) at any time, either on a general basis or for individual transactions to receive a higher level of protection in line with the regulations of the German Securities Trading Act (Wertpapierhandelsgesetz; WpHG). In this case, please notify us in writing at the following e-mail address: compliance@baaderbank.de.

1.1 Limited client orders

In those cases in which limited client orders in shares, admitted for trading on an organized market or traded on a trading venue, cannot be executed immediately due to market conditions, the bank is not obliged to publish these orders with the associated limit. Unless otherwise instructed by the client, the bank will always forward client orders immediately after receipt and verification to a MiFID II trading venue, which complies with the requirements of Article 70 (1) of Delegated Regulation (EU) 2017/565. In this respect, the disclosure requirement is fulfilled.

1.2 Consent to execute the order outside a regulated market or multilateral trading system (MTF)

You agree to the Bank executing orders over the counter outside a regulated market or a multilateral trading system.
 If you do not agree, please inform us by emailing compliance@baaderbank.de.

2. Summary of the main differences between the treatment as Eligible Counterparty and Professional or Retail Client

2.1 Disclosure

The Bank is currently under no obligation to report certain items in the same detail to you as the Bank does to the Bank's private banking clients, for example regarding cost breakdowns, commissions and fees in detail, or exchange rates for conversion in foreign currency transactions.

2.2 Exclusion of the appropriateness test

In the case of professional clients and eligible counterparties, the Bank does not carry out an appropriateness test pursuant to § 63 (10) WpHG and in accordance with Art. 56 of the Delegated Regulation (EU) 2017/565 may assume in its application that these groups of clients are able to understand, assess and evaluate the risks of the selected forms of investment. In this context, we would like to point out that we do not collect any information in accordance with § 63 (10), § 64 (3) WpHG and, except in cases required by law, do not provide any warning notice in accordance with § 63 (10) WpHG.

2.3 Suitability test

If it becomes necessary to examine the suitability of a personal investment recommendation to you (provided that the Bank offers this service), the Bank assumes that you have both the necessary knowledge and experience, the investment is in line with your investment objectives, and that you can carry the related financial risks. For this reason, your transactions with us, in contrast to those of private banking investors, are not subject to any suitability test.

2.4 Immediate order execution

The Bank is not obliged to inform you immediately about material difficulties with regard to the immediate execution of your order.

2.5 Client funds

The Deposit Protection Fund of The Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e. V.) applies exclusively to non-banking institutions.

2.6 Periodic information

The Bank is obliged to make detailed information available to Retail Clients, especially within the scope of the provision of financial services. The financial services provider's reports are sent to Retail Clients every 3 months and to Professional Clients only every 6 months.

2.7 Best Execution

The requirements in terms of Section 82 of the German Securities Trading Act (Wertpapierhandelsgesetz; WpHG) for best execution of client orders are not employed for transactions with Eligible Counterparties.

3. Classification as an Eligible Counterparty

3.1 Client classification as Eligible Counterparty

We have classified you as an Eligible Counterparty.

You are aware that you have less protection than Professional Clients or retail clients under the provisions of the German Securities Trading Act (WpHG).

3.2 Limited client orders

In those cases in which limited client orders in shares, admitted for trading on an organized market or traded on a trading venue, cannot be executed immediately due to market conditions, the bank is not obliged to publish these orders with the associated limit. Unless otherwise instructed by the client, the bank will always forward client orders immediately after receipt and verification to a MiFID II trading venue, which complies with the requirements of Article 70 (1) of Delegated Regulation (EU) 2017/565. In this respect, the disclosure requirement is fulfilled.

3.3 Order execution outside a regulated market or multilateral trading facilities (MTF)

The Bank may also execute orders over the counter outside a regulated market or multilateral trading system.