



# Rulebook SIX x-clear AG

**Clearing Services for all Members**  
xcl-300

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# Rulebook

## Clearing Services for all Members

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## Clearing Services for all Members

### 1.0 Scope, definitions, interpretation and discretion

#### 1.1 Scope

These General Terms and Conditions including the annexes (the "Rulebook") apply to clearing members ("Members") of SIX x-clear AG ("SIX x-clear ") and are an integral part of the Contractual Framework. The law agreed in the Basic Agreement for Clearing Services shall apply (see also chapter 30.0). The Rulebook is supplemented by the "Operational Manual" pursuant to chapter 28.0 of this Rulebook.

#### 1.2 Definitions

In this Rulebook, the following words and expressions shall have the following meanings:

**"Account Operator"** is a suitable CSD or bank which maintains the accounts as stated in the Financial Collateral Agreement and Operational Manual.

**"Account Service Agreement"** is an agreement of the Member with the Account Operator with regard to the maintenance of the accounts and custody accounts necessary for Clearing.

**"Affiliate"** means, with respect to any undertaking, an undertaking which is a parent undertaking or subsidiary undertaking of that undertaking or a subsidiary undertaking of any parent undertaking of that undertaking.

**"Agent"** means that this person does not act in their own name or for their own account, but in the name of and for the account of another person.

**"Approved Settlement System"** means an officially regulated and supervised institution that has been accepted by SIX x-clear and which provides Settlement and other related services in respect of Trading Platform Transactions.

**"Applicable Laws"** means any state, national, federal, supranational, regional, cantonal, municipal or other standard applicable to the respective Participant(s) (in particular, the Member and/or SIX x-clear) of a legitimate legislator or a legally responsible judiciary or supervisory authority that was issued in the form of a law, ordinance, regulation or any other official form; in particular; in particular, this includes any regulatory decree of the competent financial supervisory authorities and the applicable accounting standards and principles.

**"Back-up GCM-NCM Agreement"** means an agreement between a Back-up General Clearing Member ("GCM") and an NCM pursuant to clause 20.1.4 lit. a.

**"Banking Act"** means the Swiss Federal Act on Banks and Savings of 8 November 1934 (BankG).

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**"Basic Agreement for Clearing Services"** means the basic agreement between SIX x-clear and the Member, under which the Member agrees to the Contractual Framework.

**"Beneficial Owner"** means a person who ultimately owns or controls a counterparty or at whose interest a transaction is ultimately conducted or a business relationship is ultimately established.

**"Business Day" / "Business Hour"** means a day / hour during which all of the Trading Platform, the provider of the Transaction Router System, the Co-CCP, the Approved Settlement System and SIX x-clear are open for business.

**"Business Partner Specifications"** means the specifications of the technical infrastructure (such as information technology or communications) required to be met by Members as published on the SIX Securities Services Private website.

**"Buy-in"** is the process according to the Operational Manual by which SIX x-clear buys a Trading Platform Product from a seller other than the Selling Member.

**"Buying Member"** means an ICM or GCM (whether or not a Trading Platform Member acting on behalf of an NCM or in their own name) which was, in respect of a Trading Platform Transaction, the buyer of a Trading Platform Product.

**"Capital Adequacy Ordinance"** ("Eigenmittelverordnung für Banken und Effekthändler") is the Swiss ordinance on capital adequacy of banks and securities firms of 1 June 2012;

**"Cash"** means bank money in freely convertible currencies which is booked as receivables on a Client Account, House Account or Collateral Account.

**"Cash Service Provider"** means an institution that provides SIX x-clear and/or the Member with access to a standardised payment transactions system as well as the technical prerequisites to process and forward payments.

**"Central Counterparty / CCP"** means a financial market infrastructure contracted by a Trading Platform within the meaning of Art. 48 FMIA and Art. 2 EMIR to act as the central counterparty to its Members on either or both the "buy" and "sell" legs.

**"Central Securities Depository / CSD"** means a financial market infrastructure acting as the central depository for securities within the meaning of Art 61 FMIA and Art. 2 of EU Regulation No. 909/2014 on improving securities settlement in the European Union and on central securities depositories.

**"Clearing Account"** means an account operated in accordance with clause 2.7 and the Operational Manual and which is designated with the name of the Member for the recording and tracking of claims and liabilities under Outstanding Contracts of this Member.



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**"Clearing Notice"** means the notice from SIX x-clear to its Members which is designated accordingly and published on the website of SIX > Securities Services > Clearing > Info Center > Existing Members > Clearing Notices.

**"Clearing Organisation"** means any clearing house or other clearing organisation duly authorised, regulated, licensed or recognised under Applicable Laws in any jurisdiction, including, without limitation, any recognised clearing house, recognised overseas clearing house or similar institutions.

**"Clearing Services"** means the services provided by a Clearing Organisation for Trading Platform Transactions, specifically Open Offers/Novations, Netting, Collateralisation and the issuance of Settlement instructions.

**"Clearing Services Agreement"** means the agreement concluded between the operator of a Trading Platform and SIX x-clear to provide Clearing Services to the participants of this Trading Platform.

**"Client Account"** means a Clearing Account for the tracking and booking of Single Contracts from client transactions; their use is described in more detail in the Operational Manual.

**"Close-out Procedure"** means the procedure described in clause 19.5.3.

**"Close-out Settlement Amount"** is the net amount (per currency) to be paid by the Defaulting Member or SIX x-clear pursuant to clause 19.5.3 para 6.

**"Co-CCP"** means a Central Counterparty that works together with SIX x-clear and is co-providing Clearing Services in respect of a Trading Platform. The applicable contractual regulations of SIX x-clear with the Co-CCPs result from the respective separate Link Agreements, which stipulate similar provisions to those in the Contractual Framework with the Members.

**"Co-CCP Clearing Member"** means a Clearing Member that is authorised as such at a Co-CCP.

**"Collateral Account"** means a Securities account or a cash account under the ownership of SIX x-clear and in the name of SIX x-clear, which is also labelled with the name of the Member for the booking of collateral in the form of Permissible Collateral of this Member and which is operated by and held with the Collateral Service Provider in accordance with the Financial Collateral Agreement and chapter 11.0.

**"Collateralisation"** is the process described in chapter 11.0.

**"Collateralised Liabilities"** means all existing and future liabilities of the Member to SIX x-clear with regard to the Clearing of Trading Platform Transactions with SIX x-clear, which can arise in particular due to market price changes and the Default of one or more Member of SIX x-clear; this also includes all due interest, costs, charges and

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remuneration incurred in connection with the Clearing Services of SIX x-clear (pursuant to clause 11.6), which arose as a result of trading on the relevant Trading Platform or settlement in the relevant Approved Settlement System.

**"Collateral Service Provider"** means a Central Securities Depository or bank that was appointed and mandated by a Member, within the scope of the options set by SIX x-clear, to accept the Permissible Collateral of this Member and to maintain the Collateral Account(s).

**"Collateral Requirement"** means the requirement calculated by SIX x-clear with regard to the amount of the Collateralisation as described in more detail in clause 11.3

**"Contractual Framework"** means the entire contractual relationship between SIX x-clear and the Member, including the following documents in their currently valid form:

- a. **Basic Agreement for Clearing Services**
- b. **Financial Collateral Agreement**
- c. **Rulebook**
- d. **Operational Manual**, including its Annexes, which, in accordance with the aforementioned documents, have a contractual effect
- e. **Any Single Contracts** to which that Member is a party.

Changes are made to the Contractual Framework in accordance with the relevant provisions of the Basic Agreement.

**"Confidential Information"** is defined in clause 22.1.

**"Cooling-off Period of the Member"** has the meaning as assigned in clause 11.11 lit. d.

**"Cooling-off Period of SIX x-clear "** has the meaning assigned to it in clause 13.1.

**"CSDR"** means EU Regulation No. 909/2014 on improving securities settlement in the European Union and on central securities depositories (*Central Securities Depositories Regulation*).

**"Control"** means the capacity of a person or a group of persons to effectively control a certain enterprise on the basis of a majority of votes under company law or on the basis of de facto influence.

**"Data Protection Statement"** means the statement from SIX x-clear attached to the Operational Manual as an annex.

**"Data Subject"** is defined in clause 22.4.

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**"Dedicated Capital Contribution"** (also referred to as "skin-in-the-game") means the portion of SIX x-clear 's own required capital as assessed pursuant to Swiss Applicable Laws, which is one of the layers of Collateral as set forth in clauses 11.13 and 12.3; detailed information is contained in chapter 13.0.

**"Default"** is the status in which a Member is set pursuant to chapter 19.0, or SIX x-clear is set pursuant to chapter 21.0 if an Event of Default has materialized.

**"Default Fund"** means the fund that is set up, maintained and used by SIX x-clear using the Default Fund Contributions from Members in accordance with the Financial Collateral Agreement and chapter 11.0 for Loss Assumption and expenditures incurred by SIX x-clear as a result of the Default of a Member or Co-CCP.

**"Default Fund Segment"** means a segment of the Default Fund which is formed on the basis of the Trading Platform Products cleared with SIX x-clear and which is managed with separate accounts. The allocation of a Member to a specific Default Fund Segment is made by SIX x-clear in accordance with the relevant provisions of the Operational Manual and is communicated separately.

can be set up within the fund. A Member is assigned to a specific segment via separate notification.

**"Default Fund Contribution"** is set out in clauses 11.4.3 and 11.10.

**"Default Fund Replenishment Contribution"** is set out in clauses 11.4.4 and 11.11.

**"Default Fund Replenishment Obligation"** is set out in clause 11.11.

**"Default with Major Impact"** has the meaning assigned to it in clause 11.5.

**"Default Notice"** is a notice as described in clause 19.4.

**"Default Proceedings"** means the actions and proceedings taken by SIX x-clear under its Default Rules.

**"Default Rules"** means all the rules contained in the Rulebook and all other provisions of the Contractual Framework which provide for the taking of action in the event of a Member being unable, appearing to be unable, or being likely to be unable, to meet its obligations in respect of one or more Outstanding Contracts.

**"Defaulting Member"** means a Member that has been declared to be in Default pursuant to clause 19.4.

**"Depository"** is a service provider as defined in Art. 4 of the Swiss Intermediated Securities Act (FISA).

**"Dormant Member"** has the meaning assigned to it in clause 2.2 lit. c.

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**"EEA"** means the European Economic Area as the enlarged free-trade zone of the EU and the European Free Trade Association (EFTA), not including Switzerland and the United Kingdom.

**"EMIR"** is EU Regulation 648/2012 of the European Parliament and of the Council of 4 July 2012 concerning OTC derivatives, central counterparties and trade repositories.

**"Encumbrance"** means any claim, charge, mortgage, security, lien, equity, power of sale, option or other right to purchase, usufruct, hypothecation, retention of title, right of pre-emption or other third-party right or security interest of any kind or an agreement to create any of the foregoing, and any derivations of "Encumbrance" shall be construed accordingly. All derivations of "Encumbrance" shall be interpreted as such.

**"Entitlements"** are described in clause 7.6.

**"EU"** means the European Union as the union of its member states.

**"Event of Default"** has the meaning given to it in clauses 19.2 (discretionary Event), 19.3 (mandatory Event) and 21.1 (Event concerning SIX x-clear ), whereby each of these circumstances can be a clearly definable individual event in terms of time and subject matter (e.g. the withdrawal of a licence by the competent authority) or several events which, according to SIX x-clear 's reasonable discretion, have a direct, comprehensible ("adequate") causal connection and are therefore also to be considered as a single event (e.g. Default of two subsidiaries of a banking group within a few hours, which are both members of SIX x-clear).

**"Event of Force Majeure"** means any unforeseeable, unavoidable occurrence outside the control of SIX x-clear or the relevant Member; regulations in this regard are set out in chapter 18.0.

**"Exceeding Drawdown"** is described in clause 11.5

**"Excess Collateral"** means any Securities and/or Cash transferred by the Member to SIX x-clear as Permissible Collateral in excess of the Collateral determined and required by SIX x-clear (the "Collateral Requirement").

**"Exchange"** means a regulated market as defined in Art. 26, lit. b FMIA or Art. 4 para. 21 of the EU Markets in Financial Instruments Directive (2014/65/EU) which is located in Switzerland, the EU or the EEA or any equivalent market located in a country or territory outside of Switzerland, the EU or the EEA.

**"Finality"** has the meaning assigned to it in chapter 10.0.

**"Finality Directive EU"** means the EU Directive 98/26 on settlement finality in payment and securities settlement systems (as amended by EU Directive 2009/44/EC, EU Directive 2010/78/EU, EU Regulation 648/2012 and EU Regulation 909/2014).

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**"Financial Collateral Agreement"** means the agreement between SIX x-clear and the Member for the Collateralisation of Clearing Services.

**"Financial Institutions Act / FINIA"** means the Swiss federal law on financial institutions of 15 June 2018.

**"Financial Instrument"** means a financial instrument within the meaning of Annex 1, section C of EU Directive 2014/65/EU on markets in financial instruments (MiFID).

**"Financial Market Infrastructure Act (FMIA)"** is the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015.

**"Financial Market Infrastructure Ordinance (FMIO)"** is the Swiss Federal Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 25 November 2015.

**"FINMA"** means the Swiss Financial Markets Supervisory Authority.

**"FMI"** means a Financial Market Infrastructure in accordance with the FMIA and the NBO.

**"GCM" ("General Clearing Member")** has the meaning assigned to it in clause 2.2 lit. b.

**"GCM/Back-up GCM Agreement"** means an agreement between a GCM and a Back-up GCM pursuant to clauses 20.1.4 and 20.1.5.

**"GCM-NCM Agreement"** means the agreement between a GCM and an NCM pursuant to clause 3.1 which, *inter alia*, the GCM agrees to act as a contractual counterparty to SIX x-clear in respect of Single Contracts arising from Trading Platform Transactions to which the NCM is a party.

**"Governmental Authority"** means any federal, national, supranational, state, provincial, local or other government, government department, ministry, secretary of state, governmental or administrative authority, governmental agency, commission, court, tribunal, judicial body or arbitral body or any other Person exercising judicial, executive, interpretative, enforcement, investigative or legislative powers or authority responsible under the Applicable Laws, including, without limitation, any Person which exercises a regulatory or supervisory function under the Applicable Laws of any jurisdiction in relation to financial services, the financial markets, Exchanges, MTFs or Clearing Organisations (including especially FINMA and the SNB, ESMA, and any institution or Person given powers under the Applicable Laws);

**"Haircut"** means a percentage reduction in the value of collateral corresponding to the difference between the market value of a Security (as determined by SIX x-clear) and its deemed collateral value.

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**"House Account"** means a Clearing Account for the tracking and booking of Single Contracts of the Member's own transactions.

**"ICM" ("Individual Clearing Member")** has the meaning as assigned in clause 2.2 lit. a.

**"Insolvency Proceedings"** is synonymous with **"Bankruptcy Proceedings"**, **"Insolvency Liquidator"** is synonymous with **"Bankruptcy Liquidator"** and **"insolvency law"** is synonymous with **"bankruptcy law"**; all terms relate to actions taken by the responsible Governmental Authorities with respect to the restructuring and/or bankruptcy of a Member.

**"Initial Margin"** means the Permissible Collateral required to be provided to SIX x-clear as security for the obligations of a Member in respect of that member's Outstanding Contracts, as further described in the Operational Manual.

**"Intellectual Property"** means copyrights, trademarks, design rights, patents, domain names, database rights and know-how, in each case whether registered or unregistered and including, without limitation, applications to register and rights to apply for registration, and all similar or equivalent rights which may exist anywhere in the world.

**"Intended Settlement Date"** means the date designated for Settlement of a Single Contract by the rules of the Approved Settlement System or, if applicable, the Trading Platform.

**"Inter-CCP Contract"** means the contract between SIX x-clear and a Co-CCP that arises when a Trading Platform Transaction involves a Member on the one side and the Co-CCP Clearing Member on the other, which reflects the same terms and conditions (save as to the parties and certain of its terms and conditions as agreed between SIX x-clear and the Co-CCP from time to time) of the corresponding Trading Platform Transaction and which arises pursuant to a Link Agreement.

**"Investment Rules"** are the rules and procedures regulating the investment of SIX x-clear's liquid funds (including the posted Permissible Collateral) as published on its website (SIX > Securities Services > Clearing > Info Center > About SIX x-clear AG > Investment Policy).

**"Investment Service Provider"** means a bank or other financial institutional that meets the quality criteria of SIX x-clear and invests posted Permissible Collateral within the scope of its Investment Usage.

**"Investment Usage"** is set out in the Financial Collateral Agreement.

**"Late Settlement"** is described in chapter 9.0.

**"Layers of Collateral"** are the various layers and forms of Collateral as set out in clause 11.13.

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**"Lending Norms"** means an Annex of the Operational Manual, in which the acceptable types of collateral (Cash or Securities) with their values and concentration limits with regard to Permissible Collateral are defined and published in tabular form on the SIX website (SIX > Securities Services > Clearing Services > Info Center > Existing Members > Lending Norms).

**"Link Agreement"** is an agreement between SIX x-clear and a Co-CCP concerning the link between them to provide Clearing Services for Single Contracts entered into in relation to Trading Platform Transactions, for which one leg is cleared by SIX x-clear and the other leg by the relevant Co-CCP.

**"Link Margin Element (LME)"** means the component of Permissible Collateral in accordance with clauses 11.4.2 and 11.9.

**"Liquidity Service Provider"** means a bank or other financial institutional that meets the quality criteria of SIX x-clear and performs liquidity and financing services within the scope of its Liquidity Usage.

**"Loss Assumption»** means the assumption of a financial loss incurred at SIX x-clear by the Member; it is described in chapters 11.0 und 12.0.

**"Margin"** means the Initial Margin and Variation Margin and is the component of the Permissible Collateral in accordance with clauses 11.4.1 and 11.9.

**"Matched Book"** means an order book that is balanced in terms of the sell and buy orders received, and thus has no single positions that cannot be fully closed out over time by the existing orders.

**"Matching"** means the matching of orders for the sale or purchase of a Trading Platform Product.

**"Matching Service"** means an institution which provides for the matching of Trading Platform Transactions which are concluded bilaterally between a seller and a buyer.

**"Member"** means a GCM, ICM or Dormant Member.

**"Member ID"** is the technical alphanumeric code which identifies a business partner of SIX x-clear , where this Member may have more than one Member ID differentiated according to transaction type and/or location.

**"Membership"** means the client relationship of the Member in the Clearing System of SIX x-clear and its participation in the Clearing Services of SIX x-clear according to chapter 2.0 and in compliance with the Contractual Framework.

**"MTF"** means a multilateral trading facility within the meaning of FMIA and/or the EU Markets in Financial Instruments Directive (2014/65/EC, MiFID) which is domiciled in Switzerland, the EU, the EEA or the United Kingdom.



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**"National Bank Ordinance / NBO"** means the ordinance on the Swiss National Bank of 18 March 2004.

**"NCM" ("Non-Clearing Member")** means a Trading Platform Member which is not a Member but participates in the Clearing Services of SIX x-clear with regard to its Trading Platform Transactions through a GCM pursuant to a GCM-NCM Agreement with this GCM.

**"NDL Own Contribution"** has the meaning assigned to it in clause 13.2.

**"Non-Defaulting Member"** is a Member, that has not been declared to be in Default pursuant to clause 19.4.

**"Non-Default Loss (NDL)"** means a loss that SIX x-clear incurs due to the Default of a Collateral Service Provider or an Other Loss Event.

**"Non-Default Loss Allocation (NDLA)"** means the demand for losses to be covered from Members to bear a Non-Default Loss in accordance with the provisions of chapter 12.0.

**"Novation"** means the automatic generation of Single Contracts by discharging an old obligation with the establishment of a new one.

