

[non-binding translation]

## **Additional Rules for the Listing of Derivatives**

### **1. Purpose and subject matter**

- 1.1. In addition to the Listing Rules (LR), the present Additional Rules define the special requirements for the listing, maintaining and cancellation of listings of derivatives at the BX Swiss (hereinafter "BX").
- 1.2. Within the meaning of these Additional Rules, considered as derivatives are financial instruments, issued en masse as securities in a standardised form, and characterised by the fact that their value depends on the value of another product ("underlying").
- 1.3. Unless diverging or supplementing provisions are stipulated below, the requirements for the listing of derivatives according to the present Additional Rules comply with clause 3 and 4 of the Listing Rules. Clause 4.1, 4.2, 4.4 and 4.7 are not applicable.
- 1.4. The admission office may stipulate additional requirements for the listing of certain derivatives.
- 1.5. Other than that, the provisions of the Listing Rules apply analogously.

### **2. Listing**

- 2.1. To meet the listing requirements stipulated in the present Additional Rules and proof thereof by the applicant, is a prerequisite for the listing of derivatives.
- 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. the BX may stipulate implementing trade provisions, for example regarding market making.
- 2.3. If it is in the interest of the public or the BX, the admission office may also reject a listing application without giving reasons, even if the listing requirements were met.
- 2.4. The listing does not entail a value judgment about the issuer, nor a statement about the economic performance of the issuer, nor a value judgment about the risks associated with the derivative. The BX is not liable to third parties, with the exception of gross negligence and wrongful intent, for loss or damages arising from the listing or its cancellation.
- 2.5. A directive governs the details of the procedure.

### **3. Requirements for the issuer**

- 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 must either:
  - a. have a licence as securities dealer from the Swiss Financial Market Supervisory Authority (FINMA) in accordance with Article 10 of the Federal Act on Stock Exchanges and Securities Trading (SESTA; German: BEHG, Börsengesetz),
  - b. be subject to the Swiss Federal Banking Act (BA; German: BankG, Bankengesetz) as bank, or
  - c. be subject to an equivalent foreign supervision.

- 3.3. Exempted from the requirements according to clause 3.2 are issuers which issue derivatives on their own underlyings or on the underlyings of group-owned companies within the meaning of these rules.
- 3.4. New issuers of derivatives, or alternatively the guarantor, have to provide proof of meeting these requirements.
- 3.5. The issuer appoints a contact person who is responsible for the business transactions and communication between the BX and the issuer.

#### **4. Paying agent and administrative activities**

- 4.1. The issuer must ensure that the asset servicing as well as all other usual administrative activities, including receiving and processing exercise declarations, are provided in Switzerland.
- 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 the FINMA; for foreign offices, this office must be subject to equivalent regulation and supervision.

#### **5. Requirements for securities**

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

#### **6. Requirements for underlyings**

- 6.1. Possibly considered as underlyings are:
  - a. equity securities or bonds which are admitted to trading or listed on a Swiss stock exchange (or admitted to trading or listed on a 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. raw materials traded on a domestic or recognised foreign stock exchange;
  - f. standardised option and futures contracts traded on a domestic or recognised foreign stock exchange;
  - g. electricity, certificates of other energy sources and CO2 certificates;
  - h. collective investment schemes which are listed on a domestic stock exchange or on a recognised foreign stock exchange, or collective investment schemes which are authorised to be offered or distributed in or from Switzerland, or may be distributed in accordance with applicable law;
  - i. indices based on the prices of the underlyings specified in these rules, provided that the corresponding index is recalculated and published at regular intervals;
  - j. baskets consisting of the underlyings specified in these rules.

- 6.2. Stock exchanges which 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 6.1. Other stock exchanges with equivalent regulation may also be recognised by the Admission Board.
- 6.3. The admission office may allow additional underlyings.

## **7. Issuance volume and currency**

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

## **8. Prospectus**

- 8.1. The content of the prospectus complies with the specifications of Scheme A, which is part of the present rules.
- 8.2. A complete listing prospectus must be generated for each individual issuance.
- 8.3. 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 of the respective issuance.
- 8.4. It must be stated in the base prospectus and in the final terms that both of them together form the listing prospectus.
- 8.5. 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

## **9. Shortening of the listing prospectus or exemption from the prospectus requirement**

- 9.1. For the listing of shareholder or employee options referring to equity securities of the same issuer which have already been listed, the listing prospectus may be shortened by leaving out the information already published, as far as it is still up-to-date.
- 9.2. In the following cases, the generation of a listing prospectus may be dispensed with entirely:
  - a. for the listing of put-options being issued in the course of a buy-back programme which has been authorised by the competent authority, provided they are issued by the issuer of the underlying and are allocated to shareholders free of charge;
  - b. for the listing of shareholder options, provided they are issued by the issuer of the underlying and are allocated to shareholders free of charge.

