



**Principles for the execution of financial instrument orders**  
**Fair Pricing Policy for private customers for trading in fractional shares and fractional coins**

According to Art. 64 of Delegated Regulation 2017/565 in conjunction with Art. 82 of the German Securities Trading Act (WpHG), financial services companies offering proprietary trading services are required to implement guidelines on the execution of financial instrument orders and to take all sufficient measures to achieve the best possible results for their clients. With the principles set out below, CM-Equity AG ("CME") provides information about the measures taken to ensure the best possible execution of customers' orders.

Since fractional shares and fractional coins are derivatives which are traded over the counter (OTC) and can only be traded via CME, our fair pricing principles instead of our best execution principles apply when trading in fractional shares and fractional coins. These guidelines neither establish a duty of confidentiality nor any other obligations other than the specific regulatory obligations applicable to us or the obligations agreed between us.

The fair pricing principles apply whenever CME offers fractional shares and fractional coins for sale or purchase on behalf of its clients within the scope of proprietary trading.

Proprietary trading within the meaning of this Fair Pricing Policy is the continuous offering of financial instruments for purchase and sale at prices set by the Bank itself for its own account and using its own capital (Art. 1 para.1a sentence 2 no. 4 letter a of the German Banking Act (KWG)).

All transactions (purchases and sales) must be conducted directly with CME via the Vivid app. No orders can be placed via e-mail or other means of communication. CME is the counterparty to all customer transactions. CME executes trades with the customer as principal on the basis of the current share price. Customers must therefore execute all transactions via CME and cannot execute any transactions via a third party.

The fractional shares and fractional coins offered constitute a bilateral transaction between CME and the customer. When placing an order via the Vivid app, customers give their express consent to the execution of the order outside an organised market.

For all transactions executed, CME carries out a hedging transaction by buying or selling the underlying exchange traded or OTC-traded instruments or derivatives of the underlying assets.

With CME being the counterparty to all bilateral trades between CME and the customer, no aggregation, allocation or reallocation of the customer and/or orders takes place.

All business activities are automated to ensure the prompt and fair processing of customer' orders as compared to other orders or CME's own trading interests. All orders are logged promptly and accurately, and allocated in strict sequential order unless prevented by the characteristics of the order or the prevailing market conditions.

All executed orders as well as the 'profit and loss' associated with completed orders are immediately visible in the customer's account. As these processes are fully automated, all necessary measures are taken to ensure the quality of execution.

The customer acknowledges that the price offered by CME may differ from a price available elsewhere now or in the past.

**Pricing:**

The price indicated for a particular transaction is determined automatically on the basis of the price of the underlying financial instrument. The two prices indicated are:

- The bid price at which the customer can sell the respective financial instrument
- The ask price at which the customer can buy the respective financial instrument

CME obtains its prices from an independent third-party reference source. This third-party provider obtains the price data directly from the relevant stock exchanges for exchange-traded underlying assets or from third parties which follow a fair pricing policy that is compliant with the European Standards. On the basis of this price data, CME sets the respective bid and ask prices itself in an automated and systematic manner.

The prices offered are updated at regular intervals to ensure quasi-real-time pricing and are subject to the limitations imposed by technology and Internet connections.

CME charges a currency conversion fee on all transactions in fractional shares that are denominated in US Dollars. For each corresponding trade, CME charges a currency conversion fee of 0.5% of the trading volume.

**Fair pricing guarantee:**

In order to validate that the prices offered to customers are appropriate, CME collects market data from third-party providers at regular intervals. These data are used to calculate the price of the respective OTC derivative and, if possible, compared with similar or comparable products prior to setting the price. This is to ensure that the data obtained remain competitive.

In addition to quality checks carried out in advance, regular quality checks are also performed retrospectively to ensure that the Fair Pricing Policy can be implemented consistently and that the regulatory requirements and obligations are met. These checks include the verification of system settings/parameters, the subsequent comparison of prices with comparable products, the assurance of systematic price determination by CME and the verification of the speed of price updates.

By 30 April at the latest, CME publishes an annual report containing information on the quality of execution and the quality of fair pricing on its website: [www.cm-equity.de](http://www.cm-equity.de).

**Important information:**

Margin trading on the part of the customer is not available.

In the events of low or absent liquidity or a trading freeze or the suspension of trading in shares or ETFs or crypto assets, that serve as the underlying assets for the underlying fractional shares or fractional coins, we reserve the right not to execute customers' orders.