**"Omnibus Segregation"** means the segregation of accounts of a group of several indirect Members (in particular NCMs) from those of other indirect Members or individual indirect Members.

**"Open Offer"** means the standing offer issued by SIX x-clear to enter into a Single Contract.

**"Operational Manual"** is the set of regulations in accordance with chapter 28.0, including its Annexes:

- a. Lending Norms
- b. User Guides for Settlement
- c. Business Partner Specifications
- d. Price List
- e. Data Protection Statement

**"Ordinary Account"** means the Member's accounts set up as standard at an Account Bank or a CSD or any other depository.



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## Clearing Services for all Members

**"Other Loss Event"** is an extraordinary event which resulted in a financially quantifiable loss for SIX x-clear and which was caused by one or more reasons, each of which have a direct, verifiable connection with the loss (adequate causal relationship). SIX x-clear determines whether such an event has occurred.

**"Outsourcing"** is described in clause 22.5.

**"Outstanding Contracts"** means Single Contracts of SIX x-clear with the respective Member that have not yet settled within the meaning of chapter 9.0.

**"Payment" / "Transfer"** means, in the case of a payment, a payment instruction; and in the case of a transfer, a securities transfer instruction.

**"Payment Instruction"** means an instruction in the form of an electronic message from SIX x-clear to a Liquidity Service Provider (in particular, a SWIFT Financial Markets Direct Debit Message, also known as an MT204 Direct Debit Message):

- a. to debit a cash account held by a Member or any Co-CCP at the Cash Service Provider and to credit the cash account held by SIX x-clear with the corresponding amount; or
- b. to debit a cash account held by SIX x-clear at the Cash Service Provider and to credit the cash account held by the relevant Member or any Co-CCP with the corresponding amount.

**"Permissible Collateral"** means Cash and/or Securities that meet the requirements in accordance with the Operational Manual and its "Lending Norms" Annex.

**"Person"** includes individuals and legal entities, in particular any individual, partnership, corporation, limited liability company, association, foundation, trust, unincorporated association, government, state or agency of a state or any association or partnership of two or more of the foregoing (whether or not having a separate legal personality).

**"Price List"** means the tariff on the basis of which the fees and other amounts to be invoiced by SIX x-clear in respect of the membership of a Member and Clearing Services provided by SIX x-clear to the Member are calculated, as amended and updated from time to time.

**"Principal"** means, with respect to the actions of a Person, that this Person is acting in their own name and for their own account.

**"Product Segment"** means the product segments that currently include Equity and/or Fixed Income Products and for which the Member is admitted to have Clearing Services performed by SIX x-clear.

**"Regular Drawdown"** is described in clauses 11.4.4 and 11.11.

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**"Representative"** ("Auxiliary") means any Person that carries out or is responsible for any of the functions of another Person, including, without limitation, any one or more of the other Person's directors, partners, officers, executives, employees, Affiliates, contractors or agents.

**"Rulebook"** is this document with its rules, including its Annexes.

**"Securities"** means Intermediated Securities, securities held in collective safe custody and other securities which are traded in dematerialised or immobilised form on an Exchange or MTF and which can be held in and transferred to/from securities/custody accounts via appropriately monitored and regulated clearing/custody and settlement systems; this term also includes non-certificated rights with a comparable function (such as book-entry securities, in particular) which have an ISIN number.

**"Securities Firm"** is a financial institution as defined in Art. 41 of the Swiss Financial Institutions Act (FINIA).

**"Securities Transfer Order"** means:

- a. an instruction given to SIX x-clear containing data relating to a Trading Platform Transaction for the purposes of transferring the title to, or interest in, the security that is the subject of a Trading Platform Transaction; or
- b. a notification given by SIX x-clear to a Back-up GCM about the transfer of individually-segregated NCM's Single Contracts or the transfer of an omnibus-segregated NCM's Single Contracts, such that new Single Contracts (corresponding to the transferred Single Contracts) arise between such Back-up GCM and SIX x-clear.

**"Segregated Account"** means a Clearing Account for the recording and booking of Single Contracts resulting from own-account trades of the Member (**Own Account** or **House Account**) or a Clearing Account for the recording and booking of Single Contracts resulting from client trades (**Client Account**).

**"Selected Single Contracts"** has the meaning assigned to it in clause 18.4.

**"Sell-out"** is the process in accordance with the Operational Manual by which SIX x-clear sells a Trading Platform Product to a buyer other than the Buying Member.

**"Selling Member"** means the ICM or GCM which was, in respect of a Trading Platform Transaction, the seller of a Trading Platform Product.

**"Settlement"** means the processes required to effect the settlement and performance of Outstanding Contracts, specifically by transferring securities and cash.

**"Settlement Agent"** means the third party (regulated CSD or bank) which – based on respective powers of attorney – is involved in executing a transaction between a buyer

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### Clearing Services for all Members

and seller by transferring securities to the buyer and paying cash or other compensation to the seller.

**"Settlement Net Exposure Effect"** means the net risk from open Settlement obligations that SIX x-clear has to the respective Member (calculation method pursuant to the Operational Manual).

**"Single Contract"** means the contract between SIX x-clear and a Member or a Co-CCP arising in accordance with clause 6.3 and reflecting the terms and conditions in respect of the type, price and quantity of the Trading Platform Product that is the subject of the Trading Platform Transaction to which the Single Contract relates.

**"SIX Group"** means SIX Group AG, a limited company incorporated in Switzerland under number CHE-109.870.410, whose registered office is at Hardturmstrasse 201, 8005 Zurich, Switzerland; SIX Group is the parent of **SIX Securities Services AG** (a sub-holding company), which is itself the parent of SIX x-clear and SIX SIS.

**"SIX SIS"** means SIX SIS AG, a limited company under Swiss law incorporated in Switzerland under number CHE-106.842.854, whose registered office is at Baslerstrasse 100, 4600 Olten, Switzerland; a subsidiary of SIX Group.

**"SIX x-clear"** means **SIX x-clear AG**, a limited company under Swiss law incorporated in Switzerland under number CHE-109.036.648, whose registered office is at Hardturmstrasse 201, CH-8005, Zurich, Switzerland; a subsidiary of SIX Group.

**"SNB"** means the Swiss National Bank.

**"Suspension"** means the suspension of Clearing Services by (temporarily) suspending the Open Offer / not acting as a party to Trading Platform Transactions for a certain Member in accordance with the provisions of chapter 17.0.

**"SWIFT"** means the computer-based telecommunications network of the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

**"System"** is defined in clause 10.2.

**"Taxes"** means all tax liabilities, including stamp duties (both on the issuance and on the transfer of securities), withholding taxes and all other taxes, duties, levies or imposts payable to any competent taxation authority in any jurisdiction, as well as interest, penalties, costs and expenses reasonably related thereto.

**"Tearing-up"** of Outstanding Contracts is a measure defined in clause 18.4.

**"Technical Default"** is a situation in which the Member, for reasons that are generally outside of its control, is for a short time unable to fulfil its obligations to SIX x-clear, but in which it is however able to clearly demonstrate that it is still solvent and able to act. A Technical Default is not deemed to be a Default (within the meaning defined above).

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**"Top-up Contribution"** is defined and governed in clauses 11.5 and 11.12.

**"Trading Platform"** means a recognised "Exchange" or a recognised "Multilateral Trading Facility" within the meaning of chapter 2 of FMIA and the Markets in Financial Instruments Directive (Directive 2014/65/EC; MiFID II) or any other Trading Platform recognised by SIX x-clear and listed in Annex 1.

**"Trading Platform Market"** means a market operated by a Trading Platform under the Trading Platform Rules.

**"Trading Platform Member"** means a participant of a Trading Platform or another person which is admitted by a Trading Platform to trading on a Trading Platform Market.

**"Trading Platform Product"** means any product traded on a Trading Platform Market and admitted by SIX x-clear for Clearing Services.

**"Trading Platform Rules"** means all the rules of a particular Trading Platform from time to time in force and any user guides, arrangements, notices, directions, process rules and other provisions as may be prescribed or published from time to time by the operator of a Trading Platform.

**"Trading Platform Transaction"** means a trade concluded via a Trading Platform Product in accordance with and subject to the relevant Trading Platform Rules whether or not as a result of Matching, and whether or not binding between the Trading Platform members.

**"Transaction Router System"** means the equipment which directs messages from the computer system of a system provider to the networks (and associated systems and equipment) operated or used by a CCP, and which receives messages sent to the computer system of a system provider or from the networks (and associated systems and equipment) operated or used by a CCP.

**"Variation Margin"** means the Permissible Collateral required to be provided by each Member to SIX x-clear as security for the obligations of such Member in respect of its Outstanding Contracts, which covers fluctuations in the market prices of Trading Platform Products to which Outstanding Contracts relate, and which is based on the mark-to-market values of the Member's net position in all Outstanding Contracts for each Trading Platform Product as further described in the Operational Manual.

### 1.3 Interpretation

#### a. chapters and clauses

Chapters and clauses in all constituent parts of the Contractual Framework are for ease of reference only and shall not affect their interpretation.

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## Clearing Services for all Members

### b. References

Except as stated otherwise, references in this Rulebook to a clause or chapter are to a clause or chapter of this Rulebook.

### c. Further interpretation rules

Each provision of this Rulebook or any other element of the Contractual Framework shall, unless the context otherwise requires, be construed as an independent provision and shall be in addition and without prejudice to any other provision of this Rulebook and any other element of the Contractual Framework unless otherwise stated. The invalidity, illegality or unenforceability of any provision or part of this Rulebook or any other element of the Contractual Framework does not affect or impair the continuation in force of the remaining provisions or other parts of the Rulebook or other elements of the Contractual Framework or the validity of such provision or part thereof in any other jurisdiction.

Words referring to one gender shall (where appropriate) include any other gender and words referring to the singular shall (where appropriate) include the plural and vice versa.

## 1.4 Discretion of SIX x-clear

Any right exercised by SIX x-clear at its discretion in accordance with this Rulebook shall be exercised, pursuant to the applicable law agreed upon in the Basic Agreement for Clearing Services, in good faith (within the meaning of art. 2 Swiss Civil Code or § 315 para 1 and para 3 German BGB or English law) (see also chapter 30.0) taking into account the purpose of the contract and all material circumstances relating to the case in question and considering the interests of both parties; here, SIX x-clear's position as a market infrastructure as well as a financially neutral Central Counterparty shall also be taken into account.

## 2.0 Membership

### 2.1 Application for Membership

SIX x-clear may grant Membership to an applicant if they fulfil the principles, criteria and conditions set out in clauses 2.1 to 2.4 as a future Member. SIX x-clear is not obligated to grant Membership even if the admission criteria are met.

The Membership is established upon the future Member and SIX x-clear concluding the Contract for Clearing Services and is thus forms part of the Contractual Framework. The Membership commences upon concluding the Contract for Clearing Services and ends upon termination in accordance with the Contract for Clearing Services and this Rulebook.

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## Clearing Services for all Members

As part of the application process, the future Member selects the category of Membership in accordance with clause 2.2 as well as the account structure in accordance with clause 2.7.

Any extension to Membership in accordance with clause 2.6 is treated as a new application in accordance with clause 2.1.

Membership and the admission of the Member does not provide or entitle such Member to any shareholding or other similar interest in SIX x-clear or any of its Affiliates or Controllers.

### 2.2 Categories of Memberships

SIX x-clear offers the categories of Memberships listed under lit. a. to c. of this clause 2.2:

#### a. Individual Clearing Member (“ICM”)

An Individual Clearing Member (ICM) means a Person admitted by SIX x-clear in accordance with this Rulebook for Clearing Services exclusively to clear own-account trades only (including those entered into by an Affiliate that is fully consolidated). In this framework, the Individual Clearing Member obtains Clearing Services exclusively for its own account and the account of its end clients.

#### b. General Clearing Member (“GCM”)

A General Clearing Member means a Person admitted by SIX x-clear in accordance with this Rulebook for Clearing Services (including those entered into by an Affiliate that is fully consolidated) and/or transactions of other participants of a Trading Platform cleared by SIX x-clear in accordance with this Rulebook, This refers to Clearing Service for their own account and/or the account of their end clients and/or the account of other participants of a Trading Platform cleared by SIX x-clear in relation to their Trading Party Transactions.

These other participants of a Trading Platform cleared by SIX x-clear are Non-Clearing Members (NCMs), who are responsible for their own Trading Platform Transactions from the perspective of SIX x-clear. Except in the cases listed in clause 20.1.4 lit. b, NCMs have no legal relationship to SIX x-clear, but only to their GCM. More details can be found in clause 3.1. Therefore SIX x-clear does not maintain direct accounts for NCMs. However, the relevant GCM may choose its account structure with SIX x-clear to meet the requirements of its NCMs (in particular through specific segregations, e.g. individual client account segregation, as described in clause 2.7).

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### c. Dormant Member

A Dormant Member does not currently obtain Clearing Services from SIX x-clear . However, it has concluded a full Contractual Framework with SIX x-clear and is maintained in the systems of SIX x-clear with its accounts established with an Account Operator. Furthermore, a Dormant Member is at all times subject to the following obligations and reporting obligation in accordance with chapter 5.0: clause 5.2.1 literae a, b, c, f, h, i, j, k, l, n and clause 5.2.2 literae a. to g. as well as clause 5.4 literae a, b, c, g, h, i, j, k, l.

It can thus be admitted to actively obtain Clearing Services at any time.

### 2.3 Conditions for Membership

An applicant for admission as a Member shall be required to comply with the following conditions of Membership in order to be admitted as a Member:

- a. The applicant shall fall into one of the categories of eligible institutions listed in clause 2.4.
- b. The application shall submit the application in writing using the corresponding form found on the website of SIX under Clearing.
- c. The applicant shall specify which Clearing product segment and which account/securities account structure they require.
- d. The applicant shall evidence its admission by the relevant Settlement Agent as a participant in the latter's Approved Settlement System.
- e. The applicant shall have concluded the Basic Agreement for Clearing Services and the Financial Collateral Agreement, and shall have completed and submitted all documents (in accordance with the basic forms) required for Clearing with SIX x-clear .
- f. The applicant shall be a Person admitted as a Trading Platform Member to at least one Trading Platform connected with SIX x-clear or who would like to act as a GCM under a GCM-NCM Agreement with an NCM. The applicant shall provide SIX x-clear with corresponding confirmations of Membership of the relevant Trading Platforms by these Trading Platforms. In the case of an application as a GCM, if the applicant is not itself a Trading Platform Member, it shall provide SIX x-clear with confirmation of Membership of the relevant NCMs at these Trading Platforms by these Trading Platforms.
- g. The applicant shall have demonstrated to SIX x-clear's satisfaction that it is able to transfer sufficient Margins and make all required Default Fund Contributions that would be required pursuant to Contractual Framework upon its Membership becoming approved.



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- h. The applicant shall have nominated a Person, satisfactory to SIX x-clear, who meets all of the following criteria:
  - (i) The Person is a director, general partner, trustee or officer of the applicant (or Person occupying a similar status or performing similar functions).
  - (ii) The Person is responsible for the clearing transactions of the applicant.
  - (iii) The Person is authorised to act on behalf of the applicant in all Trading Platform Transactions with or involving SIX x-clear, in particular making and accepting legally binding declarations on behalf of the applicant.
  - (iv) The applicant shall have nominated a second Person who meets the requirements of (i) to (iii) and is authorised to act on behalf of the applicant in the event of the death, incapacity or other inability of the first Person so to act.
- i. The applicant must be subject to either Swiss legislation on the prevention of money laundering and terrorist financing or equivalent non-Swiss legislation regarding money laundering deemed by SIX x-clear to be acceptable.
- j. The applicant shall, satisfactory to SIX x-clear, demonstrate to SIX x-clear 's satisfaction that it is capable of complying with the technical and operational requirements as prescribed and set out in the Contractual Framework) and it has facilities, equipment, operational capability, personnel, hardware and software systems that are capable of executing its business as a Member, including such IT links to SIX x-clear and software as in the judgment of SIX x-clear are necessary or desirable for a Member to participate in the clearing of Single Contracts.
- k. The applicant shall not be subject to an Insolvency or be in a Default Situation that would fall under chapter 19.0, were the applicant to be a Member.
- l. The applicant shall have an address to which all notices, orders and other communications from SIX x-clear may be transmitted or delivered, staffed during normal business hours necessary for its proposed activities under the direct supervision and responsibility of the Person referred to in lit. h above.
- m. The applicant shall not be a company that is controlled by an individual on the basis of a majority of capital or voting rights.

SIX x-clear may at its discretion attach further conditions to any application for Member status.



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### 2.4 Eligible financial institutions

A Person who falls within one of the following categories of financial institutions may become a Member of SIX x-clear:

- a. a Swiss bank as defined in Art. 1 of the Swiss Federal Banking Act;
- b. a Swiss Securities Firm as defined in Art. 41 of the Swiss Financial Institutions Act;
- c. a company approved by a regulatory authority in the EU, the United Kingdom, Norway, Liechtenstein and Island with a license as a bank or securities firm under the Applicable Laws;
- d. a bank or securities firm not falling under literae a. to c. which, in the view of SIX x-clear, is subject to an adequate level of regulation and supervision that is equivalent to that of a bank or Securities Firm in Switzerland.

### 2.5 Evidencing documentation, representation and warranty

Applicants for Membership must provide information or documentation to SIX x-clear evidencing compliance to SIX x-clear 's satisfaction with each of the criteria set out or required pursuant to clauses 2.3 and 2.4.

All information supplied to SIX x-clear shall be deemed to reflect reality on the day of admission as a Member, save to the extent that such information has been amended or revoked at least two Business Days prior to such admission.

### 2.6 Changes and extension of Membership

A Member may at any time apply to extend its Membership to include additional Product Segment(s). A Member may at any time apply to change its Membership category in accordance with clause 2.2 or its account/securities account structure in accordance with clause 2.7.

Any extension to Membership in accordance with this clause 2.6 is treated as a new application in accordance with clause 2.1.

### 2.7 Account structures

The Member shall have at its disposal the following account types:

- a. **Clearing Accounts**, which are split into:
  - House Accounts
  - Client Accounts

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### **b. Collateral Accounts**

These accounts, their purpose and use are described in more detail in the Operational Manual.

The applicant shall select the structure that best suits its cash accounts and securities accounts for claims and liabilities from Outstanding Contracts as well as for depositing Collateral for the purpose of Margins and Default Fund Contributions and that is in accordance with its Applicable Law.

For Clearing Services by SIX x-clear carried out by the Member as a GCM for NCMs linked to it, the latter shall be granted a mandatory right in the GCM-NCM Agreement (pursuant to clause 3.2 and Annex 2) to select in favour or against **individual client account segregation**. After this choice has been made, the Member is responsible for implementing it in consultation with SIX x-clear.

### **3.0 Regulations with regard to the GCM and NCM**

#### **3.1 Relationship of SIX x-clear with the NCM**

A Trading Platform member shall not be obliged to become a Member of SIX x-clear. It may, however, enter into a GCM-NCM Agreement with a GCM and be given the status of an NCM (Non-Clearing Member).

An NCM participates in the Clearing of the Trading Platform Transactions it has concluded within the framework of the regulations and conditions of the GCM/NCM Agreement (pursuant to clause 3.2) via the GCM it has specified. Within the ongoing Clearing process, the NCM thus has no direct contractual relationship with SIX x-clear and SIX x-clear shall accept no direct responsibility vis-à-vis the NCM for losses or claims of any kind. The GCM acts towards SIX x-clear as principal, in particular with regard to the provision of Permissible Collateral.

This shall be clearly governed in the GCM-NCM Agreement and shall be accepted by the NCM – unless the NCM, as an option with respect to the possible Default of the GCM, opts for its own (subsidiary) Membership (pursuant to clause 20.1.4 lit. b).

