



Corporates & Markets

## Quality report on Baader Bank AG Top 5 Reporting

For the reporting period from 01/01/2019 to 31/12/2019

Quality report on monitoring the quality achieved at the execution venues and investment firms as defined in MiFID II – RTS 28

As at: 30/04/2020

Pursuant to Directive 2014/65/EU on markets in financial instruments (MiFID II), investment firms are obligated to publish, for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on brokers and trading venues where they executed all client orders in the previous year (Delegated Regulation (EU) 2017/576 of the Commission / RTS 28).

Below is a summary of the analyses and conclusions drawn from the detailed monitoring of the execution quality for all executed client orders. For the analysis of the top five execution venues, please refer to the Baader Bank AG Top 5 Reporting. The report can be found on our website under customer service/Legal-Documents. For financial instruments in which no securities transactions took place in the reporting period, we will publish a report with no data.

For financial instruments in which no securities transactions were made in the reporting period, we publish a report with null values.

Baader Bank AG analyses and monitors the execution quality of all execution venues where client orders are carried out, and all investment firms to which client orders are forwarded.

Baader Bank AG has prepared a standardised quality report for all financial instrument classes because the criteria for achieving the best result and the weighting of criteria will persist for all financial instrument classes and the content will not significantly differ depending on financial instrument class for the summary of the achieved execution quality at the execution venues.

# 1. Equities – Shares & Depositary Receipts

## a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

- Quality of the technical connection
- Investor protection
- Number of trading participants
- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
- Price of the financial instrument
- Costs
- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

## b. Connections and conflicts of interest

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist

or as Designated Sponsor in the XETRA T7 trading system. In addition, Baader Bank AG acts as a guarantor/lender in the issuing business and contributes to the issues of the respective issuers.

In order to respect client interests and avoid conflicts of interest from these activities, the Bank has drawn up rules of conduct which are mandatory for all Group employees. The rules of conduct can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 97.100.

#### **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

#### **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

#### **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients. The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

#### **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

#### **g. Data and tools for evaluating execution venues' execution quality**

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

#### **h. Use of consolidated tape**

Baader Bank AG does not use any provider's consolidated tape.

## 2. Debt instruments

### a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

- Quality of the technical connection
- Investor protection
- Number of trading participants
- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
  - Price of the financial instrument
  - Costs
  - Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

### b. Connections and conflicts of interest

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist

or as Designated Sponsor in the XETRA T7 trading system. In addition, Baader Bank AG acts as a guarantor/lender in the issuing business and contributes to the issues of the respective issuers.

In order to respect client interests and avoid conflicts of interest from these activities, the Bank has drawn up rules of conduct which are mandatory for all Group employees. The rules of conduct can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 97.100.

#### **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

#### **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

#### **e. Treatment of different client categories**

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#### **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

#### **g. Data and tools for evaluating execution venues' execution quality**

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

#### **h. Use of consolidated tape**

Baader Bank AG does not use any provider's consolidated tape.

## 3. Interest rates derivatives

### a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

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- Number of trading participants
- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
  - Price of the financial instrument
  - Costs
  - Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

### b. Connections and conflicts of interest

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist

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In order to respect client interests and avoid conflicts of interest from these activities, the Bank has drawn up rules of conduct which are mandatory for all Group employees. The rules of conduct can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 97.100.

#### **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

#### **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

#### **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients. The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

#### **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

#### **g. Data and tools for evaluating execution venues' execution quality**

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

#### **h. Use of consolidated tape**

Baader Bank AG does not use any provider's consolidated tape.

## 4. Credit derivatives

Generally, no transactions were made in this asset class.

## 5. Currency derivatives

### a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

- Quality of the technical connection
- Investor protection
- Number of trading participants
- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
- Price of the financial instrument
- Costs
- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

## **b. Connections and conflicts of interest**

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## **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

## **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

## **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients. The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

## **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

### g. Data and tools for evaluating execution venues' execution quality

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

### h. Use of consolidated tape

Baader Bank AG does not use any provider's consolidated tape.

## 6. Structured finance instruments

### a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

- Quality of the technical connection
- Investor protection
- Number of trading participants
- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
- Price of the financial instrument
- Costs
- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

## **b. Connections and conflicts of interest**

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist or as Designated Sponsor in the XETRA T7 trading system. In addition, Baader Bank AG acts as a guarantor/lender in the issuing business and contributes to the issues of the respective issuers.

In order to respect client interests and avoid conflicts of interest from these activities, the Bank has drawn up rules of conduct which are mandatory for all Group employees. The rules of conduct can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 97.100.

## **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

## **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

## **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients. The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

## **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

### g. Data and tools for evaluating execution venues' execution quality

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

### h. Use of consolidated tape

Baader Bank AG does not use any provider's consolidated tape.

## 7. Equity derivatives

### a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

- Quality of the technical connection
- Investor protection
- Number of trading participants
- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
- Price of the financial instrument
- Costs
- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

## **b. Connections and conflicts of interest**

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist or as Designated Sponsor in the XETRA T7 trading system. In addition, Baader Bank AG acts as a guarantor/lender in the issuing business and contributes to the issues of the respective issuers.

In order to respect client interests and avoid conflicts of interest from these activities, the Bank has drawn up rules of conduct which are mandatory for all Group employees. The rules of conduct can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 97.100.

## **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

## **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

## **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients. The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

## **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

### g. Data and tools for evaluating execution venues' execution quality

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

### h. Use of consolidated tape

Baader Bank AG does not use any provider's consolidated tape.