## **10. Application**

- 10.1. The submission of the application and the attachments that must be enclosed, are governed by the Directive to the Listing Procedure for Derivatives.
- 10.2. 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 exceptions if this is compatible with the interests of the public, the BX, market participants and the other issuers and if the applicant provides evidence that the purpose of the relevant provisions is otherwise fulfilled in the specific case.
- 10.3. 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

- 10.4. The admission office approves the application if the requirements laid down in the present rules are met.
- 10.5. If the requirements are not met, the admission office rejects the application preliminarily or definitively. If the listing is rejected, the independent appeal body may be called upon.

## **11. Provisional admission to trading**

- 11.1. The BX may provide for an electronic interface for the submission of listing applications. The issuer thus has the possibility to apply for a provisional admission to trading. The provisional admission occurs without prior listing procedure and is only permitted for base prospectuses which have been already admitted.
- 11.2. 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.
- 11.3. If the application is not submitted in due time, the provisional admission lapses.
- 11.4. The admission office conducts only random checks of electronically submitted admissions to trading. A complete examination of the listing requirements will be carried out at the latest at the time of final admission.

## **12. Maintaining the listing**

- 12.1. The listing prospectus or the base prospectus and the final terms must be published by the issuer on its website.
- 12.2. 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.
- 12.3. The issuer informs the market about facts which are relevant for pricing and occurred in its area of activity (ad hoc disclosure), according to the specifications of clause 17 of the Listing Rules.
- 12.4. The issuer is obligated to ensure the submission of the required notices and disclosures to the BX in compliance with the Directive to the Regular Reporting Obligations for Derivatives (in the event of, for example, corporate actions, barrier breaches, suspensions), as well as all other actions for the care of the instrument during the entire term.
- 12.5. If guarantee commitments exist, the requirements of clause 12.2 only apply to the guarantor, while those of clause 12.3 only apply to the guarantor if the issuer is a fully consolidated subsidiary of the guarantor.

## **13. Exemptions**

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

## **14. Suspension of trading and delisting**

- 14.1. The admission office has the right to temporarily suspend the listing of derivatives upon the request of the issuer, or if extraordinary circumstances indicate that a suspension is advisable.
- 14.2. Once the reasons for it cease to apply, the suspension may be lifted.

- 14.3. For the duration of the suspension, the issuer is still obligated to comply with the obligations for maintaining admission.
- 14.4. The listing of a derivative may be cancelled for the following reasons:
- 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;
  - if the solvency of the issuer is seriously called into question, or if insolvency or liquidation proceedings have already been initiated, the derivative will be delisted at the latest when the tradability is no longer ensured;
  - if the suspension has been maintained for three months and the reasons for these measures did not cease to exist;
  - in the course of or upon completion of sanction proceedings.
- 14.5. In particular, a delisting application is considered as sufficiently substantiated if:
- the issuer is keeping all the derivatives in question on its own books and thus, the delisting does not infringe any rights to investor protection; or
  - if there is "open interest", all investors concerned have been informed about the intended delisting and agree with it.
- 14.6. Decisions of the admission office regarding a suspension or delisting may be appealed at the appeal body within 30 days after the notification of the decision.

## **15. Sanctions**

- 15.1. If the issuer fails to comply with its obligations under these rules, the sanction commission of BX may order sanctions appropriate to the circumstances. While taking into account the culpability 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 sanctions may be imposed cumulatively.
- 15.2. 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.

## **16. Appeal against decisions of the admission office**

- 16.1. Anyone disagreeing with a decision of the admission office regarding the listing, suspension and cancellation of the listing may appeal at the appeal body of BX within 30 days after the notification of the decision.

## **17. Fees**

- 17.1. The BX charges fees for the listing of securities. Details are governed by 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 the FINMA on 13 June 2019. They enter into force on 17 June 2019 and supersede the Additional Rules for Derivates of 3 December 2018.

18.2. By amendments of the Rules of Appeal as of 12 August 2019, clause 14.1., 15.1. and 15.2. of the rules were amended, and new clauses 14.6. and 16. were added. The amendments were approved by FINMA on 13 December 2019 and enter into force on 1 January 2020.