#### **3.2 Relationship of the GCM with the NCM**

Within the ongoing clearing process, the GCM acts towards SIX x-clear acting in its own behalf and for its own account as the principal and not as its agent on behalf and for the account of the NCM.

In relation to the selection of account segregation and the issuance of orders with respect to the possible Default of the GCM, the GCM acts towards SIX x-clear, however, as an agent on behalf and for the account of the NCM on the basis of the authorisation granted to it by the NCM in the GCM-NCM Agreement.

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The GCM shall conclude a **GCM-NCM Agreement** with each NCM linked to it and confirm this to SIX x-clear . The points defined in Annex 2 shall be governed by the GCM-NCM Agreement.

In particular, in the case of individual client account segregation (pursuant to clause 2.7), the GCM shall request from the NCM at least the same level of Margins and Link Margin Element (equivalent values) as the GCM based on the Contractual Framework due to the obligations of the NCM to provide Permissible Collateral in the Collateral Accounts ("pass-through principle").

### 3.3 **Right of SIX x-clear to receive information**

SIX x-clear has the right to at any time request information on the current status of the Member's GCM-NCM Agreement currently in force.

The GCM shall submit to SIX x-clear a copy of the authorisation(s) (pursuant to clause 3.2) and confirmations (on the relevant forms) and inform SIX x-clear immediately of any revocation thereof.

In the case of individual client account segregation the GCM shall:

- a. inform SIX x-clear of the names, addresses and contact details of the NCMs linked to it. SIX x-clear shall be notified of any new NCMs, changes or departing NCMs in advance, and in any event 10 Business Days at the latest before these become effective, using the Settlement Standing Instructions ("SSI") form (see SIX website: SIX > Securities Services > Clearing > Info Center > Membership > Onboarding Forms). The GCM shall also notify SIX x-clear of any changes to a GCM-NCM Agreement which are essential for Clearing Services by SIX x-clear;
- b. issue to SIX x-clear the order that the Collateral Requirement needed for each NCM be calculated separately and agrees that this will be charged to it.

### 4.0 **Conditions for Trading Platform Transactions**

SIX x-clear shall act as the Central Counterparty for the Member for Trading Platform Transactions subject to the following conditions:

- a. the Membership of the relevant Member has not been suspended or terminated by SIX x-clear;
- b. where the Member is a Trading Platform Member, the Member's status as a participant of the relevant Trading Platform(s) has not been suspended or terminated by the Trading Platform(s);
- c. the listing of the Trading Platform Product in respect of which Clearing Services are provided has not been suspended or cancelled by the Listing Authority / other body responsible for this (where applicable);

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- d. the Trading Platform Transaction under the Single Contract based on the Trading Platform Rules pursuant to Matching has not been cancelled or rendered void for any reason;
- e. if a corresponding Inter-CCP Contract exists, this has been formed in accordance with the relevant Link Agreement and has not been rendered void by SIX x-clear or the Co-CCP;
- f. the data submitted to SIX x-clear by the Transaction Router System is in a format suitable for the provision of Clearing Services by SIX x-clear and is accurate; and
- g. It is evident that at the moment of formation of the Single Contract and its Settlement there are in place i) an agreement between SIX x-clear and the Trading Platform relating to SIX x-clear 's provision of Clearing Services (Clearing Service Agreement), ii) an agreement between SIX x-clear and the Approved Settlement System, iii) an agreement between SIX x-clear and the Transaction Router System and iv), if applicable, a Link Agreement with the Co-CCP.

#### **5.0 Representations and warranties of the Member**

##### **5.1 General**

In connection with its Membership and the Contractual Framework, the Member shall fulfil the obligations listed in clause 5.2 by taking or not the corresponding actions for the entire duration of its Membership at SIX x-clear .

##### **5.2 Representations and warranties**

###### **5.2.1 Positive representations and warranties**

The Member shall fulfil the following obligations (“positive representations”) during the entire duration of the Contractual Framework: The Member shall:

- a. act in good faith in its dealings with SIX x-clear.
- b. comply with the Applicable Laws. In particular, the Member shall – where affected – have in place the contractual and technical resources required to ensure that it can meet its obligations in accordance with the CSDR, specifically by forwarding fines charged or credits made as well as by providing information to all parties involved in the settlement chain so that they can observe their rights and obligations in accordance with the CSDR.
- c. comply with the Contractual Framework and any other agreement it has with SIX x-clear.

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- d. provide Margins and Link Margin Elements to SIX x-clear pursuant to the Contractual Framework, in particular the Financial Collateral Agreement and this Rulebook.
- e. make all such Default Fund Contributions, Default Fund Replenishment Contributions and Top-up Contributions and Non-Default Loss Allocations as are required pursuant to the Contractual Framework, in particular the Financial Collateral Agreement and this Rulebook.
- f. respond promptly to all enquiries or requests for information made by SIX x-clear, (particularly with regard to its financial situation, its ownership, its Affiliates and/or management), if and to the extent that SIX x-clear requires the requested information in order to fulfil its obligations as operator of the System.
- g. make the payments and deliveries relating to all Single Contracts to which it is or becomes a party when they become due under the terms of the Single Contract and to the extent these payments and deliveries cannot be offset against undisputed claims or claims enforced by law.
- h. pay all fees and other charges in accordance with the provisions of the Contractual Framework.
- i. adequately support SIX x-clear in the event of SIX x-clear being confronted with judicial or administrative proceedings, whether in Switzerland or abroad, in which SIX x-clear is named instead of the Member or the Beneficial Owner or in addition to these and where such proceedings are not obviously in contradiction to the Applicable Laws and applicable regulatory standards. It shall also appropriately reimburse SIX x-clear for all costs the latter incurs in relation to such processes (e.g. court costs, costs related to experts consulted, other third-party costs, internal costs), i.e. to the extent the Member would have otherwise had to bear the costs itself.
- j. maintain one or more accounts at the Collateral Service Provider for the deposit of funds required to be transferred by the Member to SIX x-clear in accordance with the Financial Collateral Agreement and this Rulebook.
- k. delegate staff with the relevant experience to attend such meetings as are called by SIX x-clear at reasonable notice for the purpose of assessing the Member's compliance with the Contractual Framework, the risks to which SIX x-clear or the Member is exposed or any other issues of SIX x-clear relating to the proper fulfilment of the obligations arising out of the Contractual Framework.
- l. have adequate systems and controls in place in order to ensure that all its actions (including in relation to individual Single Contracts) comply with its obligations under the Contractual Framework and Applicable Laws.
- m. comply with the Trading Platform Rules if it is a Trading Platform member.

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## Clearing Services for all Members

- n. be familiar with and bear responsibility for the tax consequences of Clearing with SIX x-clear pursuant to the Applicable Laws.

### 5.2.2 **Negative representations and warranties**

The Member shall fulfil the following obligations by not taking action (“negative representations”) during the entire duration of the Contractual Framework: The Member shall not:

- a. provide any information to SIX x-clear (at the discretion of SIX x-clear ) which is false, misleading or inaccurate in any material respect, specifically information relating to extending or maintaining its Membership.
- b. not enter into any Single Contracts if it is unable to fulfil the associated obligations to SIX x-clear.
- c. engage in any activity or practice or participate in, facilitate, encourage, aid or abet any conduct by a third party which in any way could reasonably be considered by SIX x-clear to seriously impair the provision of Clearing Services by SIX x-clear as a Central Counterparty.
- d. knowingly or recklessly permit the use of its services, facilities or Membership or privileges as a Member by any third party in a manner which is liable to (i) create, maintain or exacerbate actual or attempted breaches, infringements or violations of the Contractual Framework (or arrangements, provisions or directions made or given thereunder); or (ii) otherwise be substantially detrimental to the interests or objectives of SIX x-clear as a Clearing Organisation.
- e. engage in conduct that would render the Member unable to satisfy the application criteria pursuant to clause 2.3.
- f. knowingly or negligently allow any Person to engage in any conduct on behalf and for the account of the Member (as its agent) that might itself breach the Contractual Framework or render the Member unable to satisfy the application criteria pursuant to clause 2.3.
- g. breach any conditions of the Single Contract.

### 5.3 **Maintenance of records by Member**

#### 5.3.1 **General rule**

The Member undertakes to keep detailed, accurate records showing the details of each Single Contract to which it is a party and any other information in such form as shall be required by SIX x-clear from time to time in accordance with Applicable Laws.

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## Clearing Services for all Members

### 5.3.2 Copies

The Member who provides or presents any documentation or other materials to SIX x-clear is required to make a copy (whether electronic or physical) prior to each occasion of doing so.

### 5.3.3 Return of documents

SIX x-clear shall not be obliged to return or provide a copy of any document or other materials presented or provided by the Member or other Person to SIX x-clear.

### 5.4 Reporting requirements of Member

In relation to the Contractual Framework, the Member shall promptly notify SIX x-clear in writing providing full particulars known to it:

- a. where the Member intends or implements a change in its regulatory status. Notice must be given no later than on the issue of any provisional or interim notice, decree or notice by a Governmental Authority;
- b. in relation to any change of Control or planned change of Control of the Member, as soon as it becomes aware of that change or planned change;
- c. where the Member becomes aware of any facts or changes that may give rise to:
  - circumstances in which the financial or operational condition of the Member would not normally be adequate for the Member to meet its obligations (including, without limitation, its obligations under the Contractual Framework) or to engage in the business of a being a Member; or
  - an investigation, enforcement action, fine, disciplinary action or other intervention in relation to activities as a Member by the Trading Platform, an Approved Settlement System or any other Clearing Organisation in relation to which the Member is a member or participant; or
  - a proceeding or investigation against the Member by any Governmental Authority, the threat of withdrawal or actual withdrawal of the Member's license or authorisation in any jurisdiction, in particular as a consequence of a threat to the Member's creditworthiness, stability or operational reliability;
- d. in the event that it fails to meet or cannot meet any obligation – in particular to deposit or pay Permissible Collateral – towards SIX x-clear or any other Clearing Organisation of which it is a member;
- e. of any financial or commercial difficulty which leads to an event that would be liable to result in termination at the discretion of SIX x-clear or to an Event of Default;

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## Clearing Services for all Members

- f. where it is or will be no longer possible for the Member to comply with the technical and operational requirements prescribed by SIX x-clear in the Operational Manual;
- g. in the event that it fails to comply with any applicable financial requirements of any Governmental Authority, Exchange, MTF, Approved Settlement System or Clearing Organisation;
- h. in the event of an officially ordered Insolvency affecting it or any of its Affiliates;
- i. in the event of any fine, censure, warning, default proceeding, disciplinary proceeding, investigation, suspension or expulsion or any withdrawal of, revocation of or failure to renew any permission, license or authorisation issued against the Member by any Governmental Authority, Exchange, MTF, Approved Settlement System or Clearing Organisation;
- j. in the event of any circumstance, change or occurrence which would cause a statement provided pursuant to this clause 5.4 or any information supplied in connection with the application for Membership to be not correct, inaccurate or incomplete;
- k. in the event of any breaches of the Contractual Framework or Applicable Laws by the Member; and
- l. in the event of anything relating to the Member of which SIX x-clear would reasonably expect notice.

### **6.0 Formation of Single Contracts**

#### **6.1 Eligibility of Trading Platform Products**

SIX x-clear shall provide Clearing Services in accordance with the Contractual Framework only in respect of those Trading Platform Products that are eligible for Clearing, i.e. cumulatively meet the following requirements:

- a. they are traded at least on one of the Trading Platform Markets cleared by SIX x-clear pursuant to the latter's Trading Platform Rules;
- b. they are able to be settled in an Approved Settlement System; and
- c. in consultation with those Co-CCPs providing Clearing Services for the affected Trading Platform Products, they are eligible for Clearing Services by SIX x-clear.

No Single Contracts will arise, if the Trading Platform Product which is the object of the respective Trading Platform Transaction is not a Trading Platform Product eligible for the Clearing Services at the time of Open Offer or Novation (pursuant to clause 6.3).



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## Clearing Services for all Members

### 6.2 General information regarding formation of Single Contracts

Clearing by SIX x-clear is based on the conclusion of Single Contracts:

- a. with Members which are participating in the relevant Trading Platform Transaction; or
- b. if one or both of the two parties to the relevant Trading Platform Transaction is/are not a Member, with Members which are acting as contractual counterparties towards SIX x-clear within the scope of a GCM-NCM Agreement as the GCM for an NCM which is participating in the relevant Trading Platform Transaction; or
- c. with the participating Co-CCP.

In particular, this applies to:

1. Single Contracts between SIX x-clear and the Selling Member, under which SIX x-clear assumes the role of the buyer of the Trading Platform Product which is the subject of the Trading Platform Transaction; and
2. Single Contracts between SIX x-clear and the Selling Member, under which SIX x-clear assumes the role of the seller of the Trading Platform Product which is the subject of the Trading Platform Transaction.
3. If one of the parties to the Trading Platform Transaction is a member of a Co-CCP, the Single Contract is concluded by SIX x-clear with the relevant Co-CCP (based on the provisions of the Link Agreement with this Co-CCP).

### 6.3 Open Offer or Novation

Subject to the provisions of clause 8.1 and the requirement that both trading parties that are party to a Trading Platform Transaction must be either a GCM, ICM or NCM of SIX x-clear, or a Co-CCP Clearing Member or indirect participant of a Co-CCP, two Single Contracts are formed in accordance with one of the two methods set out in this clause 6.3 no. 1 or no.2, as described below.

In the event that both parties are an ICM, GCM or NCM, two Single Contracts are formed with identical content, but with opposite positions between SIX x-clear and the respective ICMs or GCMs (also in the event that an NCM is party to the Trading Party Transaction) with regard to this Trading Party Transaction.

In the event that one of the two parties is a Co-CCP Clearing Member, a Single Contract is formed between SIX x-clear and the respective ICM or GCM (also in the event that an NCM is party to the Trading Platform Transaction) and an Inter-CCP Contract is formed between SIX x-clear and the respective Co-CCP with identical content, but with opposite positions.

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## Clearing Services for all Members

### 1. Open Offer:

In relation to each Trading Platform Transaction, SIX x-clear shall make available to the Members participating in the Trading Platform Transaction and, in the event that (i) an NCM is a Trading Party to the Trading Platform Transaction, to the respective GCM, or (ii) a Co-CCP Clearing Member is a Trading Party to the Trading Platform Transaction, to the respective Co-CCP, an open offer to conclude Single Contracts. Upon submission of a corresponding sell or buy order by the participating Members or the respective Co-CCP Clearing Member, this offer is accepted by the respective Members or the Co-CCP of the respective Co-CCP Clearing Member, subject to the condition precedent that a Matching takes place on the corresponding Trading Platform in relation to such sell or buy order, as a result of which corresponding separate Single Contracts between SIX x-clear and the Member are concluded automatically and simultaneously.

### 2. Novation:

Upon acceptance of the Trading Platform Transaction in the Clearing System of SIX x-clear in accordance with the provisions of this Rulebook, SIX x-clear becomes involved as a new party in each Trading Platform Transaction by way of abstract Novation (i.e. irrespective of the effectiveness of the underlying Trading Party Transaction), whereby the agreed Trading Party Transaction between the original parties is rescinded and a Single Contract is instead instantly and automatically formed between SIX x-clear and the Members concerned. In the event that one or both of the original parties is/are an NCM, the respective Single Contract is formed between SIX x-clear and the GCM which the relevant NCM has determined and with whom it has entered into a GCM-NCM Agreement.

For information purposes only:

If an Inter-CCP Contract is formed between SIX x-clear and a Co-CCP, the Co-CCP also has a corresponding additional contract vis-à-vis its Co-CCP Clearing Member. This contract is formed with identical content but with opposite positions to the Inter-CCP Contract between SIX x-clear and the Co-CCP. By forming: (a) the Single Contract between SIX x-clear and the Member, (b) the Inter-CCP Contract between SIX x-clear and the Co-CCP and (c) the contract between the Co-CCP and its Co-CCP Clearing Member, the original Trading Platform Transaction is avoided. The Co-CCP must ensure that the regulations in place between it and its Co-CCP Clearing Member also include this process.

The respective method to be applied is determined on the basis of the contractual agreement between the Trading Platform and SIX x-clear in accordance with the information in Annex 1. If the relevant Trading Platform is assigned to the "Novation" method, for each conclusion of a Trading Platform Transaction on such a Trading Platform, each Member expressly consents to SIX x-clear entering into this Trading Platform Transaction by way of Novation in accordance with clause 6.3 no.2.

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## Clearing Services for all Members

### 6.4 **Single Contracts in the case of NCM transactions**

In the event that one party to a Trading Platform Transaction is an NCM and the relevant Trading Platform has been assigned to the “Novation” method, the GCM determined by the NCM for Clearing hereby consents to it entering into a Single Contract with SIX x-clear with identical content to the Trading Platform Transaction by way of abstract Novation. In this event, the GCM/-CM Agreement between the NCM participating in the Trading Platform Transaction and the GCM determined by said NCM for Clearing contains a clear declaration by the NCM that the relevant Trading Platform Transaction between this NCM and the respective other original party to the transaction is avoided as a result of the formation of the Single Contract between the GCM and SIX x-clear by way of Novation.

### 6.5 **Trading days**

The trading days relevant for the Trading Platform Market are determined by the Trading Platform.

### 7.0 **Terms of Single Contracts**

#### 7.1 **Applicable Laws and primacy of Contractual Framework**

All Single Contracts shall be governed by and construed in accordance with the law agreed in the Basic Agreement for Clearing Services (see also chapter 30.0).

Each Single Contract is subject to the Contractual Framework, which forms an integral part of the terms of the Single Contract. In the event of any contradiction between the terms of the Single Contract and the Contractual Framework, the latter shall take precedence.

#### 7.2 **Validity of the terms of the Single Contract**

SIX x-clear shall not have incurred any liabilities or obligations in respect of a Trading Platform Transaction until a Single Contract has been created in accordance with the Contractual Framework and has not been terminated in accordance with chapter 8.0 or modified as a result of intervention by a Governmental Authority (in accordance with clause 7.3). Only at such time shall the liabilities and obligations of SIX x-clear in respect of the relevant Trading Platform Transaction be validly determined under such Single Contract. At no time shall SIX x-clear have any liabilities or obligations under a Trading Platform Transaction.

The Member represents and warrants to SIX x-clear that in concluding each Single Contract, it shall not rely on any statement, representation, assurance or warranty made by SIX x-clear or another Person unless this is expressly set out in the terms of the Single Contract and/or Contractual Framework.

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### 7.3 **Intervention by Governmental Authorities**

Where SIX x-clear is required or requested by a Governmental Authority to vary or suspend performance of a Single Contract or an Inter-CCP Contract at any time, it shall notify the Member and take such action as is required of it as soon as reasonably practicable. The Member acknowledges that any affected Single Contract shall be suspended or varied accordingly, irrespective of the right to suspend as set out in chapter 17.0.

### 7.4 **Acting as principal**

Each Member that is party to a Single Contract shall act in its own name and for its own account, i.e. as the principal and not as an agent.

### 7.5 **Third parties**

The liabilities and obligations of SIX x-clear pursuant to Single Contracts extend only to, and are enforceable only by, the Member (or Co-CCP).

### 7.6 **Risks, rights and obligations associated with the Single Contract**

Under each Single Contract to which a Buying Member or a Co-CCP as the buyer is a party to the benefits, risks, rights and obligations associated with the Trading Platform Product that is the subject of the Single Contract shall pass to the Buying Member or the Co-CCP in the capacity of buyer at the moment that the Single Contract is formed in accordance with this Rulebook.