## 8. Securitized derivatives

### a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

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- Quality of the technical connection
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- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
- Price of the financial instrument
- Costs
- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

## **b. Connections and conflicts of interest**

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist or as Designated Sponsor in the XETRA T7 trading system. In addition, Baader Bank AG acts as a guarantor/lender in the issuing business and contributes to the issues of the respective issuers.

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## **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

## **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

## **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients. The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

## **f. Additional criteria for the execution of retail client orders**

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### g. Data and tools for evaluating execution venues' execution quality

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

### h. Use of consolidated tape

Baader Bank AG does not use any provider's consolidated tape.

## 9. Commodities derivatives and emission allowances Derivatives

### a. Execution criteria

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

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- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
- Price of the financial instrument
- Costs
- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
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Weighting of criteria for delivery clients:

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#### **b. Connections and conflicts of interest**

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#### **c. Agreements on made or received payments**

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#### **d. Changes of best execution venues**

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#### **e. Treatment of different client categories**

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#### **f. Additional criteria for the execution of retail client orders**

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external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

#### g. Data and tools for evaluating execution venues' execution quality

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

#### h. Use of consolidated tape

Baader Bank AG does not use any provider's consolidated tape.

## 10. Contracts for difference

Generally, no transactions were made in this asset class.

## 11. Exchange traded products (funds, notes and commodities)

#### a. Execution criteria

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- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
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- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
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Weighting of criteria for delivery clients:

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### **b. Connections and conflicts of interest**

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist or as Designated Sponsor in the XETRA T7 trading system. In addition, Baader Bank AG acts as a guarantor/lender in the issuing business and contributes to the issues of the respective issuers.

In order to respect client interests and avoid conflicts of interest from these activities, the Bank has drawn up rules of conduct which are mandatory for all Group employees. The rules of conduct can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 97.100.

### **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

### **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

### **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients.

The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

#### **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

#### **g. Data and tools for evaluating execution venues' execution quality**

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

#### **h. Use of consolidated tape**

Baader Bank AG does not use any provider's consolidated tape.

## 12. Emission allowances

Generally, no transactions were made in this asset class.

## 13. Other instruments

#### **a. Execution criteria**

The execution criteria apply to client orders made by both retail and professional clients. The Baader Bank AG (Bank) Best Execution Policy only applies if no instructions or trading venues are specified at the time of order placement.

The Bank assesses the trading venues using the following criteria:

- Quality of the technical connection
- Investor protection
- Number of trading participants

- Clearing systems
- Back-up systems
- When determining the best execution venue for a client order, the Bank takes into account the following criteria:
- Price of the financial instrument
- Costs
- Likelihood of execution and settlement

Weighting of criteria for deposit clients:

- Price 50%
- Costs 25%
- Likelihood of execution 25%

Weighting of criteria for delivery clients:

- Price 75%
- Costs 0%
- Likelihood of execution 25%

This weighting of criteria and evaluation of the qualitative factors of execution venues is carried out in a standardised manner, independently of the financial instrument class. The execution principles can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 98.100.

### **b. Connections and conflicts of interest**

Baader Bank AG selects the execution venues and investment firms in line with the process described in order to protect client interests. To avoid damaging client interests, execution venues and investment firms are compared and evaluated based on standardised, non-discriminatory features. Besides the aforementioned features of the weighted criteria for clients, client orders and execution venues, further qualitative factors, such as access to trading venues and technical connectivity, are also used to select execution venues and investment firms. Baader Bank AG takes an active part in the German stock exchanges and regional exchanges, and in the Xetra2 trading system in Frankfurt as Lead Broker/Specialist or as Designated Sponsor in the XETRA T7 trading system. In addition, Baader Bank AG acts as a guarantor/lender in the issuing business and contributes to the issues of the respective issuers.

In order to respect client interests and avoid conflicts of interest from these activities, the Bank has drawn up rules of conduct which are mandatory for all Group employees. The rules of conduct can be viewed in detail on the Baader Bank AG website under customer service/legal documents, document 97.100.

### **c. Agreements on made or received payments**

There are no special agreements concluded with trading venues on made or received payments, discounts, rebates or other non-monetary services.

#### **d. Changes of best execution venues**

The execution venues used by Baader Bank AG in the reporting period are the same as in the previous year. There was no change of execution venues during the reporting period.

#### **e. Treatment of different client categories**

Baader Bank AG has developed identical execution principles for retail clients and professional clients. The execution principles do not apply to transactions with suitable counterparties pursuant to Section 82 WpHG [German Securities Trading Act] and Section 68 WpHG. The price, costs and likelihood of execution criteria have different weightings for deposit clients and delivery clients.

#### **f. Additional criteria for the execution of retail client orders**

Baader Bank AG does not use any separate or additional criteria for retail client executions as its range of services is not offered to them. Only professional clients or suitable counterparties may directly issue financial instrument orders to Baader Bank without an existing investment/acquisition intermediary or external asset manager. Otherwise, the Bank's Cooperation partners always act within their power of attorney on the end clients' behalf. The execution is carried out based on the Bank's general execution principles.

#### **g. Data and tools for evaluating execution venues' execution quality**

The best execution criteria for the determination and review of the execution quality of execution venues are evaluated based on various internal and external data sources (market and master data) using various IT systems and tools. The analysis is performed according to the information/price determinations published by the execution venues.

#### **h. Use of consolidated tape**

Baader Bank AG does not use any provider's consolidated tape.