

[non-binding translation]

## **Rules of the sanction commission of the BX Swiss AG**

### **1. Purpose**

- 1.1. The BX Swiss AG (hereinafter "BX") maintains a sanction commission (SACO).
- 1.2. These rules govern the responsibilities and competences of the SACO.

### **2. Composition and election**

- 2.1. Pursuant to Article 24 paragraph 2 of the Financial Market Infrastructure Ordinance (FMIO), the SACO is independent from the business management in terms of personnel and organisation.
- 2.2. The SACO consists of a minimum of three members. The board of directors elects the members for a period of four years. At least one member of the regulatory body shall be elected and one member that is independent of the BX, which takes the chair of the SACO. Re-election is possible. The members of the SACO can be dismissed prematurely for important reasons.

### **3. Responsibilities**

- 3.1. In the event of suspected violations of rules subject to sanctions, the sanction commission (SACO) initiates proceedings, conducts the necessary investigations and, if necessary, imposes the stipulated sanctions.
- 3.2. The business management performs the administrative tasks of the sanction commission.

### **4. Conflicts of interest**

- 4.1. Members of the SACO are obligated to disclose possible conflicts of interest in a sanctioning procedure and, if necessary, recuse themselves.
- 4.2. For decisions on potential violations by participants, the majority of deciding members must be independent of participants. For decisions on potential violations by issuers, the majority of deciding members must be independent of the issuer.

### **5. Sanction proceedings**

- 5.1. In a preliminary clarification, the SACO evaluates whether there is sufficient evidence to carry out an investigation. If there is sufficient evidence of violations of rules subject to sanctions, an investigation is opened.

- 5.2. The opening of an investigation is communicated to the persons concerned (participant, trader or issuer) in writing.
- 5.3. The SACO clarifies the facts and gives the parties concerned the opportunity to comment in writing. It then adopts a reasoned sanction decision or stops the proceedings.
- 5.4. To clarify the facts, the SACO may consult the business management or external third parties.
- 5.5. The FINMA is informed about the opening and conclusion of investigations.

## **6. Resolution**

- 6.1. The decisions of the SACO are adopted by a simple majority of the members present. In the event of a tied vote (even if a member recused themselves), the chairperson has the casting vote. The chairperson must designate a deputy beforehand should the chairperson also recuse themselves.
- 6.2. Decisions may also be taken by means of circulars, i.e. in writing, by telegram, fax or email (provided that the sender can be identified as the relevant member), unless a member requests oral deliberation. The decisions can be recorded and laid down in a single document or in several individual documents, all of which have the same content and are signed by one or more members.
- 6.3. Circular resolutions are passed by an absolute majority of the votes.

## **7. Means of legal redress**

- 7.1. Decisions of the sanction commission may be appealed at the appeal body within 30 days after the notification of the decision.

## **8. Final provisions**

- 8.1. These rules were adopted by the board of directors, approved by the FINMA on 14 November 2017, and enter into force on 27 November 2017.
- 8.2. By amendments of the Rules of Appeal as of 12 August 2019, a new clause 7. was added to the rules, and clause 3.1 and 5.1. were amended. The addition and amendments were approved by FINMA on 13 December 2019 and enter into force on 1 January 2020.