Where, in respect of a Trading Platform Product, there is an entitlement to receive interest, dividends and any other distributions, such rights (entitlements) shall also form part of the Single Contract, provided that the Single Contract is formed before such Entitlement has expired. Where the Single Contract is formed after the expiry of an Entitlement, this Entitlement shall not form part of the Single Contract.

Where income earned accrues to the Selling Member or a Co-CCP as the seller as a result of late delivery of the Trading Platform Product, and where the Buying Member or Co-CCP is however entitled to this income, it shall be a term of the relevant Single Contract that the Selling Member or the Co-CCP as the seller is subject to an obligation to transfer the value accruing under the Entitlement to the Buying Member or the Co-CCP as the buyer.

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### 7.7 **Representations and warranties of the Member with regard to each Single Contract**

In relation to each Single Contract, the Member undertakes the following:

- a. The data submitted by it to the Trading Platform is complete and correct in all respects; this does not include data which are related to operational aspects in connection with the Transaction Router System.
- b. The Trading Platform Rules and all Applicable Laws are complied with in respect of the corresponding Trading Platform Transaction.
- c. The Member is acting as Principal and not as agent.
- d. Except as permitted by the Trading Platform Rules, the Single Contract and the corresponding Trading Platform Transaction are free of all Encumbrances.
- e. Neither the execution nor performance of the Single Contract by or on behalf of the Member or SIX x-clear will breach any provision of the constitutional or other organisational document of the Member, or any agreement or Applicable Law which is binding upon or affects the Member, and in this respect, the Member further acknowledges that SIX x-clear will neither review nor be responsible for reviewing any provision contained in these documents or the Applicable Laws with a view to determining the ability of the Member to enter into or perform any Single Contract.
- f. The Member has full power and all necessary authority to enter into the Single Framework and perform any act that may be required pursuant to the Single Contract and pursuant to the Contractual Relationship in respect of the Single Contract.
- g. A GCM-NCM agreement is in place (if the Member is a GCM) with an NCM in respect of whom it acts as a Member in relation to any Single Contract. This GCM-NCM Agreement fulfils the criteria and requirements set out in Annex 2.

Furthermore, at the time of concluding the relevant Single Contract (pursuant to clause 6.3), the Member obligates itself and confirms that it makes the representations in this clause 7.7 with regard to this Single Contract.

### 8.0 **Avoidance of Single Contracts**

#### 8.1 **Requirements for the avoidance of Outstanding Contracts by SIX x-clear**

If, at its discretion, SIX x-clear has reason to believe and deems it necessary in order to ensure the proper and timely fulfilment of the obligations set out in this Rulebook, and in particular in light of the fact that Trading Platform Transactions are accepted into the clearing and settlement system of SIX x-clear without being checked in advance, SIX x-

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### Clearing Services for all Members

clear may by respective notification to the Member concerned before and until latest by 18:00 Central European Time of the Business Day which is following the formation of the Single Contract (pursuant to clause 6.3) elect to avoid this Outstanding Contract with immediate effect and the consequences as set out in clause 8.2.

This is subject to one or more of the following situations applying:

- a. The Membership of the Member was suspended by SIX x-clear before the Single Contract was formed.
- b. In the case of a Single Contract of a GCM who is not a Trading Platform member, the status as a Trading Platform member of a relevant NCM with whom the GCM has concluded a GCM-NCM Agreement has been suspended or terminated by the Trading Platform.
- c. In the case of a GCM who has entered into a GCM-NCM Agreement with an NCM, the GCM has not notified SIX x-clear that it has ceased to provide services to the NCM or that it has terminated the GCM-NCM Agreement.
- d. The listing/trade of the Trading Platform Product in respect of which Clearing Services are provided has been prohibited, suspended or otherwise terminated by a Listing Authority.
- e. The Member is in breach of the warranty obligations set out in clause 7.7;
- f. The data submitted to SIX x-clear in relation to the corresponding Trading Platform Transaction by the provider of Transaction Router System is not in a format suitable for the provision of Clearing Services by SIX x-clear or is not accurate.
- g. The agreement or agreements SIX x-clear has entered into with the Approved Settlement System and/or the operator of the Trading Platform or, if applicable, a Link Agreement with a Co-CCP has or have been terminated or is or are otherwise not in force and the Outstanding Contract to be avoided is at least indirectly impacted.
- h. The corresponding Single Contract is the counter-contract ("leg") to an Inter-CCP Contract which has not been formed or has been terminated or rescinded by SIX x-clear or the Co-CCP in accordance with the Link Agreement or for other reasons.
- i. The Member that is a party to the Single Contract is in Default in accordance with this Rulebook.
- j. The Approved Settlement System is not proceeding or has failed to effect Settlement of the Single Contract or an Inter-CCP Contract in accordance with the rules of the Approved Settlement System or otherwise.

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- k. SIX x-clear determines based on information received from another reliable source that incomplete, erroneous or conflicting details have been submitted in relation to the Single Contract.
- l. SIX x-clear must believe that the Single Contract or corresponding Inter-CCP Contract results from a communications or information technology error or problem.
- m. SIX x-clear must believe that the Single Contract or the corresponding Inter-CCP Contract is tainted by or connected with fraud, illegality, insider dealing, market abuse, money laundering, financing of terrorism or any other breach of Applicable Laws.

### 8.2 Consequences of cancellation of Outstanding Contracts

In the event that an Outstanding Contract is avoided pursuant to clause 8.1, SIX x-clear and the affected Member shall immediately be released from any and all rights and obligations under this Outstanding Contract and all amounts paid pursuant to this Outstanding Contract shall be returned such that each party is in the same situation as they would have been had the affected Single Contract never been concluded. The Member will be notified separately.

In particular, any party that has received securities under the affected Single Contract shall return securities of the same type, quality and quantity to the other party. Any party that has received cash from the affected Single Contract shall return the corresponding amount to the other party. Interest is not in principle taken into consideration.

Any Margin and Link Margin Element already provided by the Member with regard to the Single Contracts cancelled in accordance with this clause 8.2 are not reimbursed individually, but instead as part of the daily Margin and Link Margin Element calculation process.

Any further consequences related to the affected Trading Platform Transactions are subject to the rules of the respective Trading Platform.

SIX x-clear shall promptly notify the operator of the Trading Platform and the affected Member of the cancellation of the Single Contract pursuant to chapter 8.0.

### 9.0 Settlement of Outstanding Contracts

Outstanding Contracts are settled on the basis of the Applicable Laws as well as the market rules and practices of the corresponding Trading Platform Product. Each Member must reach corresponding settlement agreements with an Approved Settlement System or its operator so that settlement can take place in accordance with these and pursuant to the rules set out in the Operational Manual.



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The Member shall notify SIX x-clear of its settlement agreements for the various countries and markets using the relevant form (SIX > Securities Services > Clearing > Info Center > Membership > Onboarding Forms).

Special provisions apply with regard to the settlement of securities delivered with a delay, i.e. after the Intended Settlement Date (ISD) (Late Settlement). SIX x-clear shall fulfil its obligations pursuant to Art. 7 CSDR where securities are cleared that are settled in the EU market. The existing regulations of SIX SIS AG apply to securities settled in Switzerland or the United Kingdom.

### 10.0 Finality

#### 10.1 Legal basis

##### **Under Swiss law (as agreed in the Basic Clearing Services Agreement):**

The Member acknowledges that SIX x-clear performs its function as the system within the meaning of art. 89 FMIA and that mandatory provisions of law for the protection of the system apply.

##### **Under German law (as agreed in the Basic Clearing Services Agreement):**

The Member acknowledges that SIX x-clear performs its function as the system within the meaning of EU Directive 98/26 on Finality Provisions, in accordance with §§ 1 para. 16, 24b of the German Banking Act (GBA, *deutsches Kreditwesengesetz*), and as a central counterparty domiciled in a non-EU/EEA state on the basis of an acknowledgment in accordance with Article 25 of EU Directive 648/2012 (EMIR), and as a consequence thereof, in particular the following statutory provisions with regard to protecting the system of SIX x-clear shall apply:

- a. under Swiss Law: Art. 89 FMIA;
- b. under German Law, the following provisions of the Insolvency Ordinance (InsO), the Introductory Act to InsO (IAInsoO), the GBA as well as the German Securities Deposit Act (SDA, *Depotgesetz*): § 1 para. 17 GBA (financial collateral) 21 para. 2 p. 2 InsO (financial collateral in the case of preliminary measures), 61 para. 2 InsO (financial collateral after opening proceedings), 96 para. 2 InsO (financial collateral in case of netting difficulties), 104 para. 3 InsO (termination of central counterparties in master agreements) 166 para. 3 no. 1 InsO (limitations on administrator's right to realise collateral in case of system collateral), 223 para. 1 no. 1 InsO (rights of separation in case of a system), 340 para. 3 InsO (applicability of system in event of participant default), 102b IAINsoO (central counterparty default provisions) and 17a SDA (cross-border decrees of applicable law).



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### **Under English law (as agreed in the Basic Clearing Services Agreement):**

The Member acknowledges that SIX x-clear performs its function as the system within the meaning of EU Directive 98/26 and its amendment directive 2009/44/EC on settlement finality in payment and securities settlement systems (the "Settlement Finality Directives"), in accordance with the UK Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (the "Settlement Finality Regulations"), and as a central counterparty domiciled in a non-EU/EEA state on the basis of an acknowledgment in accordance with Article 25 of EU Directive 648/2012 (EMIR).

In addition Art. 89 (System Protection) of the Swiss Financial Market Infrastructure Act (FMIA) applies as a mandatory provision of Swiss financial market regulation.

The system has been designated by the Bank of England pursuant to the Settlement Finality Regulations. The contractual provisions relating to SIX x-clear's designation under the Settlement Finality Regulations are set in the Contractual Framework and in particular in the following clauses 10.2 to 10.7.

### 10.2 **System**

The **payment and processing system of SIX x-clear (the "System")** comprises the rules, regulations and arrangements set out in relation to the Clearing of Trading Platform Transactions, as set out in the Contractual Framework and the Link Agreements, which:

- a. in relation to the Clearing of Trading Platform Transactions, facilitate the transfer or payments or securities to SIX x-clear (or to SIX SIS on behalf of SIX x-clear) or the debiting of accounts held by Members or Co-CCPs at Cash Service Providers to fulfil the obligations with regard to the provision of Collateral by these Members or Co-CCPs to SIX x-clear;
- b. in relation to the Clearing of Trading Platform Transactions on Trading Platforms, facilitate the provision to a Member or a Co-CCP by SIX x-clear of funds for the purposes of returning Collateral from time to time and, in connection therewith, facilitate the debiting of the accounts held by SIX x-clear at Cash Service Providers;
- c. facilitate SIX x-clear's role as CCP in connection with Clearing Services and, in relation thereto, facilitate the entering into of Single Contracts and Inter-CCP Contracts (as applicable) between SIX x-clear and each of the following parties:
  - Members
  - Co-CCPs
  - Back-up GCMs, in respect of the porting of Members' Single Contracts with regard to individually- and omnibus-segregated Trading Platform Transactions of an NCM or group of NCMs, respectively.

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### 10.3 Principles

To achieve the objective of system protection, the following principles apply:

- a. The transaction data of a Single Contract are sent into the Clearing System of SIX x-clear and are then irrevocable, immutable, legally enforceable and binding on third parties from the time at which the data have been entered in the system at SIX x-clear by a provider of a Transaction Router System or in any other way.
- b. The provision of Collateral is sent into the Clearing System of SIX x-clear and is then irrevocable from the time at which the Securities and/or payment has been transferred, i.e. from when the corresponding credit has been booked into the Collateral Account of SIX x-clear.
- c. With regard to the settlement of payments or Securities in relation to Trading Platform Transactions, the rules of the Approved Settlement System being used shall apply.

### 10.4 Transfer Orders / payments entering the System

- a. A Securities Transfer Order enters the System upon:
  - the receipt by SIX x-clear from the provider of the Transaction Router System of data relating to a Trading Platform Transaction in the form of a Securities Transfer Instruction; or
  - Single Contracts being transferred pursuant to clauses 20.1.4 and/or 20.1.5.
- b. A Securities Transfer Order shall apply and have effect between (i) SIX x-clear and the Member who are parties to the Single Contract and (ii) where applicable between SIX x-clear and a Co-CCP who are parties to the relevant Inter-CCP Contract.
- c. A Payment Instruction is deemed to have entered the System at the moment that SIX x-clear sends an instruction to the relevant Cash Service Provider requiring the Cash Service Provider either:
  - to debit a cash account held by a Member or any Co-CCP at the Cash Service Provider and to credit the cash account held by SIX x-clear at that Cash Service Provider with the corresponding amount; or
  - to debit SIX x-clear 's account (or SIX SIS's account held on SIX x-clear 's behalf) at that Cash Service Provider and make a corresponding credit of such debited amount to the Member's or Co-CCP's account held at that Cash Service Provider.

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- d. A Payment Transfer Order shall have effect between the Member, a Co-CCP (as applicable) and the Cash Service Provider at which the Member or Co-CCP (as applicable) is maintaining a Cash Account, and SIX x-clear.

### 10.5 Irrevocability and immutability

10.5.1 The irrevocability and immutability of Securities Transfer Orders refers to the following:

- a. A Securities Transfer Order (excluding Securities Transfer Orders for the purpose of transferring Single Contracts pursuant to clauses 20.1.4 and 20.1.5 of the Rulebook) can be avoided in accordance with the provisions of chapter 8.0 until the end of the Business Day which is following the formation of the Single Contract.
- b. Thereafter a Securities Transfer Order (excl. Securities Transfer Orders for the purpose of transferring Single Contracts pursuant to clauses 20.1.4 and 20.1.5 of the Rulebook) shall be legally binding, irrevocable and immutable and may not be revoked by either SIX x-clear, a Member or a Co-CCP.
- c. A Securities Transfer Order for the purpose of transferring Single Contracts pursuant to clauses 20.1.4 and 20.1.5 of the Rulebook is legally binding, irrevocable and immutable immediately upon completion of the transfer in question.

### 10.5.2 Clarification regarding Netting

Netting does not affect the status of a payment or transfer, in particular its validity, legal obligation, irrevocability and immutability.

### 10.6 Termination of Transfer Orders

Each Securities Transfer Order shall terminate immediately and automatically once Settlement has occurred within the Approved Settlement System.

Each Payment Transfer Order shall terminate immediately and automatically upon all payments required pursuant to the Payment Transfer Order being received in cleared funds or full satisfaction without limitation of the relevant underlying obligations is otherwise made.

### 10.7 Provision of Information

Subject to the applicable statutory and contractual restrictions of professional secrecy and upon payment of a reasonable charge, SIX x-clear and each Member shall provide the following information to any person who requests it (save where the request is frivolous or not legitimate) within fourteen days of a request being made:

- a. details of SIX x-clear 's System and of any other system in which SIX x-clear participates in relation to the Clearing of Trading Platform Transactions for the Member; and

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- b. information about the rules relevant to the functioning of this System.

Each Member shall provide SIX x-clear on demand with such information as SIX x-clear may require for the purposes of SIX x-clear meeting its obligations as operator of the System.

### **11.0 Collateralisation and Loss Assumption in Member Default**

#### **11.1 General remarks regarding Collateralisation and Loss Assumption**

The Member acknowledges that the purposes of the regulations of chapters 11.0 and 12.0 with regard to Collateralisation and Loss Assumption are:

- a. to secure risks and to cover potential losses in relation to the provision of Clearing Services by SIX x-clear; and
- b. to prevent the occurrence of any systemic risk in relation to the provision of Clearing Services by SIX x-clear.

#### **11.2 Collateralisation and Loss Assumption obligations**

The following general provisions apply:

- a. For Collateralisation and – if required – for coverage of Loss Assumption the Member shall transfer Permissible Collateral to the Collateral Accounts of SIX x-clear for the purpose of the full and timely payment and settlement of the Collateralised Liabilities in accordance with the provisions of the Contractual Framework (in particular, this Rulebook and the Financial Collateral Agreement).
- b. Responsibility for meeting the Collateralisation and Loss Assumption obligation lies solely with the Member, whether in its capacity as an ICM in its own favour or as a GCM.
- c. The Member shall provide or make available and directly transfer in the required amount Permissible Collateral in accordance with the specifications of the Contractual Framework. The provision and transfer of Permissible Collateral as Margin, Link Margin Element, Default Fund Contribution and Default Fund Replenishment Contribution shall be governed by the Financial Collateral Agreement under Swiss law.
- d. SIX x-clear has an obligation to accept this posted Permissible Collateral.
- e. With regard to tax issues, SIX x-clear only provides the services related to the provision of Permissible Collateral by the Member as stipulated in this Rulebook.

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### 11.3 Collateral Requirement

SIX x-clear calculates the amount of Collateral required ("**Collateral Requirement**") based on the Outstanding Contracts of the Member (including its NCMs) as well as the current market prices of the Trading Platform Products and the relevant currencies in accordance with the calculation methods set out in the Operational Manual.

The positions and Collateralisation are valued on an ongoing basis. The Member can obtain information on this via the information channel it has selected with SIX x-clear.

### 11.4 Components of Collateralisation

The components for the levy of Collateralisation are as follows:

#### 11.4.1 Margin

Margin is required to collateralise all Collateralised Liabilities of the Member to SIX x-clear on an ongoing basis.

#### 11.4.2 Link Margin Element ("LME")

The Link Margin Element is required for the Member's contribution to the fulfilment of SIX x-clear's collateralisation obligation to its Co-CCPs arising from Outstanding Single Contracts of SIX x-clear with the Member whose counterparty contract ("leg") is cleared by a Co-CCP, whereby the collateral to be provided by SIX x-clear to the Co-CCP is based on the contractual relationship with the relevant Co-CCP.

#### 11.4.3 Default Fund Contribution

Default Fund Contribution is required to fulfil the obligation of the Member in relation to losses that are to be covered in the event of a Member Default or a Co-CCP by the relevant Default Fund Segment, i.e. by the segment of the Default Fund to which the Member is obliged to contribute its share to the required amount of the segment.

#### 11.4.4 Default Fund Replenishment Contribution

The Default Fund Replenishment Contribution is required in the event of a Default with Major Impact requiring a full or partial drawdown of the relevant Default Fund Segment (i.e. a "Regular Drawdown") for the replenishment of the relevant Default Fund Segment to its required size.

### 11.5 Loss Assumption: Top-up Contribution

The Top-up Contribution is required in case of a Default with Major Impact which was caused by a Default of a Member and/or a Co-CCP and results in a loss which exceeds the relevant Default Fund Segment's current size pursuant to the Operational Manual (an "Exceeding Drawdown") as coverage for such a loss.

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An Exceeding Drawdown may result either i) from the loss of the Default with Major Impact, or ii) by aggregation of the loss of the relevant Default with Major Impact with the loss of one or more precedent Default(s) with Major Impact whose Cooling-off Periods pursuant to clause 11.11 lit. d has or have not expired yet, or of which the Default Fund Replenishment Contributions required from Non-Defaulting Members have not been received yet by SIX x-clear.

### 11.6 Coverage for interest, costs and similar

Posted Permissible Collateral may also be used by SIX x-clear to cover interest (including default interest), commissions and fees to be paid, which are incurred when realising the Permissible Collateral and/or as costs for Buy-in, Sell-out, closing, balancing or hedging transactions as well as to cover any expenses which result from rights and obligations pursuant to the Contractual Framework.

### 11.7 Requirements for Permissible Collateral

SIX x-clear accepts **Permissible Collateral** for the purposes of collateralising Collateralised Liabilities or Loss Assumption.

The individual values of the Permissible Collateral to be transferred do not count towards the Collateralisation at their current market values, but at their respective lending values. The latter is calculated after deduction of a haircut from the market value.

