

Additional Rules for the Listing of Exchange Traded Products

1. Purpose and subject matter

- 1.1. In addition to the Listing Rules, the present rules define the special requirements for the listing, maintaining and termination of the listing of exchanged traded products (ETP) on BX Swiss (hereinafter “BX”).
- 1.2. Within the meaning of these Additional Rules, considered as ETP are secured bearer debt securities (bonds), issued en masse as securities in a standardised form and characterised by the fact that their value depends on the value of one or several underlyings.
- 1.3. Exchange traded funds (ETF) and other collective investment schemes within the meaning of the Collective Investment Schemes Act (CISA) of 23 June 2006 are not regarded as ETP. ETP are not subject to the approval or supervision of the Swiss Financial Market Supervisory Authority (FINMA).
- 1.4. Unless diverging or supplementing provisions are stipulated below, the requirements for the listing of ETP according to the present rules comply with clause 3 and 4 of the Listing Rules, whereby clause 4.1, 4.2, 4.4, 4.6 and 4.7 do not apply to ETP. In all other respects, the provisions of the Listing Rules apply analogously.
- 1.5. The admission office may stipulate additional requirements for the listing of certain ETP or grant exemptions.

2. Listing

- 2.1. A prerequisite for the listing of ETP is to meet the listing requirements stipulated in the present rules, for which the applicant must provide evidence.
- 2.2. For the purpose of processing the trade,
 - a. the admission office may stipulate additional technical requirements, in particular regarding custody and delivery (clearing & settlement);
 - b. BX may stipulate special provisions for trading in ETP.
- 2.3. The listing does not entail a value judgement about the issuer, nor a statement about the economic performance of the issuer, nor a value judgement about the risks associated with the ETP. BX is not liable to third parties, with the exception of gross negligence and wrongful intent, for damages arising from the listing or its termination.
- 2.4. A directive governs the details of the procedure.

3. Requirements for the issuer and market making

- 3.1. The founding of the company, statutes or articles of association of the issuer must comply with the respective national law the issuer is subject to.
- 3.2. The issuer undertakes to ensure a market in the ETP that the issuer has launched and listed. If the issuer is not a participant on BX, the issuer may instruct a participant admitted to BX with market making.
- 3.3. BX may adopt implementing provisions regarding market making.
- 3.4. The issuer appoints a contact person who is responsible for the business transactions and communication between BX and the issuer.

4. Paying agent and administrative activities

- 4.1. The issuer must ensure that all usual administrative activities in Switzerland are handled by a paying agent.
- 4.2. The issuer may delegate the activities stated under clause 4.1 to a third party, provided that the third party is able to meet the necessary professional and technical requirements in Switzerland.
- 4.3. The assigned office must be a bank, securities dealer or another entity that is subject to supervision by FINMA; for foreign offices, this office must be subject to equivalent regulation and supervision.

5. Requirements for ETP

- 5.1. Only ETP may be listed on BX that are securities within the meaning of Article 2 section b) of the Financial Market Infrastructure Act (FMIA) and are secured in accordance with clause 6.
- 5.2. The issuer must ensure that clearing and settlement can be carried out via the clearing and settlement systems that are approved by BX.
- 5.3. The terms and conditions of the ETP must be subject to Swiss law or the foreign law of an OECD member country.

6. Collateralisation

- 6.1. The ETP is secured by:
 - a. depositing the underlying directly or indirectly (e.g. in the form of a futures contract); or
 - b. liquid shares, participation certificates, profit participation certificates, depository receipts, collective investment schemes, bonds and commodities that are listed or admitted to trading on a recognised domestic or foreign stock exchange; or
 - c. cash assets or precious metals.
- 6.2. The collateralisation must at least cover the outstanding amount of ETP.
- 6.3. The assets serving as collateral are held in safe custody by a third party independent of the issuer on behalf of the issuer.

