

Business Principles for Systematic Internalization by Trade Republic Bank GmbH

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1. Introduction

In the following business principles, Trade Republic Bank GmbH (hereinafter: "**Trade Republic**") provides the necessary information in connection with the execution of orders as a systematic internalizer.

1.1 Purpose of the document

This service description contains the measures introduced by Trade Republic in order to comply with the prescribed data provision (e.g. price quotations) within the meaning of Regulation (EU) No. 600/2014 ("**MiFIR**"). Furthermore, special features are presented that are relevant for clients and must be taken into account when trading with Trade Republic in financial instruments for which Trade Republic is a systematic internalizer.

This service description is subject to regular revision.

1.2 Definition of a Systemic Internalizer

A systematic internalizer is an investment firm that deals on own account on a frequent, organized and systematic basis on a substantial scale when executing client orders outside a regulated market, a multilateral trading facility or an organized trading facility. While trading venues are entities in which buying and selling interests of several third parties interact with each other in a system, a systematic internalizer may not bring together the buying and selling interests of third parties in the same functional way as a trading venue.

The regular and systematic basis shall be measured by the number of OTC transactions in the financial instrument carried out on own account when executing client orders of the investment firm. The substantial basis shall be measured either by the size of the OTC transactions carried out by the investment firm in relation to the total number of transactions carried out by the investment firm in a given financial instrument or by the size of the OTC transactions carried out by the investment firm in relation to the total number of transactions within the European Union in a given financial instrument. The definition of a systematic internalizer only applies where both the specified limits for a regular and systematic basis and the limits for a substantial basis are exceeded.

In addition, an investment firm may voluntarily opt to be a systematic internalizer for financial instruments or subsets thereof by applying for authorization from the competent national supervisory authority.

As a systematic internalizer, an investment firm - either by reaching the specified thresholds or by registering on a voluntary basis - is obliged to make price quotations available under certain conditions.

2. Status as a Systematic Internalizer

Trade Republic is a systematic internalizer for equities and exchange-traded funds. All products offered by Trade Republic can be found on the website <https://app.traderepublic.com/browse/stock>. The range of products is constantly being updated. The market identification code (MIC) is "TRBX".

3. Pre-Trade Transparency

MiFIR requires systematic internalizers to publish firm quotes for shares, depositary receipts, exchange-traded funds, certificates or other similar financial instruments ("**equity instruments**") that are traded on a regulated venue and for which there is a liquid market. These quotes are published regularly and continuously during normal trading hours via the Trade Republic homepage (<https://app.traderepublic.com/browse/stock>).

If there is no liquid market for equity instruments, systematic internalizers offer their clients quotes on request. Trade Republic meets these requirements for all equity instruments for which it is a systematic internalizer (as described in section 3.2).

Details of the quotes are described in section 6 of this document.

3.1 Waiver of Pre-Trade Transparency

National competent authorities may waive the obligation for market operators and investment firms to make public the information described in the previous section for the following types of orders:

1. In the case of orders that are large in comparison to the normal market volume and in the case of orders that are executed by means of an order management system of the trading venue, as long as the publication has not yet taken place.
2. In the case of binding indications of interest in price request systems and voice-based trading systems that exceed the typical size of a financial instrument that would expose a liquidity provider to undue risk, taking into account whether the relevant market participants are retail or wholesale investors.

Trade Republic reserves the right to exercise all applicable options to waive pre-trade transparency and not to publish pre-trade information if any of the above conditions are met.

Further information on the thresholds for "large in scale" (LIS) and the "size specific to the financial instruments" (SSTI) can be found on the ESMA website <https://www.esma.europa.eu>.

3.2 Publication

In accordance with the requirements of MiFIR, Trade Republic publishes binding quotes via the company's own

website (<https://app.traderepublic.com/browse/stock>).

4. Post-Trade Transparency

MiFIR requires market participants and investment firms operating a trading venue to publish the price, quantity and time of transactions for financial instruments that can be traded on a trading venue.

If a transaction is executed between two investment firms outside the rules of the trading venue - either for their own account or on behalf of clients - only the investment firm selling the financial instrument in question must publish the transaction via an approved publication arrangement ("**APA**"). If only one of the investment firms involved in the transaction is a systematic internalizer, it must publish the transaction via an APA and thus inform the counterparty of the trade executed.

5. Publication Channels

Trade Republic will publish its post-trade transparency reports via the APA of Wiener Börse AG. Further information can be found at: <https://www.wienerborse.at/technik/ttr-ii-approved-publication-arrangement-apa-service/>.

6. Quotes

As described in Section 3, Trade Republic will publish firm quotes when required. These are described in sections 6.1 to 6.6. This reflects Trade Republic's willingness to trade a particular financial instrument at a particular time.

However, all conditions must be met for a particular quote to be executed by Trade Republic. Therefore, the publication of a quote mainly serves to improve market transparency and the price discovery process and does not automatically mean that every client can trade with Trade Republic at the published prices.

6.1 Validity of Quotes

All quotes are valid at the time of publication and for a reasonable period of time for customers to accept the price.

Trade Republic reserves the right to update its quotes for liquid equity instruments at any time and to republish the updated quotes via the publication channel described in section 3.2.

In addition, Trade Republic reserves the right to withdraw all quotes in exceptional market conditions in order not to expose itself to undue market risk.

6.2 Business Volume

All quotes are only valid for the transaction volume indicated in the quote.

The transaction volume published by Trade Republic is only valid together with the price published for this quote.

Trade Republic may agree to a transaction that is larger than specified in the quote if the size specific to the instrument (SSTI) is exceeded, beyond which no pre-trade transparency is required.

6.3 Number of Transactions

All quotes are only valid up to the amount of the transaction volume and are therefore given a unique time stamp. The timestamp of the customer's price request is used to assess the priority of execution for customers.

Multiple trades at a published quote are only permitted at the discretion of Trade Republic and are generally subject to the trade volume indicated by the quote.

6.4 Course Improvements

In accordance with Article 15 (2) MiFIR, Trade Republic may execute orders at better prices in justified cases, provided that these prices are within a published range close to the market.

6.5 Technical difficulties and feedback

Trade Republic is committed to maintaining robust and resilient quotation and reporting systems to ensure timely publication of quotes and trade data in accordance with all relevant regulations.

In the event of unforeseen technical errors that prevent Trade Republic from publishing quotes and trade data on time, all unpublished quotes and trade data will be published retrospectively as soon as the technical problem has been resolved.