Securities issued in the United States of America cannot be accepted as Permissible Collateral due to the Applicable Laws.

Securities-specific **concentration limits** are in place to ensure sufficient diversification of the Permissible Collateral and to enable its liquidation without significant market impact.

### 11.8 Provision and transfer of Permissible Collateral

The provisions of the Financial Collateral Agreement, this chapter 11.0 and the Operational Manual apply with regard to the provision and transfer of Permissible Collateral. The following general requirements relating to the provision and transfer of Permissible Collateral shall also apply:

The following terms and conditions for the provision of Permissible Collateral apply:

- a. The Collateral Accounts are structured and segregated by SIX x-clear pursuant to the Member's instruction, the provisions of this Rulebook and the Operational Manual, the Account Service Agreement and the Applicable Laws.
- b. If the Permissible Collateral is not received within the determined timeframe pursuant to the Operational Manual, SIX x-clear is authorised, but not obligated, to

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take measures in accordance with the relevant rules of the Contractual Framework, in particular the provisions relating to the Default of a Member.

- c. If the Permissible Collateral transferred by the Member to SIX x-clear proves to be insufficient because either its value has fallen or the Collateralised Liabilities of the Member at SIX x-clear have increased, the Member shall provide additional Permissible Collateral and/or reduce its Collateralised Liabilities to SIX x-clear.
- d. SIX x-clear has the right to determine a minimum percentage of the Permissible Collateral to be transferred by the Member in either the form of Securities or the form of Cash.
- e. All other terms and conditions relating to the valuation and composition of the Permissible Collateral are set out in the Operational Manual and its Annex "Lending Norms".

#### 11.9 **Conditions for Margin and Link Margin Element**

The following specific terms and conditions apply for the Margin and Link Margin Element:

- a. SIX x-clear may request Permissible Collateral at any time with regard to the components of the Margin and/or Link Margin Element. The Operational Manual specifies when such payment requests are usually made and by which deadline after the request the Permissible Collateral must then be transferred.
- b. If a Member is active on more than one Trading Platform, the requests for Margin and the Link Margin Element made to this Member must be calculated on a consolidated basis for all Trading Platforms, whereby all Outstanding Contracts or equivalent positions of this Member are taken into consideration.
- c. Permissible Collateral requested by SIX x-clear for Margin and Link Margin Element ("Margin Calls") shall in principle be provided in the form of Cash.
- d. During its Membership, the Member shall ensure that the total balance in the Collateral Accounts of SIX x-clear designated with the name of the Member is sufficient to cover the requests made by SIX x-clear.

#### 11.10 **Conditions for Default Fund Contribution**

The following specific terms and conditions apply for the Default Fund Contribution:

- a. The Member shall notify SIX x-clear of the Trading Platforms of which it is a participant and for which it requires Clearing Services from SIX x-clear in relation to its Trading Platform Transactions. Based on this information, SIX x-clear assigns the Member to the specific Default Fund Segment to which the Member must make its Default Fund Contribution.



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The individual segments of the Default Fund (where multiple segments exist) are specified in an Annex to this Rulebook.

- b. Each Default Fund Segment is used exclusively to cover losses relating to Single Contracts of Members assigned to that segment.
- c. During its Membership, the Member shall ensure that the total balance in the Collateral Account(s) designated with the name of the Member is sufficient to cover – besides Collateral Requirement – also the Default Fund Contribution requested by SIX x-clear.

Alternatively, the Member may, with the prior consent of SIX x-clear and within the deadline specified, make its contribution directly in the form of Cash.

- d. If and to the extent that a loss is incurred which cannot be covered by the previous Layers of Collateral (pursuant to clause 11.13), the Default Fund Contribution of each Non-Defaulting Member is used on a pro rata basis, i.e. according to the amount of contribution required from the Member concerned in relation to the total size of the Default Fund Segment (whereby the contribution from the Defaulting Member is not included at the point the Default occurs).

Alternatively, the Member may, with the prior consent of SIX x-clear and within the deadline specified, make its contribution directly in the form of Cash.

- e. In the case of insufficient Margins and Link Margin Element for Trading Platform Transactions concluded by the NCM and accepted/novated by SIX x-clear as Single Contracts of a certain GCM, SIX x-clear may use the Collateral Accounts designated with the name of the relevant GCM which also contain the latter's Default Fund Contributions.
- f. SIX x-clear shall inform Members in writing of any losses caused by the Defaulting Member if the relevant Default Fund Segment is fully or partially used.
- g. If at a later time SIX x-clear recovers amounts from another source for losses charged to the Default Fund Segment, SIX x-clear shall reimburse these amounts on a pro rata basis from the Non-Defaulting Members.

#### 11.11 **Terms and conditions for Default Fund Replenishment Contribution**

The following specific terms and conditions apply to the Default Fund Replenishment Contribution:

- a. Each partial or full Regular Drawdown of the relevant Default Fund Segment gives rise to an obligation for each Non-Defaulting Member ("Default Fund Replenishment Obligation") to replenish this Default Fund Segment by making a Default Fund Replenishment Contribution.



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- b. The Default Fund Replenishment Contribution is calculated by SIX x-clear for each Non-Defaulting Member 15 Business Days after the Default with Major Impact. This is based on the share that such a Member accounts for of the total amount of the Default Fund Contributions of all Non-Defaulting Members at the time the corresponding Default Fund Segment was reassessed pursuant to the regulations of the Contractual Framework.
- c. The Default Fund Replenishment Contribution must be made within 5 Business Days after a respective call ("Replenishment Call") is made. This call is issued immediately upon determining the Replenishment Obligation.
- d. The Default Fund Replenishment Obligation remains in place for the entire duration of the Membership of the Member. However, following a provision of a Default Fund Replenishment Contribution due to a Regular Drawdown, there is a blocking period of 20 Business Days ("Cooling-off Period of the Member"). During this Cooling-off Period, the Non-Defaulting Members are released from their obligation to make an additional Default Fund Replenishment Contribution. If the Member was asked to make only a partial Default Fund Replenishment Contribution, the Cooling-off Period only applies for the Default Fund Replenishment Contribution already actually made by the Non-Defaulting Member.
- e. In the event of a further drawdown (whether as a Regular Drawdown or Exceeding Drawdown), the Non-Defaulting Members are once again subject to the Replenishment Obligation following the Cooling-off Period still resulting from a previous drawdown.

#### 11.12 **Terms and conditions for Top-up Contribution**

The following specific terms and conditions apply:

- a. In the case of an Exceeding Drawdown, a Non-Defaulting Member shall make a Top-up Contribution to SIX x-clear as a direct Loss Assumption pursuant to the terms and conditions of this clause 11.12.
- b. The values to be transferred (Cash or Securities) of the Top-up Contribution must meet the same requirements in accordance with the Lending Norms as the Permissible Collateral to be transferred.
- c. The Top-up Contribution must be transferred by the Non-Defaulting Member to the Collateral Accounts of SIX x-clear which are designated with the name of that Member within one Business Day of receiving the corresponding request from SIX x-clear ("Top-up Contribution Call").
- d. The obligation to provide a Top-up Contribution is limited to the three times the value of the Default Fund Contribution of the Non-Defaulting Member at the time of the respective Exceeding Drawdown. SIX x-clear may request such a Top-up

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Contribution from a Non-Defaulting Member in a maximum of three parts within a six-month period after an Exceeding Drawdown.

- e. If a Top-up Contribution is requested by SIX x-clear pursuant to clause 11.12 with a value below the simple Default Fund Contribution defined at the time of the corresponding Exceeding Drawdown, this payment nevertheless counts as a Top-up Contribution of the Non-Defaulting Member with regard to the relevant six-month period after the Exceeding Drawdown.

### 11.13 **Order of realisation of collateral and Loss Assumption ("Waterfall of Resources")**

If a Member fails to meet its obligations pursuant to the Contractual Framework, in particular in the event of Default of a Member, SIX x-clear is authorised to realise the Permissible Collateral provided by the Member in accordance with the Financial Collateral Agreement and, where applicable, demand a Top-up Contribution.

For its part, SIX x-clear is obligated to make its own Dedicated Capital Contribution.

SIX x-clear may not use any Margin or Link Margin Element of a Non-Defaulting Member to cover the Collateralised Liabilities of a Defaulting Member.

The Permissible Collateral and Loss Assumption are to be realised for the individual stages of Collateralisation and Loss Assumption ("**Layers of Collateral**") in the following order "Waterfall of Resources"):

1. **Initial Margin and Variation Margin and Link Margin Element** provided by the Defaulting Member to satisfy its Margin obligations and analogous obligations in respect of its Outstanding Contracts;
2. **Default Fund Contribution of the Defaulting Member** to the relevant Default Fund Segment;
3. **Dedicated Capital Contribution of SIX x-clear** pursuant to the provisions of chapter 13.0;
4. **Default Fund Contributions of the Non-Defaulting** Members (including Default Fund Replenishment Contributions) to the relevant Default Fund Segment;
5. **Top-up Contributions** of Non-Defaulting Members.

### 12.0 **Loss Assumption in the event of Non-Default Loss**

#### 12.1 **Obligations of the Member to cover losses**

In the case of uncovered losses that were not caused by a Default of a Member or a Co-CCP and are thus not covered by Permissible Collateral posted in accordance with

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chapter 11.0, the Member shall be obliged to cover these losses in the form of a **Non-Default Loss Allocation (“NDLA”)**.

This is subject to any liability on the part of SIX x-clear (pursuant to chapter 14.0).

The NDLA provides cover for financially quantifiable losses incurred by SIX x-clear if these are a result of direct losses, specifically in cases caused by the following events:

### 12.1.1 **Loss of Permissible Collateral due to the Default of the Collateral Service Provider**

The Members concerned shall bear the loss regarding the posted Permissible Collateral incurred by SIX x-clear as a result of a Default of a Collateral Service Provider, but only if they have placed such Permissible Collateral with the affected Defaulting Collateral Service Provider and also only if this Permissible Collateral cannot be segregated under bankruptcy law or replenished in any other way in good time.

### 12.1.2 **Loss of Permissible Collateral and/or capital due to Other Loss Event**

The Members shall bear the loss regarding the posted Permissible Collateral incurred by SIX x-clear as a consequence of an Other Loss Event and/or SIX x-clear's capital which was invested at a financial institution for concentration purposes on a collective basis or within the scope of Investment Usage, but only if this Permissible Collateral and/or capital cannot be segregated under bankruptcy law or replenished in any other way in good time.

### 12.2 **Conditions of a Non-Default Loss Allocation**

The following specific terms and conditions apply to a Non-Default Loss Allocation:

- a. In the event of a loss of Permissible Collateral due to a **Default of a Collateral Service Provider**, the loss is exclusively covered by the NDLA and is allocated across the individual Members. In this case SIX x-clear does not make an NDL Own Contribution.
- b. The Members shall pay SIX x-clear an amount corresponding to the losses incurred. The amount to be paid by the individual Member concerned is determined based on the ratio of the Permissible Collateral which was provided by the Member concerned by the time of the occurrence of the Default of the Collateral Service Provider at this Collateral Service Provider in favour of SIX x-clear against the Permissible Collateral provided by all Members by the time of the occurrence of the Default of the Collateral Service Provider at this Collateral Service Provider in favour of SIX x-clear.
- c. In the event of a Default of a Collateral Service Provider, the amount to be paid by a Member pursuant to clause 12.1.1 is limited to the amount of its Permissible Collateral provided by the time of the occurrence of the Default of the Collateral Service Provider.

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- d. If SIX x-clear incurs a loss as a result of an **Other Loss Event**, the Members shall pay SIX x-clear an amount corresponding to this loss. The amount to be paid by the individual Member concerned is determined based on the ratio of the Permissible Collateral which was provided by the Member concerned by the time of the occurrence of the Other Loss Event in favour of SIX x-clear against the Permissible Collateral provided by all Members by the time of the occurrence of the Other Loss Event in favour of SIX x-clear.

In this case, SIX x-clear makes an NDL Own Contribution pursuant to clause 13.2.

- e. In the event of an Other Loss Event, the amount to be paid by all Members pursuant to clause 12.2 lit. d per Loss Event is limited to a maximum of CHF 40 million.
- f. The amounts to be paid pursuant to clauses 12.2 lit. a und d must be paid by the Member to SIX x-clear within 24 hours of receiving the request from SIX x-clear ("NDLA Call").
- g. Even in cases where SIX x-clear is unable to have the posted Permissible Collateral provided in the form of Securities segregated from the bankrupt estate of the Collateral Service Provider, the NDLA must still be paid within 24 hours of the relevant NDLA-call. Members which had to pay an NDLA as a result of the Permissible Collateral not being able to be segregated will be reimbursed with Securities of the same type and amount as the posted Permissible Collateral which SIX x-clear is able to recover within insolvency proceedings.
- h. SIX x-clear determines the relevant loss associated with the Default of a Collateral Service Provider or with an Other Loss Event. The Members are sent a corresponding statement certified by a certified public accountant appointed by SIX x-clear.
- i. SIX x-clear will only definitively capture amounts from Members due to the NDLA to the extent that the proven losses determined pursuant to clause 12.2 lit. h. are not covered by amounts received from insurance benefits for the relevant loss event. If the amounts received from Members exceed the actual loss amount, SIX x-clear will pay back the excess NDLA contributions to the relevant Members on a pro rata basis.

#### 12.3 **Order of loss coverage from Other Loss Events**

In the event of a Non-Default Loss from an Other Loss Event, the following order applies to cover the loss:

1. **NDL Own Contribution of SIX x-clear**
2. **Non-Default Loss Allocation (NDLA) by the Members** pursuant to clauses 12.1 and 12.2.

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### 13.0 Dedicated Capital Contribution of SIX x-clear

#### 13.1 SIX x-clear 's Own Contribution in the event of a Member Default

Before using Default Fund Contributions of Non-Defaulting Members, SIX x-clear shall make an own contribution for each Default to cover losses caused by the Member Default.

The Dedicated Capital Contribution is determined as a percentage of the required capital, where the latter is assessed pursuant to the provisions of the Swiss Financial Market Infrastructure Ordinance (FMIO) and the Swiss Capital Adequacy Ordinance, and is published on the website of SIX > Securities Services > Clearing > Info Center > Regulatory Disclosure > Skin in the game.

SIX x-clear fixes the Dedicated Capital Contribution at a minimum of 25% of the required capital of SIX x-clear pursuant to the Applicable Laws. The Dedicated Capital Contribution is calculated in accordance with the requirements of the Swiss Applicable Laws and the Operational Manual.

SIX x-clear shall make a Dedicated Capital Contribution for the entire amount (totalling at least 25%) only once in a period of one month following any Member Default which necessitated the use of such contribution ("Cooling-off Period of SIX x-clear").

#### 13.2 SIX x-clear 's NDL Own Contribution

In the event of an Other Loss Event, SIX x-clear will, before using the NDLA of the Members pursuant to clause 12.2 for each Other Loss Event provide an own contribution to cover a loss caused by an Other Loss Event ("**NDL Own Contribution**").

The NDL Own Contribution is calculated as a percentage of the required capital, where the latter is assessed pursuant to the provisions of the Swiss Financial Market Infrastructure Ordinance (FMIO) and the Swiss Capital Adequacy Ordinance, and is published on the website of SIX > Securities Services > Clearing > Info Center > Regulatory Disclosure > Skin in the game.

SIX x-clear fixes the NDL Own Contribution at a minimum of 25% of the required capital of SIX x-clear pursuant to the Applicable Laws. This Own Contribution is calculated in the same way as for a Member Default (pursuant to clause 13.1).

SIX x-clear shall make the NDL Own Contribution for the entire amount (at least 25%) only once within a period of one month following the occurrence of the Other Loss Event which necessitates the use of such contribution ("Cooling-off Period of SIX x-clear").

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#### 13.3 Refinancing of the Dedicated Capital Contribution

After any use of the Dedicated Capital Contribution, SIX x-clear shall reinstate its own reserves (part of its own capital) to the extent as required by the Swiss Applicable Laws within 20 Business Days.

The Dedicated Capital Contribution for the Own Contribution in the event of a Member Default (pursuant to clause 13.1) and the Own Contribution in the event of a Non-Default Loss (pursuant to clause 13.2) is financed in both cases from the reserves of SIX x-clear.

In case of use of only a portion of the Dedicated Capital Contribution (i.e. a fraction of the 25% of SIX x-clear's required capital), the Cooling-off Period of SIX x-clear shall also apply to that portion only.

Any losses arising within the Cooling-off Period of SIX x-clear which are exceeding any residual Dedicated Capital Contribution shall, in the event of a Member Default, be absorbed by the "Layers of Collateral" pursuant to clause 11.13 (items 4 and 5) or, in the event of a Non-Default Loss, by the Members pursuant to clause 12.3, unless it is an Event of Force Majeure pursuant to chapter 18.0.

#### 14.0 Liability

##### 14.1 Liability of SIX x-clear

Pursuant to the legal provision, SIX x-clear (including its representatives and Auxiliary) shall be liable to the Member for any wilful or grossly negligent actions as well as culpable injuries to life, limb or health.

SIX x-clear shall also be liable for any negligent breaches of fundamental contractual obligations, i.e. those obligations the Member can confidently expect to be met under the given purpose of the contractual arrangements.

SIX x-clear may, from time to time, enter into certain arrangements with an Affiliate of SIX x-clear under which such Affiliate provides certain services to SIX x-clear as a representative / Auxiliary or which otherwise facilitates SIX x-clear's performance of its obligations under the Contractual Framework or in any other way.

##### 14.2 Responsibility of Member

The Member shall bear sole responsibility for the completeness, correctness and authenticity of information and data transmitted to SIX x-clear in relation to a Trading Platform Transaction to which the Member is a party.

This responsibility extends to instances where SIX x-clear does not receive information or data related to a Trading Platform Transaction directly from the Member, but from the trading NCM, a Co-CCP, the operator of the Trading Platform or the Transaction

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Router System, the paying agent, the Approved Settlement System, the providers of messaging services, networks or other technical infrastructures.

SIX x-clear shall be entitled to definitively, and without further verification as to completeness, correctness and authenticity, rely on all the data and information it receives – unless SIX x-clear acknowledges the incompleteness, incorrectness or lack of authenticity or this is plainly obvious.

In the above-mentioned case, authenticity means the fact that the information and data relating to a Trading Platform Transaction was obtained from a source recognised by SIX x-clear.

This clearly establishes that:

- a. SIX x-clear shall not be responsible for the information provided to it in respect of a Trading Platform Transaction and the Member shall bear any losses arising as a result of information submitted to SIX x-clear in relation to a Trading Platform Transaction that is illegible or cannot be read correctly, as well as losses caused by forged or incorrect information; and
- b. the Member is not responsible for operational matters relating to the Transaction Router System used by the Trading Platform and SIX x-clear.

### 14.3 **Limitation of liability of SIX x-clear**

Provided SIX x-clear is not liable for the damage in accordance with clause 14.1, SIX x-clear shall not be liable for any damage in relation to one of the following actions or causes:

- a. any partial or full suspension of Clearing Services in relation to the Member pursuant to chapter 17.0;
- b. measures, orders or decrees issued by a Governmental Authority in relation to a Member, an NCM, a Trading Platform, a Co-CCP, the Transaction Router System or the Approved Settlement System;
- c. any act or omission of third parties used by SIX x-clear to provide Clearing Services in relation to the Member, in particular provided SIX x-clear has exercised due care in selecting, instructing and monitoring these third parties;
- d. any judicial or extrajudicial dispute relating to the existence, content and/or validity of a Single Contract between SIX x-clear and the Member;
- e. the exercise or failure to exercise a right under the Contractual Framework by SIX x-clear, provided this exercise or failure to exercise the right is not unlawful;



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- f. any action in defamation in connection with the issuance of any Default Notice (pursuant to clause 19.4) or in relation to taking measure (pursuant to clause 19.5) or in relation to the exercise of other rights, provided such issuance, taking of measures or exercise of a right is not unlawful, or in relation to a refusal of a Membership application;
- g. any Single Contracts that have been declared void or avoided pursuant to the Contractual Framework and/or Inter-CCP Contracts that have been declared void or avoided pursuant to a Link Agreement and/or the corresponding counter-contracts ("legs") of the respective Trading Platform Transaction;
- h. any implied warranties or representations in relation to SIX x-clear's systems.