7. Requirements for underlyings

- 7.1. Possibly considered as underlyings are:
 - a) Equity securities or bonds which are admitted to trading or listed on a Swiss or recognised foreign stock exchange.
 - b) Freely convertible currencies.
 - c) Swap and interest rates according to market standard.
 - d) Precious metals according to bank standard, such as gold, silver and platinum.
 - e) Commodities traded on a domestic or recognised foreign stock exchange.
 - f) Standardised option contracts and futures contracts traded on a domestic or recognised foreign stock exchange.
 - g) Cryptocurrencies.
 - h) Tangible fixed assets such as real estate properties, which are regularly valued by an independent valuation expert, with a detailed description of the valuation methods applied in the listing prospectus.

- i) Collective investment schemes which are listed on a Swiss or recognised foreign stock exchange and are authorised to be offered or distributed in or from Switzerland or may be distributed in accordance with applicable law.
 - j) Indices based on the prices of the underlyings specified in these rules, provided that the corresponding index is recalculated and published at regular intervals.
 - k) Baskets consisting of the underlyings specified in these rules.
- 7.2 Stock exchanges that are full members of the Federation of European Securities Exchanges (FESE) or members of the World Federation of Exchanges (WFE) qualify as recognised foreign stock exchanges within the meaning of clause 7.1. Other stock exchanges with equivalent regulation may also be recognised by the admission office.
- 7.3 The admission office may allow additional underlyings.

8. Special requirements for cryptocurrencies as underlyings

- 8.1. Cryptocurrencies shall not convey any claims against an issuer and shall be issued in the form of “payment tokens”, which are actually accepted or intended by the organiser to be accepted as means of payment for the purchase of goods or services, or for the transfer of money and assets.
- 8.2. The price of the cryptocurrency must be publicly accessible via the Internet as well as through common information systems such as Bloomberg or Reuters.
- 8.3. At the time of application for provisional admission to trading, the cryptocurrency must be one of the 50 largest cryptocurrencies, as measured by market capitalisation in USD, which is published on www.coinmarketcap.com or www.openmarketcap.com.
- 8.4. If a cryptocurrency is used for the first time, an explanation of how the aforementioned requirements are met, shall be provided to the admission office prior to submitting the application.
- 8.5. The specific risks and particularities in connection with products on cryptocurrencies, in particular risks of fraud and risks arising from potential hacker attacks as well as the procedure in the event of a split of a cryptocurrency (fork), shall be described in the prospectus.
- 8.6. BX reserves the right to request the inclusion of further information in the listing prospectus if this is deemed appropriate due to the characteristics of the cryptocurrency.

9. Issuance volume and currency

- 9.1. For the issuance, no minimum volume must be adhered to.
- 9.2. Foreign currencies may be admitted if it is possible that the settlement of the market transactions is carried out via a recognised clearing house.

10. Prospectus

- 10.1. The content of the prospectus complies with the specifications of Scheme A of the Listing Rules, which is part of the present rules.
- 10.2. A complete listing prospectus must be generated for each individual issuance.
- 10.3. Alternatively, the issuer has the option to publish a base prospectus once a year, including particularly the information required pursuant to the applicable rules regarding the issuer, the guarantor, and the securities, but not the final terms and conditions of the respective issuance.
- 10.4. It must be stated in the base prospectus and in the final terms and conditions that both of them together form the listing prospectus.

- 10.5. A base prospectus that has already been approved by a regulated domestic or foreign stock exchange or by a competent supervisory authority, may be regarded as equivalent by the admission office.

11. Application

- 11.1. The submission of the application and the attachments that must be enclosed, are governed by the Directive to the Listing Procedure for Derivatives.
- 11.2. If certain listing requirements have not been met, the application must include a reasoned request for the granting of an exemption. The admission office may grant exemptions if it is compatible with the interests of the public, BX, market participants and other issuers, and if the applicant provides evidence that the purpose of the relevant provisions in the specific case is served satisfactorily by other means.
- 11.3. The admission office examines the application on the basis of the submitted documents. It may request further details and additions, in particular to ensure transparent and fair information.
- 11.4. The admission office approves the application if the requirements laid down in the present rules are met, subject to a rejection for important reasons in accordance with clause 11.6.
- 11.5. If the requirements are not met, the admission office rejects the application preliminarily or definitively.
- 11.6. Even if the listing requirements are met, the admission office may reject a listing application with reason if this is advisable in the interest of the public or BX.
- 11.7. If the listing is rejected, the independent appeal body may be called upon.

