

[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 except for 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 firm from the Swiss Financial Market Supervisory Authority (FINMA) in accordance with Article 41 of the Federal Act on Financial Institutions (FinIA),
  - b. be subject to the Swiss Federal Banking Act (BA; German: BankG, Bankengesetz) as a bank, or
  - c. be subject to an equivalent foreign supervision.
- 3.3. The Financial Statements shall be prepared in accordance with an accounting standard recognized by BX in accordance with the published list pursuant to Article 51 para. 2 of the Ordinance on Financial Services (FINSO).

- 3.4. 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.
- 3.5. New issuers of derivatives, or alternatively the guarantor, have to provide proof of meeting these requirements.
- 3.6. 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 firm 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 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 trading venue;
  - 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 stock exchange or a recognised foreign trading venue;
  - f. standardised option and futures contracts traded on a domestic stock exchange or a recognised foreign trading venue;
  - g. crypto currencies;
  - h. electricity, certificates of other energy sources and CO2 certificates;
  - i. collective investment schemes which are listed on a domestic stock exchange or on a recognised foreign trading venue, or collective investment schemes which are authorised to be offered or distributed in or from Switzerland, or may be distributed in accordance with the applicable law;
  - j. indices based on prices of the underlyings specified in these rules, provided that the corresponding index is recalculated and published at regular intervals;
  - k. baskets consisting of underlyings specified in these rules.

- 6.2. Recognised foreign trading venues within the meaning of Clause 6.1 are those trading venues which BX has recognised pursuant to Art. 48 FINSO. BX maintains a list of the foreign trading venues it recognises on its website.
- 6.3. The admission office may allow additional underlyings.

## **7. Special requirements for crypto-currencies as underlying assets**

- 7.1. Crypto-currencies may not represent any claims against an issuer and must be issued in the form of "payment tokens", which are actually or intentionally accepted by the organizer as a means of payment for the purchase of goods or services or for the transfer of money and value.
- 7.2. The exchange rate of the crypto-currency must be publicly accessible via the Internet and common information systems, such as Bloomberg or Reuters.
- 7.3. At the time of application for provisional admission to trading, the crypto-currency must be one of the 50 largest crypto-currencies measured by market capitalization in USD, published at [www.coinmarketcap.com](http://www.coinmarketcap.com) or [www.openmarketcap.com](http://www.openmarketcap.com).
- 7.4. If a crypto-currency is used for the first time, it must be explained to the Admission Board before the application is submitted how the aforementioned requirements are met.
- 7.5. The specific risks as well as particularities in connection with products on crypto-currencies, in particular risks of fraud and risks resulting from possible hacker attacks as well as the procedure in case of a splitting of a crypto-currency ("fork") shall be described in the prospectus.
- 7.6. 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 crypto-currency.

## **8. Issuance volume and currency**

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

## **9. Application**

- 9.1. The submission of the application and the attachments that must be enclosed, are governed by the Directive to the Listing Procedure for Derivatives.
- 9.2. 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.
- 9.3. The admission office examines the application based on the submitted documents. It may request further details and additions, in particular to ensure transparent and fair information
- 9.4. The admission office approves the application if the requirements laid down in the present rules are met.
- 9.5. 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.
- 9.6. The BX may provide for an electronic interface for the submission of listing applications.

## **10. Maintaining the listing**

- 10.1. The issuer is obliged 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.
- 10.2. 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.
- 10.3. The issuer is obliged 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. Details are set out in the directive to the regular reporting obligations for derivatives.
- 10.4. If guarantee commitments exist, the requirements of Clause 10.1 only apply to the guarantor, while those of Clause 10.2 only apply to the guarantor if the issuer is a fully consolidated subsidiary of the guarantor.

## **11. Exemptions**

- 11.1. 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.

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

- 12.1. 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.
- 12.2. The suspension may be lifted when the reasons for it no longer exist.
- 12.3. For the duration of the suspension, the issuer is still obligated to comply with the obligations for maintaining the listing.
- 12.4. The listing of a derivative 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 the 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 derivative 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.
- 12.5. A delisting application is particularly considered as sufficiently substantiated if:
  - a. 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
  - b. if there is "open interest", all investors concerned have been informed about the intended delisting and agree with it.

## **13. Sanctions**

- 13.1. 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.

- 13.2. 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.

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

- 14.1. 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.

#### **15. Fees**

- 15.1. The BX charges fees for the listing of securities. Details are governed by the respective list of fees of the specific segment.

#### **16. Final provisions**

- 16.1. These rules were adopted by the admission office and approved by the FINMA on 12 October 2020. They enter into force on 1 November 2020 and supersede the existing Additional Rules for Derivates of 1 January 2020.
- 16.2. Clause 8 of the Additional Rules for the Listing of Derivatives in the version dated 1 January 2020 regarding the preparation of the prospectus shall continue to apply in parallel until 30 November 2020 if, pursuant to Art. 109 par. 2 FINSO, no prospectus is prepared in accordance with the FinSA and the FINSO.