Furthermore, where an obligation of SIX x-clear must be performed immediately, by or prior to a specified time or date but performance does not occur by that time or date, SIX x-clear shall not be in breach of the Contractual Framework if SIX x-clear is not responsible for the delay, has exercised all reasonable endeavours to perform the obligation as agreed, and it then – as soon as it is able to after such specified time or date – performs the relevant obligation.

### 15.0 Indemnity

#### 15.1 Indemnity by Member

The Member shall indemnify and hold harmless SIX x-clear against any and all losses and damages of SIX x-clear (in particular also from claims asserted by third parties) arising out of, or in connection with a breach by the Member of any of its obligations under the Contractual Framework or a breach by the Member of any Applicable Laws.

In this respect, a Member is equally liable for the conduct of its representatives as it is for its own fault and negligence.

To clarify, the Member cannot be held liable for losses or damage resulting from a failure to fulfil or the delayed fulfilment of one or more of its obligations pursuant to the Contractual Framework if said failure to fulfil, delayed fulfilment or any other inadequate fulfilment has a direct causal connection to a market disruption or Event of Force Majeure (pursuant to chapter 18.0).

#### 15.2 Indemnity by Second Member

If SIX x-clear is found liable to a Member in respect of a Single Contract, but another Member (the "Second Member") is found to be liable to SIX x-clear in respect of a Single Contract which arose pursuant to the same Trading Platform Transaction corresponding to the first Single Contract, then the liability of SIX x-clear under the first Single Contract shall be deemed to be a foreseeable consequence of the breach by the Second Member of the second Single Contract.



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In this case, SIX x-clear shall be entitled to take recourse to and be indemnified by such Second Member.

### 15.3 **Assumption of responsibility in proceedings**

SIX x-clear shall notify the Member promptly in writing as soon as it becomes aware of any action, proceeding, suit, arbitration, dispute, claim, demand, inquiry, investigation or hearing of a third party against SIX x-clear to which clause 15.1 may apply.

Subject to the Member's written consent, SIX x-clear shall assign to the Member sole responsibility for the conduct of any litigation in connection with such claims or legal action and/or the conduct of other Dispute resolution procedures, at the Member's own discretion and at its own expense.

SIX x-clear shall not be entitled to fulfil any demand, grant any concession or reach a settlement without the Member's prior written consent, such consent not to be unreasonably withheld. SIX x-clear shall provide the Member with all information and, at the Member's expense, with such support as is reasonably required.

### 16.0 **Termination of Membership**

#### 16.1 **Ordinary termination**

Notwithstanding clause 16.2 below, SIX x-clear shall be entitled to terminate the Membership of the Member.

The Member shall also be entitled to terminate its Membership of the Clearing System of SIX x-clear .

For this purpose, the party giving notice of termination to the other party shall provide by registered mail a written **notice of termination of the Basic Agreement for Clearing Services** to said other party with a period of notice of no less than 30 calendar days sent by registered mail. This 30-day period shall begin on the last calendar day of the month in which the written notice of termination was served.

#### 16.2 **Entitlement to extraordinary termination by SIX x-clear**

SIX x-clear may extraordinarily terminate the Membership of a Member with immediate effect, without even previously suspending the Clearing Services of said Member pursuant to this chapter 16.0. In particular, this applies if one or more of the following situations apply:

- a. SIX x-clear has reason to believe that the Member was granted Membership on the basis of inaccurate information.
- b. SIX x-clear has reason to believe that the Member no longer meets the conditions and criteria for Membership as defined in clauses 2.3 and 2.4.

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- c. The Member does not accept in good time or it rejects the Basic Agreement and/or Financial Collateral Agreement which is/are newly entering into force following the conclusion of an amendment process (pursuant to rules of the Basic Agreement).
- d. The right of extraordinary termination for good cause remains unaffected. In particular, SIX x-clear may terminate the Membership of a Member with immediate effect if the direct consequences of a market disorder or an Event of Force Majeure (pursuant to chapter 18.0) last 90 days or longer.

SIX x-clear shall also inform the relevant Trading Platform(s) of the termination of any Member.

#### 16.3 Entitlement to extraordinary termination by the Member

In the event of a Default by SIX x-clear on the basis of chapter 21.0, the Member is entitled to terminate its Membership with immediate effect.

The right of extraordinary termination for good cause remains unaffected. In particular, the Member may terminate its Membership with immediate effect if the direct consequences of a market disorder or an Event of Force Majeure (pursuant to chapter 18.0) last 90 days or longer.

#### 16.4 Continuing consequences of termination

Termination (pursuant to clauses 16.1 to 16.3) shall also result in the termination of the other elements of the Contractual Relationship – with the exception of the Financial Collateral Agreement.

Upon any termination of a Member's Membership pursuant to this chapter 16.0, the Margin and Link Margin Element due from time to time with respect to all relevant Outstanding Contracts and the Default Fund Contributions of the relevant Member shall remain the property of SIX x-clear until Settlement of all Outstanding Contracts. The Member shall further be obliged to:

- a. transfer all of its Outstanding Contracts within the scope of contractual agreements pursuant to clause 20.1 ("pre-arranged solutions");
- b. provide the Margin, Link Margin Element and Default Fund Contribution until SIX x-clear has concluded the termination process pursuant to this chapter 16.0;
- c. meet all other obligations it has to SIX x-clear which it entered into or assumed prior to the termination of its status as a Member; specifically it shall pay all fees and costs pursuant to clause 24.1 with regard to cleared Single Contracts and other obligations which it incurred or assumed prior to the termination of its Membership;

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- d. take such other actions as SIX x-clear deems appropriate or necessary to accommodate the Termination process; and
- e. be subject to any complaints, proceedings, investigations or disciplinary proceedings which relate in whole or in part to any acts or omissions of that Person whilst it was a Member, and either complete these processes itself or assist SIX x-clear at least at its reasonable discretion in completing them.

#### 16.5 **Consequences regarding Single Contracts**

Single Contracts concluded prior to the termination of Membership will continue to be subject to Clearing Services in particular Settlement (pursuant to chapter 9.0) and the Close-Out Procedure (pursuant to clause 19.5.3).

After the termination of the Membership of a Member, SIX x-clear shall no longer provide Clearing Services for this Member and shall not accept any new Single Contracts whose other party is the Member concerned.

If a written notice of termination is served pursuant to clause 16.1, SIX x-clear will only accept further Single Contracts with the Member concerned up to the tenth Business Day before the last day of the Membership.

#### 17.0 **Suspension**

##### 17.1 **Notification of Suspension**

Notwithstanding its contractual duty to provide Clearing Services, SIX x-clear shall be entitled to suspend its Clearing Services for a Member in accordance with the following regulations by no longer accepting Trading Platform Transactions from the Member for Clearing. Such a suspension shall only apply for such period of time as SIX x-clear deems necessary for it to take appropriate consideration of the respective circumstances.

SIX x-clear shall notify the Member affected by the suspension immediately after deciding to suspend the Clearing Services for this Member. SIX x-clear shall notify the Member of the start date and – if possible – the end date of the suspension.

SIX x-clear shall also inform the relevant Trading Platform(s) of the suspension of any Member.

##### 17.2 **Reasons for suspension**

SIX x-clear may suspend its Clearing Services if it has demonstrable reason to believe that the Member:

- a. was granted Membership on the basis of inaccurate information;

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- b. has not or has only inadequately met its obligations under the Contractual Framework or a specific obligation as defined in 5.2 (“Representations and warranties”), clause 5.3 (“Maintenance of records”) and clause 5.4 (“Reporting requirements”);
- c. has not provided and transferred Permissible Collateral in accordance with the Financial Collateral Agreement and the Rulebook; and/or
- d. does not accept in good time or rejects one or more elements of the Contractual Framework following the conclusion of an amendment process (pursuant to rules of the Basic Agreement).

### 17.3 Immediate consequences of suspension

Immediately upon receiving notification of the suspension (pursuant to clause 17.1) and for the duration of the suspension, the Member shall refrain from executing further Trading Platform Transactions that would be subject to Clearing Services by SIX x-clear (were it not for the imposed suspension). SIX x-clear shall not conclude any Single Contracts with such Member for the duration of the suspension.

Accordingly, any Trading Platform Transactions entered into by a suspended Member (after having received notification of the suspension) shall not result in Single Contracts between SIX x-clear and the Member. In particular, Trading Platform Transactions that SIX x-clear would enter into by way of Novation pursuant to clause 6.3 no. 2 are not rescinded in the absence of Novation, but instead continue to exist as Trading Platform Transactions between the original parties and thus remain subject to the regulations of the respective Trading Platform.

Unless subject to a reason for avoidance pursuant to clause 8.1, Single Contracts concluded prior to the suspension are not impacted by the suspension and remain subject to the Clearing Services and Settlement by SIX x-clear.

### 17.4 Continuing consequences of suspension

If Clearing Services are suspended, the relevant Member shall, during the term of such suspension and thereafter, remain and continue to be:

- a. bound by the Contractual Framework;
- b. obliged to pay any and all fees and other charges imposed by SIX x-clear pursuant to clause 24.1; and
- c. liable to SIX x-clear for all obligations arising under Single Contracts and all obligations incurred before, during or after such suspension including obligations to transfer and maintain Permissible Collateral (according to clause 11.4) as well as any Top-up Contribution (according to clause 11.5) and any Loss Assumption (according to chapter 12.0).

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### 18.0 Market disorder and Events of Force Majeure

#### 18.1 Market disorder on Trading Platform

If in accordance with its Trading Platform Rules, the operator of the relevant Trading Platform

- a. avoids a Trading Platform Transaction, performs a counter-transaction with regard to the relevant Trading Platform Transaction(s) or suspends trading with certain Trading Platform Products because there is market disorder – specifically if the operator of the Trading Platform decides that an excessive position or unwarranted speculation or any other undesirable situation or practice is developing or has developed which is affecting or capable of affecting the Trading Platform Market, and
- b. SIX x-clear and the Member under such circumstances are bound to the relevant actions of the operator of the Trading Platform,

SIX x-clear and/or the Member may take the consequences and measures set out in clause 18.3.

#### 18.2 Events of Force Majeure

An Event of Force Majeure is relevant with regard to the relationship between SIX x-clear and its Members if it – in particular in relation to the fulfilment of Outstanding Contracts and/or Collateralisation – fully or to a significant extent restricts or prevents the provision of a service or the fulfilment of the associated other obligations of the Member, a Co-CCP or SIX x-clear .

In particular, SIX x-clear may at its discretion deem the following to be Events of Force Majeure:

- a. Fire, flood, storm, earthquake, explosion, diseases, accidents, social and political commotion (e.g. lockout, strike), armed conflict, disruption to energy supplies;
- b. Technical disruption of infrastructure such as outages of important third-party systems, specifically the relevant Trading Platform System or Approved Settlement System or Transaction Router System or Clearing System of a relevant Co-CCP or relevant payment transfer or transport system or a relevant financial information or communication system;
- c. Criminal acts, in particular malicious damage and cyber-attacks perpetrated by a third party, i.e. not by employees, bodies, Affiliates or auxiliary personnel of SIX x-clear or the relevant Member;
- d. Actions taken by governmental authorities (embargoes, expropriations); or

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- e. Disruptions of relevant markets, in particular, money markets, capital markets and other securities markets due to liquidity bottlenecks, unusual market conduct or other disruptions that significantly impair the orderly functioning of the market and settlement processes.

An Event of Force Majeure is deemed per se to be relevant if the event causes the complete depletion of all Layers of Collateral of SIX x-clear (pursuant to clause 11.13).

#### 18.3 Consequences and measures

If a market disruption (pursuant to clause 18.1) or a relevant Event of Force Majeure (pursuant to clause 18.2) occur:

- a. The party invoking the market disruption or relevant Event of Force Majeure shall immediately notify the other party by telephone and then by e-mail (confirmation) of the situation and the obligations affected in the Contractual Framework as well as the measures it has taken/plans to take.
- b. Each party is entitled to an appropriate extension of the deadline by which it must meet its obligations affected in the Contractual Framework to the other party.
- c. The party concerned shall attempt to subsequently meet the obligations affected in the Contractual Framework by the market disorder or Event of Force Majeure in good time with an appropriate level of effort.
- d. SIX x-clear may, with regard to the Outstanding Contracts, continue to perform/arrange to have performed its Clearing Services for the Single Contracts affected, in particular Settlement, in accordance with the Contractual Framework and arrangements of Buy-in or Sell-out. SIX x-clear shall, where relevant and practicable, notify the Member of this in advance.
- e. The beneficiary shall make a corresponding compensation payment to the other party if the prices paid for the affected Trading Platform Products have changed since the conclusion of the Single Contract (with certain price agreement) in the course of the settlement process.
- f. SIX x-clear may suspend Clearing Services for individual, multiple or all Trading Platform Transactions for a period of up to 90 days as from the beginning of the market disorder or the Event of Force Majeure, notwithstanding the right to suspend as set out in chapter 17.0.
- g. Following suspension pursuant to clause 18.3 lit. f, SIX x-clear has the right
  - i. to further extend the suspension (pursuant to clause 18.3 lit. f); or
  - ii. place the Member in Default (pursuant to clause 19.4); or

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- iii. to initiate an extraordinary termination of Membership for good cause (pursuant to clause 16.2 lit. d).

#### 18.4 Tearing-up of Single Contracts

The objective of a “Tearing-up” is the return to a “matched book” of SIX x-clear.

If, according to the records and calculations of SIX x-clear, all Layers of Collateral (pursuant to clause 11.13) have been fully exhausted as a result of market disorder or an Event of Force Majeure or SIX x-clear at its discretion deems there to be substantial evidence and a high probability that they will be fully exhausted, SIX x-clear and the Member shall have the following rights and obligations:

- a. SIX x-clear may tear up and declare void individual, multiple or all Outstanding Single Contracts with immediate effect (selective, partial or complete “Tearing-up”).
- b. In the event of a selective or partial Tearing-up, SIX x-clear will clearly indicate the Outstanding Contracts subject to the Tearing-up (“Selected Single Contracts”) and notify the relevant Members as quickly as possible in advance. The selection of the relevant Single Contracts shall be made, in accordance with the following criteria and sequence:
  - 1. the Outstanding Single Contracts with the largest contract values; and
  - 2. of these Outstanding Contracts, those with the largest reducing Settlement Net Exposure Effect versus the Outstanding Contracts of the Members concerned.
  - 3. of the Outstanding Contracts that have already been instructed for Settlement, those whose Matching would impact the lowest number of counterparties.
- c. Selected Single are no longer instructed for Settlement / withdrawn from the Settlement process provided this is possible under finality rules of the Approved Settlement System.
- d. With regard to all Single Contracts affected by the Tearing-up, SIX x-clear shall determine the relevant Close-out Settlement Amount on the basis of the market prices at the time of the Tearing-up and in case of losses by Members pay a compensation back to the remaining single Members on a pro rata basis. The total of these paybacks to Members shall, however, not exceed the total amount of the still available or replenished (“funded”) Permissible Collateral.
- e. The Member affected by a Tearing-up shall still be obliged to continue providing Permissible Collateral for the Outstanding Single Contracts not subject to the selective or partial Tearing-up.

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### 19.0 Default of Member

#### 19.1 General rule

If a discretionary Event of Default within the meaning of clause 19.2 or compulsory Event of Default within the meaning of clause 19.3 occurs, SIX x-clear can/will place the Member into Default concerned pursuant to clause 19.4 and take the measures defined in clause 19.5.

#### 19.2 Discretionary Events of Default

SIX x-clear determines at its discretion – in particular taking into account the Member's creditworthiness, solvency and other ability to act with regard to the proper fulfilment of obligations in accordance with this Rulebook – whether one or more of the following facts are met.

- a. The Member is unwilling or unable to fulfil in good time its performance and/or payment obligations based on the Contractual Framework, in particular based on the Financial Collateral Agreement and the Rulebook.
- b. The responsible Governmental Authority revokes the admission (licence, recognition) of the Member to a market that is considered by SIX x-clear to be of importance for that Member.
- c. The Member at SIX x-clear's discretion seriously breaches its representations and warranties pursuant to clauses 5.2 and 7.7.
- d. The Member is or was subject to sanctions or disciplinary measures ordered by a responsible Governmental Authority or a Trading Platform, an Approved Settlement System or another Central Counterparty, such as investigations, suspension or criminal proceedings.
- e. One or more creditors of the Member have applied in official or bilateral procedures to seize ownership of one or more assets of the Member or are exercising similar rights, which could seriously impact the Member's ability to meet its obligations pursuant to the Contractual Framework.
- f. The Member has been declared bankrupt or insolvent and/or has entered into a bilateral settlement or other agreement (whether to avoid bankruptcy or insolvency or for equivalent reasons) in favour of one or more creditors.
- g. The competent body of the Member has passed a resolution on the liquidation of the latter.
- h. The Member is in another situation in which, at the discretion of SIX x-clear, there is good cause to immediately terminate the Membership of that Member.



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## Clearing Services for all Members

### 19.3 Mandatory Events of Default

If any of the following situations apply, there is deemed to be an overriding reason for the Member to be placed into Default:

- a. The responsible Governmental Authority has opened bankruptcy or insolvency proceedings against the Member or a ruling (e.g. composition agreement, moratorium, prohibition on transfers) has been issued appointing a bankruptcy liquidator with regards to the assets of the Member.
- b. The responsible Governmental Authority has issued a decree that prohibits the Member from carrying out securities transactions that are relevant to Clearing with SIX x-clear at the discretion of SIX x-clear and/or invokes a moratorium and deferment of payment of the Member's obligations, whereby only interest payments can be impacted.

### 19.4 Occurrence of Default

If it is determined that there is a discretionary Event of Default pursuant to clause 19.2, the Default sets in with the Member upon the **setting into Default** by the competent Default Management Committee of SIX. The Defaulting Member shall be notified of this by means of a Default Notice sent to the contact address most recently reported to SIX x-clear.

In the event of a compulsory Event of Default pursuant to clause 19.3, the Member is in Default as of the occurrence of the relevant event, i.e. from the time the **official decree** issued by the insolvency authority enters into force, or from the time the SIX x-clear receives the **relevant advance notification** from the authority. The Defaulting Member shall be notified by means of a Default Notice sent to the contact address most recently reported to SIX x-clear.

The occurrence of a Member Default shall be disclosed to the Swiss supervisory authorities of SIX x-clear, the relevant Trading Platforms, the Co-CCPs, the European Association of Clearing Houses and the Approved Settlement System. It is also published on the website of SIX x-clear that is only available to Members.

In the case of discretionary Events of Default pursuant to clause 19.2 in which it deems it appropriate, SIX x-clear may send a **reminder** to the Member before issuing a declaration of Default, giving the Member an appropriate deadline by which it must take effective corrective measures.

### 19.5 Measures by SIX x-clear upon Default

On occurrence of the Default pursuant to clause 19.4, SIX x-clear shall take the following measures:

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### 19.5.1 **Suspension of Open Offer and/or Novation**

If not already done, the Open Offer and/or Novation process as well as the provision of Clearing Services to the Member is suspended with immediate effect.