12. Provisional admission to trading

- 12.1. BX may provide for an electronic interface for the submission of listing applications. The issuer thus has the option to apply for a provisional admission to trading. The provisional admission occurs without prior listing procedure and is only permitted for base prospectuses that already have been admitted.
- 12.2. The issuer must assure that all listing requirements pursuant to the Listing Rules and the present Additional Rules are met, that the base prospectus relevant to the product has been approved by the admission office, and that a listing application will be submitted in due time. The deadlines are defined in the Directive.
- 12.3. If the application is not submitted in due time, the provisional admission lapses.
- 12.4. The admission office conducts only random checks of electronically submitted admissions to trading. A complete verification of the listing requirements will be carried out no later than the date of final admission.

13. Maintaining the listing

- 13.1. The listing prospectus or the base prospectus and the final terms and conditions must be published by the issuer on the issuer's website.
- 13.2. The issuer is obligated to publish an annual report. This includes the audited annual report in compliance with the applicable accounting and financial reporting standards as well as the report from the auditors.
- 13.3. The issuer informs the market about facts which are relevant for pricing and occurred in the issuer's area of activity (ad hoc disclosure), according to the specifications of clause 17 of the Listing Rules.

- 13.4. During the entire term of the ETP, the issuer is obligated to ensure the submission of the required notices and disclosures to BX in compliance with the Directive to the Regular Reporting Obligations for Derivatives as well as all other actions for the care of the ETP.
- 13.5. If guarantee commitments exist, the requirements of clause 13.2 only apply to the guarantor, while those of clause 13.3 only apply to the guarantor if the issuer is a fully consolidated subsidiary of the guarantor.
- 13.6. Reportable facts according to a “disclosure in accordance with terms and conditions” must be published in accordance with the terms and conditions stated in the relevant listing prospectus or base prospectus.

14. Exemptions

- 14.1. The admission office may grant exemptions from individual provisions of these rules, provided this is compatible with the interests of the public, the stock exchange or the market participants, and that the applicant provides evidence that the purpose of the relevant provisions in the specific case is served satisfactorily by other means.

15. Suspension of trading and delisting

- 15.1. The admission office has the right to temporarily suspend the listing of an ETP upon the request of the issuer, if extraordinary circumstances indicate that a suspension is advisable.
- 15.2. The suspension may be lifted once the reasons for it no longer exist.
- 15.3. For the duration of the suspension, the issuer is still obligated to comply with the obligations for maintaining admission.
- 15.4. The listing of an ETP may be cancelled for the following reasons:
 - a. Upon a substantiated request by the issuer or guarantor, whereby the admission office considers the interests of the official exchange trading and investors and, where appropriate, of the issuer.
 - b. If the solvency of the issuer is seriously called into question, or if insolvency or liquidation proceedings have already been initiated, the security will be delisted at the latest when the tradability is no longer ensured.
 - c. If the suspension has been maintained for three months, and the reasons for these measures did not cease to exist.
 - d. In the course of or upon completion of sanction proceedings.
- 15.5. In particular, a delisting application is considered as sufficiently substantiated:
 - a. If the issuer is keeping all ETP in question on the issuer's own books and thus, the delisting does not infringe any rights to investor protection.
 - b. Or if there is “open interest”, all investors concerned have been informed about the intended delisting and agree with it.

16. Sanctions

- 16.1. The sanction commission is authorised to impose sanctions if the issuer violates the issuer's obligations pursuant to these rules. While taking into account the fault and the severity of the violation, the following sanctions may be imposed: reprimand, fines up to CHF 500,000, suspension of trading or cancellation of the listing and publication of one of the mentioned sanctions. These stated sanctions may be imposed cumulatively.

16.2. Sanction decisions of the sanction commission may be appealed at the appeal body within 30 days after the notification of the decision. The appeal has no suspensive effect.

17. Fees

17.1. BX charges fees for the listing of derivatives according to these rules. The details are laid down in the respective list of fees of the specific segment.

18. Final Provisions

18.1. These rules were adopted by the admission office and approved by FINMA on 22 August 2019. They enter into force on September 4th 2019.