### 19.5.2 **Blocking of all posted Permissible Collateral in Collateral Account(s)**

All positions of the posted Permissible Collateral positions shall be blocked with immediate effect, i.e. they will not be released and re-transferred to the Defaulting Member (or its bankrupt estate) until the Close-out Procedure pursuant to clause 19.5 is concluded and any Close-out Settlement Amount payable by the Defaulting Member is covered.

### 19.5.3 **Close-out Procedure**

A Close-out Procedure shall be initiated with respect to all the Outstanding Contracts of a Defaulting Member. The elements of this procedure are as follows:

1. The Outstanding Contracts of the Defaulting Member are – in consideration of any measures of the competent authorities – either
  - a. fulfilled and settled in the regular process in accordance with their specific terms and the Contractual Framework; or
  - b. where fulfilment and settlement in the regular process is deemed to be unlikely or impossible, fulfilled and settled by SIX x-clear following a buy-in or sell-out of the net positions of the relevant Trading Platform Products.
2. Following the issuance of a Default Notice, SIX x-clear, where legally permissible, at its reasonable discretion and in consultation with the recovery agent or bankruptcy liquidator, arranges all necessary actions related to the buy-ins and sell-outs.
3. After SIX x-clear has issued the buy-in and sell-out orders and the relevant parties have been notified accordingly, the respective Settlement instructions of the Defaulting Member to SIX x-clear shall be stopped with immediate effect by SIX x-clear placing them in “hold” status in the System. After the Close-out Procedure has been concluded and SIX x-clear has notified the relevant parties accordingly, the orders shall be cancelled by the Member concerned in the System. More detailed provisions can be found in the Operational Manual.
4. SIX x-clear determines the differential values of the net positions per ISIN and currency of the Outstanding Contracts based on the actual purchase costs / sales proceeds.
5. The Close-out Procedure also involves charging to the Member all costs and expenses related to the Event of Default – these include costs relating to the liquidation of Collateral as well as the costs of buy-ins and/or sell-outs, compensation

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payments and fines for Late Settlement, legal fees or any related extrajudicial expenses related to the procedure as well as, where legally permissible, any interest costs.

6. For each currency, by **aggregating** and **netting** all of the amounts to be paid to and by the Defaulting Member which have been assessed since the occurrence of Default (according to clause 19.4) by SIX x-clear pursuant to the paragraphs 1 to 5 above, the **Close-out Settlement Amount** is calculated, which is owed either by the Member or by SIX x-clear.
7. This amount is netted against or credited to the posted Permissible Collateral of the Defaulting Member.

**Note:**

Single Contracts of a Defaulting Member which may be terminated in accordance with the provisions for the termination of Outstanding Single Contracts set out in chapter 8.0 shall be subject to this procedure and not to the foregoing provisions of this clause 19.5.3.

### 19.5.4 Procedure in the event of a Default by a GCM

In the event of a Default by a GCM, SIX x-clear shall act pursuant to the provisions of chapter 20.0, i.e. carry out the prearranged solutions in favour of the NCM(s) in accordance with its/their account segregation selection.

### 19.5.5 Termination of Membership

Furthermore and notwithstanding the other provisions of this clause 19.5, SIX x-clear may decide to terminate the Membership of the Defaulting Member in accordance with chapter 16.0.

### 19.5.6 Advance information

SIX x-clear shall inform the Defaulting Member in advance of the measures to be taken, except in the event of the situations that SIX x-clear deems to be urgent.

### 19.6 Reconciliation with measures of Governmental Authorities

SIX x-clear must reconcile and/or postpone the measures as per clause 19.5, especially in cases of mandatory Events of Default (clause 19.3), with the measures of a competent Governmental Authority.

In the event that SIX x-clear does not take any of these measures following a Default, SIX x-clear shall not be regarded as having waived its right to take any such step immediately or at all.

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### 19.7 **Technical Default**

In the event of only a **Technical Default**, the Member shall promptly notify SIX x-clear in writing of the reasons for the incident or situation. SIX x-clear will give the Member an appropriate period of time to remedy the breach and its cause. The Member shall immediately take steps accordingly and reimburse SIX x-clear for any costs that SIX x-clear has had to bear as a result of the non-fulfilment or inadequate fulfilment caused by a Technical Default.

SIX x-clear may, however, give the Member a final deadline to remedy the breach. If the breach has not been remedied by this deadline, SIX x-clear may declare the Member to be in Default (pursuant to clause 19.4).

### 19.8 **Members with more than one Member ID**

If a Member clears transactions with SIX x-clear via more than one Member ID, all Outstanding Contracts under all Member IDs of this Member shall be subject, on an unrestricted basis, to the measures taken by SIX x-clear pursuant to clause 19.4 from the point at which the Default occurs pursuant to clause 19.5 in relation to this Member. In particular, a collective Close-out Procedure shall take place, which results in a single Close-out Settlement Amount per currency being calculated for this Member.

### 19.9 **Excess proceeds of Close-out Procedure**

In the event that:

- a. Default Fund Contributions and/or Top-up Contributions of Non-Defaulting Members have been made and realised pursuant to the Financial Collateral Agreement and Rulebook and an excess amount remains at SIX x-clear after the Close-out Procedure (as defined in clause 19.5.3), or
- b. a Defaulting Member makes a Default Fund Contribution after the Default Fund Contributions and/or Top-up Contributions of Non-Defaulting Members have been realized (a "Late Contribution"), whereas this applies only in cases where such contributions by the Defaulting Member were made due to Collateralised Liabilities arising prior to such realisation,

then SIX x-clear shall make on a pro rata basis a total compensation to the Non-Defaulting Members whose Default Fund Contributions and/or Top-up Contributions have been realised from such excess amount or Late Contribution accordingly from their realised Default Fund Contributions and/or Top-up Contributions. This reimbursement is limited to the total amount of the Default Fund Contributions and/or Top-up Contributions made by the Non-Defaulting Members.

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### 20.0 Claims and liabilities of NCMs in the Default of the GCM

#### 20.1 Pre-arranged solutions

##### 20.1.1 General

In the event of a Default by a GCM, SIX x-clear shall ensure that the pre-arranged solutions are applied by treating all claims and liabilities against SIX x-clear as well as the posted Permissible Collateral pursuant to clause 11.4 of the GCM linked to the Defaulting GCM in accordance with the applicable contractual agreements and orders, which are in particular:

- a. the Contractual Framework of SIX x-clear with the GCM and the Back-up GCM
- b. the order from the Back-up GCM to SIX x-clear (pursuant to clauses 20.1.4 and 20.1.5)
- c. in the case of individual client account segregation, the option chosen by the individual NCMs (pursuant to clause 20.1.4).

##### 20.1.2 Preconditions

SIX x-clear shall carry out the pre-arranged solution selected by the NCM in accordance with the options defined in clauses 20.1.4 and 20.1.5 within 48 hours of SIX x-clear placing the GCM concerned in Default (pursuant to clause 19.4), provided this solution can be implemented in a timely manner and the following requirements are met:

- a. The following documents must be in place and the corresponding measures taken:
  - Order from the Back-up GCM in the name and for the account of the NCM (as its agent) pursuant to clauses 20.1.4 lit. a. and 20.1.5 as well as the technical activation of the Member based on the instructions on the relevant form (SIX > Securities Services > Clearing > Info Center > Membership > Onboarding Forms); or
  - Request by the NCM for admission as an ICM pursuant to clause 20.1.4 lit. b and activation as a Member; or
  - Order by the Defaulting GCM in the name and for the account of the NCM (as its agent) pursuant to clause 20.1.4 lit. c., which was given based on consent of the recovery agent or by the insolvency liquidator.
- b. Existence of a Legal Opinion as to the soundness and enforceability of the selected solution pursuant to clauses 20.1.4 and 20.1.5, in particular based on the applicable insolvency law.

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- c. Additionally in the case of porting (pursuant to clauses 20.1.4 lit. a and 20.1.5), the coverage of the same Settlement markets by the Back-up GCM as the Defaulting GCM.
- d. Additionally in the case of porting (pursuant to clause 20.1.5), the existence of a confirmation from the Back-up GCM of its unconditional agreement with the porting. This confirmation must be issued within eight Business Hours of the Back-up GCM being informed by SIX x-clear of the occurrence of the Default of the GCM and the amount of the outstanding claims and liabilities as well as the Margin that must be transferred in the form of Permissible Collateral.

#### 20.1.3 Further conditions

- a. SIX x-clear does not, however, offer any safeguards with respect to contributions from NCMs to Default Fund Contribution made by a GCM. This applies irrespective of whether these were made in the form of cash and/or Securities.
- b. In jurisdictions in which Applicable Laws do not explicitly grant exceptions from regular insolvency rules and proceedings with respect to the options and procedures as defined hereafter (clauses 20.1.4 and 20.1.5), a consent or an executory order (as the case may be) from the responsible restructuring agent or bankruptcy liquidator is required. The GCM shall inform the NCM accordingly.
- c. However, in jurisdictions in which Applicable Laws so require, SIX x-clear shall in accordance with such laws port the positions, Margin and Link Margin Element of the NCMs without the consent or instruction of the Defaulting GCM, its restructuring agent or insolvency liquidator.
- d. The pre-arranged solutions are based on the choice of account segregation made by the NCMs (in accordance with clause 2.7). Therefore the following options exist:

#### 20.1.4 Options in the case of individual client account segregation (individual segregation)

In the case of individual account segregation, the GCM shall notify the NCMs linked to it of their right to select between the options listed below in order to protect their claims and liabilities as well as the Margin and Link Margin Element they have provided with respect to the possible Default of the GCM.

Each NCM can at any time decide on one of the three following options. Please note that the selected option must be determined before the occurrence of the Default of the affected GCM and that the installation periods of the individual options can vary in length before they become effective.

- a. **Individual porting to a Back-up GCM:**  
The NCM independently selects a Back-up GCM and concludes a Back-up GCM-NCM Agreement with it pursuant to the requirements in Annex 2. The Back-up GCM must

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already have a Membership as a Member. The Back-up GCM shall inform SIX x-clear that it has accepted its back-up function and shall issue an order to SIX x-clear (as per the form on the website of SIX > Securities Services > Clearing) to set up the necessary account structures and take any other measures required for a possible porting. SIX x-clear shall confirm this order and inform the Back-up GCM and the NCM once it has taken these measures.

- b. **Independent Membership** and transfer into own Clearing Accounts and Collateral Accounts:  
The NCM shall make a direct application to SIX x-clear to be admitted as an ICM (Individual Clearing Member). SIX x-clear shall review this application and then accept or reject it. If this application is accepted, SIX x-clear shall initiate the regular acceptance procedure. Before the occurrence of a Default by the GCM, the NCM maintains this Membership as a **Dormant Member**. It may, however, only use independent Membership selectively.
- c. Settlement by means of the **Close-Out Procedure** (pursuant to clause 19.5.3):  
The GCM and the NCM shall agree that upon occurrence of the Default of the GCM, a Close-out Procedure be carried out with respect to the claims, liabilities and posted Permissible Collateral of the NCM. SIX x-clear must be notified of the contents of this agreement using the SIX Form 007 (SIX > Securities Services > Clearing > Info Center > Membership > Onboarding Forms). Based on this notification, in the case of the Default of the GCM (pursuant to clause 19.4), SIX x-clear will carry out a Close-out Procedure (pursuant to clause 19.5.3). In this case, the payment of a positive Close-Out Settlement Amount shall be made directly to the NCM(s), while a negative Close-out Settlement Amount shall be netted against the proceeds from the posted Permissible Collateral of the GCM.

The GCM shall inform SIX x-clear in writing of the selection of the NCM with respect to the options set out above using the relevant form.

#### 20.1.5 **Option in case of omnibus client account segregation (omnibus segregation)**

In the case of omnibus client account segregation, the GCM, in the name and for the account of its NCMs (as their agent), shall enter into **GCM/Back-up GCM Agreement** with a Back-up GCM, whereby in the case of its Default, the GCM or the bankruptcy liquidator shall issue an order to SIX x-clear to collectively transfer all claims and liabilities as well as the posted Permissible Collateral of all NCMs linked to it to the respective Back-up GCM ("collective porting"). It is only possible to split the claims and liabilities amongst multiple Back-up GCM where the Defaulting GCM has multiple omnibus accounts for different groups of NCMs. The Back-up GCM must already have a Membership as a Member.

In this case, the GCM shall consult the NCMs linked to it prior to selecting the Back-up GCM and concluding the GCM/Back-up Agreement.



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The Back-up GCM shall notify all NCMs concerned that it has accepted its back-up function and signed the GCM/Back-up GCM Agreement. The Back-up GCM shall also inform SIX x-clear that it has accepted the GCM/Back-up Agreement and shall issue an order to SIX x-clear to set up the necessary account structures and take any other measures required for a possible porting. SIX x-clear shall confirm this order and inform the Back-up GCM once it has taken these measures.

The Back-up GCM shall conclude a Back-up GCM/NCM Agreement with each NCM concerned.

### 20.2 Procedure if no pre-arranged solutions are in place

If, prior to the occurrence of the Default of the GCM, the NCMs do not make a selection pursuant to clause 20.1.4 or the GCM as the agent of the NCMs has not concluded a Back-up GCM Agreement (pursuant to clause 20.1.5) or the requirements pursuant to clauses 20.1.2 and 20.1.3 have not been fulfilled or it transpires that the solution selected cannot be implemented in good time, SIX x-clear shall, in the event of the Default of the GCM and having obtained consent from the responsible restructuring agent, or if bankruptcy proceedings have been initiated following a corresponding order from the bankruptcy liquidator as well as in accordance with the account segregation selection made by the NCM (pursuant to clause 2.7), apply one of the following two procedures:

#### 20.2.1 Individual Close-out Procedure

SIX x-clear carries out a Close-out Procedure for each NCM concerned pursuant to clause 19.5.3 with respect to its claims and liabilities as well as Permissible Collateral to cover the Margin and Link Margin Element provided for this NCM. In this case, the payment of a positive amount resulting from a Close-out Procedure shall be made directly to the NCM, while a negative amount shall be netted against the proceeds from the posted Permissible Collateral of the Defaulting GCM.  
or:

#### 20.2.2 Collective Close-out Procedure

SIX x-clear carries out a Close-out Procedure for all claims and liabilities as well as all Permissible Collateral to cover the Margin and Link Margin Element of the NCMs linked to the Defaulting GCM pursuant to clause 19.5.3 and credit a positive amount resulting from such a Close-out Procedure to the Defaulting GCM in favour of the NCMs or net a resulting negative amount against the proceeds from the posted Permissible Collateral of the Defaulting GCM.



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### 21.0 Default of SIX x-clear

#### 21.1 Events of Default

SIX x-clear and the Clearing System operated by SIX x-clear will automatically be in Default in the following circumstances:

- a. FINMA opens insolvency proceedings with respect to SIX x-clear pursuant to Art. 88 FMIA in connection with Art. 33 of the Swiss Federal Banking Act; or
- b. FINMA revokes the authorisation of SIX x-clear as a Financial Market Infrastructure pursuant to Art. 37 of the Swiss Financial Markets Supervision Act or Art. 88 FMIA in connection with Art. 26 para.1 lit. g. of the Swiss Federal Banking Act.

Pursuant to the Swiss Federal Banking Act FINMA may also order measures or proceedings which are for simple protection and/or restructuring only. Such protective measures are not Events of Default in the sense of this clause 21.1 and need not necessarily result in a Default of SIX x-clear.

#### 21.2 Defence lines

In the event of a Default of SIX x-clear, the following resources are available to cover any potential losses:

- a. for Members and other creditors:  
own resources and reserves of SIX x-clear in the amount available
- b. for Co-CCPs:  
the Collateral pledged to them, which was funded by the Members by means of a Link Margin Element in accordance with the provisions of the Financial Collateral Agreement and the Rulebook as well as, where applicable, own resources and reserves of SIX x-clear in the amount available.

#### 21.3 Effects of Default, Close-out Procedure

Following a Default by SIX x-clear pursuant to clause 21.1, all obligations of SIX x-clear and the Member to make payments and deliveries pursuant to the Outstanding Contracts shall not be fulfilled in the usual way but – analogous to the Default of a Member (according to clause 19.5) – the following measures shall be taken:

- a. The Open Offer/Novation process at SIX x-clear with the Members is terminated with immediate effect.
- b. Subject to any contrary legal provisions or any contrary orders issued by the competent Swiss Governmental Authority (FINMA) the Contractual Framework remains in effect and analogous **Close-out Procedure** pursuant to clause 19.5.3 applies:

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- the Outstanding Contracts with the Members are fulfilled and settled in the regular process according to the single contractual agreements; and
- the Trading Platform Products to be delivered to or by SIX x-clear are purchased / sold by means of a buy-in or sell-out by SIX x-clear (pursuant to the Operational Manual) or its bankruptcy liquidator and then the Close-out Settlement Amounts are calculated, which are offset against the Permissible Collateral of the Members or paid out to the Members.

In any case, the above procedure is subject to the contractual provisions relating to the avoidance of Single Contracts (chapter 8.0) and the legal provisions relating to the cancellation of debits or credits.

### **22.0 Confidentiality and data protection**

#### **22.1 Confidentiality – General rule**

All confidential information received by SIX x-clear relating to the Member in connection with the provision of Clearing Services – in particular information concerning past or current positions from Trading Platform Transactions, all components of Permissible Collateral, Settlement and any financial statements filed by a Member ("Confidential Information") – shall be held in confidence by SIX x-clear and shall not be disclosed to any other Person subject to clause 22.2.

#### **22.2 Confidentiality – Exceptions**

SIX x-clear is entitled to disclose information (including Confidential Information) under the following circumstances:

- a. with the written consent of the Member involved, with such consent not to be unreasonably withheld or delayed;
- b. to a Governmental Authority where a request or order is made to SIX x-clear by or on behalf of the same in order to fulfil the Governmental Authority's legal or regulatory requirements. In particular, this refers to forwarding the Member's data to authorities in Switzerland or abroad during estate, bankruptcy or liquidation proceedings or to persons engaged as part of said proceedings;
- c. for reasons related to the prevention of money laundering and financing of terrorism within the scope of specifically applicable statutory and regulatory provisions, whereby additional necessary information and representations can be requested from the Member to create a know-your-customer (KYC) profile;
- d. where SIX x-clear is further authorised, in relation to judicial or administrative proceedings that are impending or have already been initiated in Switzerland or abroad in which SIX x-clear is named instead of the Member or the Beneficial Owner or in addition to these, to disclose the identity of and additional data (including

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transaction data) pertaining to the Member to third parties if SIX x-clear may be placed at a severe disadvantage in the event that it does not provide this data (e.g. imposition of sanctions, initiation or continuation of judicial or administrative proceedings, serious financial or reputational damage), whereby SIX x-clear shall notify the Participant in advance of its intention to disclose the data;

- e. pursuant to and in accordance with Applicable Laws after the Member has been given advance notice by SIX x-clear, if such notice is permissible under the Applicable Laws or regulatory standards;
- f. where the information is published or otherwise generally available to the public;
- g. to the extent such information was made available to SIX x-clear by a third party who is entitled to divulge such information and who is not under any obligation of confidentiality in respect of such information to SIX x-clear or the Member or which has been disclosed to SIX x-clear by a third party under an express statement that it is not confidential;
- h. in the event of such disclosure being necessary for the performance by SIX x-clear of its obligations under the Contractual Framework, in particular to any representative office of SIX x-clear outside Switzerland (but in the EU/EEA or United Kingdom) or Affiliate of SIX x-clear, to any Trading Platform, Clearing Organisation (including a Co-CCP), Transaction Router System, Approved Settlement System, Settlement agent, paying agent, payment system, Account Operator, Non-Defaulting Member, the European Association of Clearing Houses or any auditors, lawyers or other advisers, in particular with respect to compliance, market surveillance or disciplinary measures, termination pursuant to chapter 16.0, suspension pursuant to chapter 17.0, market disorder pursuant to chapter 18.0 or a Member Default pursuant to chapter 19.0;
- i. irrespective of clause 22.5, to companies which belong to SIX Group (SIX Group Companies) under the condition that such SIX Group Company and its directors and employees are subject to materially equivalent confidentiality rules as set forth in this Rulebook; or
- j. that relates to the fact of being an SIX x-clear Member, whereby SIX x-clear is authorised to publish the list of its Members on the secure area of its website.

The Member releases SIX x-clear and its institutions, employees, representatives and liquidators to the above extent from the confidentiality obligations, including and in particular from the obligation of professional secrecy according to art. 147 FMIA.

#### 22.3 Notifications

The Member shall recognise and consent to SIX x-clear notifying a Governmental Authority, the Trading Platform, a Co-CCP (if applicable), any Transaction Router

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System, the Approved Settlement System and the Account Operator where the Member:

- a. is no longer willing, able or able to in time fulfil its contractual obligations in respect of Outstanding Contracts; or
- b. commits a material breach of its obligations towards SIX x-clear; or
- c. relinquishes its SIX x-clear Membership; or
- d. has its Membership suspended or terminated by SIX x-clear .

If not prohibited by any Applicable Laws, SIX x-clear will give such notification only after having advised the Member accordingly.

The Member releases SIX x-clear and its institutions, employees, representatives and liquidators to the above extent from the confidentiality obligations, including and in particular from the obligation of professional secrecy according to art. 147 FMIA.

#### 22.4 **Processing of personal data**

SIX x-clear processes personal data in accordance with the Applicable Laws on protecting personal data – in particular for employees acting on behalf and in the name of the Member or concerning other persons acting on behalf of the Member in relation to the Clearing Services vis-à-vis SIX x-clear as well as concerning clients.

Subject to the exemptions under clause 22.2, SIX x-clear may only provide information about personal data of any kind to third parties with the consent of the Member

SIX x-clear processes personal data in accordance with its data protection statement ("**Data Protection Statement**") pursuant to the Annex to the Operational Manual.

The following provisions correspond to the regulations of the European General Data Protection Regulation 2016/679 ("GDPR"), which defines a level of protection that is to apply to all Members of SIX x-clear. They describe and govern the processing of personal data of individuals by SIX x-clear within the framework of the Contractual Framework. SIX x-clear is considered a "controller" in the sense of GDPR and a "data collection owner" in the sense of the Swiss Data Protection Act.

By providing this personal data to SIX x-clear, the Member confirms that it is authorised to disclose such personal data to SIX x-clear and that SIX x-clear is entitled to use such personal data within the regime of the Contractual Framework. The Member confirms that it has informed the Data Subjects whose personal data is being sent to SIX x-clear in advance that this personal data is being forwarded to SIX x-clear, that it is processed accordingly and then further processed by SIX x-clear.

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The Member acknowledges that personal data may under certain circumstances have to be disclosed to business partners, service providers, agents and representatives of SIX x-clear in third countries in order to provide the contractual services.

With regard to liability and indemnity, the regulations in chapters 14.0 (Liability) and 15.0 (Indemnity) shall apply.

#### 22.5 **Forwarding of data for Outsourcing**

Within the scope of the Applicable Laws, SIX x-clear may fully or partially outsource certain services and data processing activities associated with these services (including archiving) to SIX Group AG or to other Affiliates of SIX Group or, after special verification, to third-party companies, which do not belong to SIX Group, in Switzerland and abroad – in particular to:

- SIX Group Services AG,
- SIX Securities Services AG,
- SIX SIS AG,
- SIX Interbank Clearing AG,
- the companies of the Spanish BME Group.

The Outsourcing of essential services (within the meaning of the Swiss Applicable Laws) requires authorisation from FINMA.

If, during the course of such outsourcing or planned outsourcing, personal data is to be sent to a service provider, SIX x-clear shall oblige said service provider to comply with all relevant confidentiality and data protection provisions.

SIX x-clear shall inform the Member in line with the applicable legal provisions and within a reasonable period of time in advance if it intends to outsource essential services involving forwarding the Member's data to service providers outside Switzerland.

#### 23.0 **Intellectual property rights**

To the extent that SIX x-clear or the Member makes available to the other party based on the Contractual Framework, any material in which Intellectual Property subsists, SIX x-clear or the Member warrants that the use by the other party of such material for the purposes for which such material was made available shall not infringe the rights of any third party.

#### 24.0 **Fees and costs**

##### 24.1 **Fees and external costs**

In accordance with clause 24.2, the Member shall pay an annual Membership fee, payable pro rata temporis in Swiss francs (CHF) as part of the regular monthly fees

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## Clearing Services for all Members

payable by the Member as well as ongoing fees charged on the basis of the Clearing Services actually received.

A suspension of Clearing Services for a Member in accordance with the Contractual Framework does not release the Member from the obligation to pay the Membership fee.

If Membership of the Member begins or is terminated during a calendar year the Membership fee paid for that year is payable, but will be refunded on a pro rata basis.

In addition, SIX x-clear charges the Member for all expenses which SIX x-clear incurs in connection with the provision of Clearing Services to the Member by a third party, in particular, the Approved Settlement System, the Transaction Router System or a Co-CCP (if applicable).

### 24.2 **Price List and monthly statement**

SIX x-clear sets out its Membership fees and charges for Clearing Services actually used in a Price List, which is an Annex to the Operational Manual and is published on the SIX website and issued to the Member from time to time in the event of it being amended.

SIX x-clear shall provide the Member by post, e-mail or other agreed electronic means with a monthly statement of the fees and charges accrued.

### 24.3 **Collection**

SIX x-clear shall be authorised to collect all monies owed by the Member to SIX x-clear pursuant to the Contractual Framework from the Member's Ordinary Account held at SIX SIS or a designated bank or via the Swiss payments system Swiss Interbank Clearing ("SIC") by direct debit. Collection will be effected by SIX SIS as an agent of SIX x-clear or by SIX x-clear Norwegian Branch.

If the Ordinary Account is held at SIX SIS, the Member undertakes to instruct SIX SIS to honour all direct debit mandates received from SIX x-clear, to collect all sums owed by the Member from the Ordinary Account and to transfer these to the designated account of SIX x-clear at SIX SIS. The Member may revoke this standard direct debit instruction with 14 days' notice, provided that a replacement arrangement is established with SIX x-clear prior to such revocation.

### 25.0 **Extensions and waivers**

#### 25.1 **Extension or waiver of acts**

The time fixed by the Contractual Framework for the performance of any acts may be extended, or the performance of any act or acts required by Contractual Framework may be waived by SIX x-clear whenever at its discretion it considers that such extension or waiver is necessary or in the best interests of SIX x-clear.

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#### 25.2 **Extension of submission of information or making payments**

Without prejudice to the generality of clause 25.1, the time fixed by the Contractual Framework for filing any report or other document, for submitting any information or for making deposits or payments may be extended by SIX x-clear whenever it considers that such extension is necessary or in the best interests of SIX x-clear.

#### 26.0 **Dispute resolution**

##### 26.1 **Addressees of complaints**

A Member that wishes to make a complaint to SIX x-clear in relation to the performance by SIX x-clear of its obligations arising under the Contractual Framework shall refer the complaint to the responsible Relationship Manager at SIX.

##### 26.2 **Bilateral procedure of complaints**

SIX Relationship Management shall make a record of the complaint and conduct an investigation into the matters raised by the complaint.

On completion of the investigation of the complaint by Relationship Management, it shall communicate the results of the investigations to the Member and include details of any measures that SIX x-clear has taken or will take to resolve the complaint.

Where a Member is not satisfied with the outcome of the investigation, it may refer the complaint to the Executive Committee of SIX x-clear. The Executive Committee of SIX x-clear shall adopt such procedures as it sees fit in order to review the outcome of the investigation, but shall not be obliged to conduct a new investigation and/or hear further representations from the Member.

If the Member is not satisfied with the outcome of the complaint following its review by the Executive Committee of SIX x-clear, the Member may forward the complaint to the Executive Board of Securities Services business unit. The Executive Board then decides about the measures to be taken based on the outcome of the investigation, but shall not be obliged to conduct a new investigation and/or hear further representations from the Member.

This complaint procedure, in particular the decision by the Executive Board shall have no evidential value in any subsequent internal (within SIX) proceedings.

##### 26.3 **Bilateral procedure versus referral to external units**

Any investigations, reviews or measures carried out pursuant to the provisions outlined in clauses 26.1 and 26.2 shall be undertaken within a reasonable period of time.



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The Member agrees that it shall not refer any Dispute to a court, tribunal or other Governmental Authority without first exhausting the procedures laid down in this chapter 26.0.

### 27.0 **Communication**

#### 27.1 **Contact and forms of communication**

SIX x-clear shall communicate with Members via the points of contact / contact addresses communicated by them to SIX x-clear. The Member shall immediately notify SIX x-clear of any changes to their contact information.

The Member acknowledges that written notifications in physical form and written notifications in electronic form are equally binding.

Unless expressly stipulated otherwise, all notifications required or permitted in accordance with the Contractual Framework – specifically reports, statements, notices, checks, and other communications and other documents (hereinafter referred to as "Documents") – to be submitted to SIX x-clear shall be delivered to SIX x-clear (or its designated agent, where applicable) at such times, in such form and in such manner as SIX x-clear shall require. Without prejudice to the foregoing, each Document delivered to SIX x-clear shall clearly state the identity of the Member making such delivery.

Where possible, the **forms** available on the website of SIX ("SIX Forms") shall be used – see the website of SIX > Securities Services > Clearing > Info Center > Membership > Onboarding Forms.

If SIX x-clear Web Services is used, the specific regulations pursuant to the Annex of the Operational Manual shall apply.

#### 27.2 **Effectiveness of communication**

With the exception of notices from SIX x-clear regarding amendments to the Contractual Framework, notices issued by SIX x-clear will be deemed to have been served if they have arrived at the Member's last known address by post, telephone or e-mail, or are made by way of a Clearing Notice or other official notification and posted on the SIX website (SIX > Securities Services > Clearing > Info Center > Existing Members).

SIX x-clear will rely on the contact addresses supplied or notified by the Member.

#### 27.3 **Signature**

In addition to the options mentioned in accordance with the Applicable Laws, documents (e.g. contracts or notices of termination) can also be signed with simple electronic signatures, unless there are rules to the contrary expressly stated in the documents concerned.



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#### 27.4 **Responsibility for means of transmission**

Any loss, delay, misunderstanding or other damage incurred or suffered by a Member arising from the use of e-mail, post, or telephone or any other conventional means of communication or transmission shall be borne by that Member, unless SIX x-clear has not exercised reasonable care.

#### 27.5 **Binding information for Trading Platform Transactions**

Data and information relating to Trading Platform Transactions received by SIX x-clear from the Trading Platform or a Co-CCP shall be binding on the Member unless and until revoked by the Trading Platform or the Co-CCP.

Save as otherwise expressly provided under the Contractual Framework, SIX x-clear will not undertake any additional or particular verification of such information.

#### 27.6 **Monitoring and review by the Member**

Each Business Day, each Member shall monitor its electronic communication access points to verify whether notifications have been received by SIX x-clear, specifically:

1. the e-mail addresses as indicated in the contact data
2. the inboxes of SIX x-clear Web Services.

Members agree that they will:

- a. review every communication delivered to it by SIX x-clear, and
- b. immediately report to SIX x-clear any error in any such communication.

#### 27.7 **Telephone recordings**

SIX x-clear is authorised to record telephone conversations with the Member, the NCM and their representatives.

#### 28.0 **Operational Manual**

The operational, technical and process-based arrangements related to the provisions of the Basic Agreement, the Financial Collateral Agreement and this Rulebook are set out in the Operational Manual and its Annexes. The Operational Manual is unilaterally (without advance consultation) published by SIX x-clear as a separate document on the website of SIX > Securities Services > Clearing > Info Center > Download Center and thus entered immediately into force.

The annexes of the Operational Manual (as defined in clause 1.2) are kept and published as separate documents.

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### 29.0 Language versions

This Rulebook exists in German and English. In the event of inconsistencies or difficulties of interpretation which may arise between these two language versions, in case the Contractual Framework is governed by Swiss or German law (see also chapter 30.0), the German version shall take precedence over the English version or if the Contractual Framework is governed by English law (see also chapter 30.0) the English version shall take precedence over the German version.

### 30.0 Applicable law and place of jurisdiction

#### 30.1 General rule: Applicable law and place of jurisdiction

For all Disputes arising in connection with the legal relationship between SIX x-clear and its Members on the basis of this Contractual Framework (in particular on the basis of this Rulebook), **the law and place of jurisdiction specified in the Basic Agreement for Clearing Services shall apply.**

#### 30.2 Exception: Applicable Laws regarding Collateralisation

All Disputes arising from or in relation to the legal relationship between SIX x-clear and the Member on the basis of the Financial Collateral Agreement – in particular the legal nature of the posted Permissible Collateral, its material transfer and retransfer / repayment by SIX x-clear – are subject to **Swiss Law**. SIX x-clear is thus following the principle that the law of the place in which the Permissible Collateral is actually placed or held in an account shall apply ("lex rei sitae").

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### **Annex 1: Markets, Trading Platforms and Formation of Single Contracts**

For the Trading Platforms listed hereafter, Single Contracts shall arise between SIX x-clear and a Member and/or the Co-CCP elected by the counterparty by way of the following methods:

- **Aquis Matching Pool UK**  
means Aquis Trading Platform, which is operated by Aquis Exchange Limited, which is a company incorporated in England, registered under company number 07909192, whose registered office is Palladium House, 1-4 Argyll Street, London, W1F 7LD, UK: **by Novation**
- **Aquis Europe**  
means Aquis Trading Platform, which is operated by Aquis Europe SAS, a company incorporated under the laws of France, whose registered office is at 231 rue Saint Honoré, 75001 Paris, France: **by Novation**
- **BlockMatch**  
means BlockMatch Trading Platform, which is operated by Instinet Europe Ltd, a company incorporated under the laws of England and Wales, whose registered office is at 1 Angel Lane, London EC4R 3AB, UK, and is registered under company number 01915961: **by Novation**
- **BlockMatch EU**  
means BlockMatch Trading Platform, which is operated by Instinet Germany GmbH, a company incorporated under the laws of Germany, whose registered office is at Rathenauplatz 1, 60313 Frankfurt, Germany, and is registered under company number HRB 110669: **by Novation**
- **Cboe Equities UK**  
means Cboe Europe Equities Trading Platform, which is operated by Cboe Europe B.V., which is a company incorporated under the laws of England and Wales, whose registered office is at The Monument Building, 11 Monument Street, London EC3R 8AF, UK, and is registered under company number 6547680: **by Novation**
- **Cboe Equities Europe**  
means Cboe Europe Equities Trading Platform, which is operated by Cboe Europe Limited, which is a company incorporated under the laws of The Netherlands, whose registered office is at Gustav Mahlerlaan 1212, 1081 LA Amsterdam, The Netherlands: **by Novation**
- **Equiduct**  
means the ETS Trading Platform, which is operated by Börse Berlin AG, which is a company incorporated under the laws of Germany, whose registered office is at Fasanenstrasse 3, 10623 Berlin, Germany: **by Novation**

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- **London Stock Exchange**  
means the Trading Platform which is operated by London Stock Exchange plc, which is a company incorporated under the laws of England and Wales, whose registered office is at 10 Paternoster Square, London EC4M 7LS, UK, and is registered under company number 2075721: **by Open Offer**
- **Nasdaq Copenhagen**  
means the Trading Platform which is operated by Nasdaq Copenhagen A/S, which is a company incorporated under the laws of Denmark (code 19042677), whose registered office is at Nikolaj Plads 6, 1047 København K, Denmark: **by Novation**
- **Nasdaq Stockholm**  
means the Trading Platform which is operated by Nasdaq Stockholm AB, which is a company incorporated under the laws of Sweden (code 556383-9058), whose registered office is at Tullvaktsvägen 15, SE 105 78 Stockholm, Sweden: **by Novation**
- **Nasdaq Helsinki**  
means the Trading Platform which is operated by Nasdaq Helsinki Oy, which is a company incorporated under the laws of Finland (code 0815051-3), whose registered office is at Fabianinkatu 14, PL 361, 00131 Helsinki, Finland: **by Novation**
- **Oslo Børs**  
means the collective of segments, Oslo Børs and Oslo Axess Trading Platforms, which is operated by Oslo Børs ASA, which is a company incorporated under the laws of Norway, whose registered office is at Tollbugata 2, 0152 Oslo, Norway, and is registered under company number 983268633: **by Open Offer**
- **Sigma X MTF**  
means the Trading Platform which is operated by Goldman Sachs International, which is a company under the laws of England and Wales, whose registered office is at Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, UK, and is registered under company number 2263951: **by Novation**
- **Sigma X Europe MTF**  
means the Trading Platform which is operated by Goldman Sachs Paris Inc et Cie, which is a company under the laws of France, whose registered office is at 5 Avenue Kléber, 75116 Paris, France, and is registered under company number 342 131 547 00040: **by Novation**
- **SIX Swiss Exchange ("SSX")**  
means the Trading Platform which is operated by SIX Swiss Exchange, a company incorporated under the laws of Switzerland, whose registered office is Hardturmstrasse 201, CH-8005 Zurich, Switzerland, and is registered under the company number CH-020.6.000.206-7: **by Open Offer**

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- **TP ICAP EU MTF** means the Trading Platform which is operated by TP ICAP Europe SA, which is a company under the laws of France, whose registered office is at 89-91, rue du Faubourg Saint-Honoré, 75008 Paris, and is registered in the companies register of Paris under number 841 867 526 RCS Paris: **by Novation**
- **TP ICAP UK MTF** means a Trading Platform which is operated by ICAP WCLK Ltd, which is a company under the laws of England and Wales, whose registered office is at 135 Bishopsgate, London, EC2M 3TP: **by Novation**
- **Traiana**  
means the Trading Platform "Harmony", an electronic post-trade, pre-settlement messaging platform, which is operated by Traiana Inc, which is a company incorporated in the State of Delaware, whose principal office is at 11 West 42nd Street, New York, NY 10036, USA: **by Novation**
- **Turquoise UK**  
means the Trading Platform which is operated by Turquoise Global Holdings Ltd, a company incorporated under the laws of England and Wales, whose registered office is at 10 Paternoster Square, London EC4M 7LS, UK, and is registered under company number 07102717: **by Novation**
- **Turquoise EU**  
means the Trading Platform which is operated by Turquoise Global Holdings B.V., a company incorporated under the laws of the Netherlands, whose registered office is at Keizersgracht 679-689, 4th floor, 1017 DV Amsterdam, Netherlands, and is registered under company number 000040128512: **by Novation**

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### **Annex 2: Regulations of the GCM/NCM Agreement**

The Member agrees that the GCM/NCM Agreement (pursuant to clause 3.2) between it and the NCM must contain the following contractual elements and regulations:

- a. the selection of account segregation (pursuant to clause 2.7);
- b. the option to be carried out pursuant to clause 20.1.4 as well as the collective porting pursuant to 20.1.5 in the event of the Default of the GCM, whereby information must be provided about the protective effects and cost consequences (notification using SIX Form);
- c. regulation concerning the **authorisation of the GCM** to act on behalf and for the account of the NCM as its agent pursuant to clause 3.2;
- d. regulation concerning the **authorisation of the NCM** to act on behalf and for the account of the GCM as its agent in the ongoing clearing process, i.e. to directly instruct Single Contracts with respect to its Trading Platform Transactions to SIX x-clear and to have them settled on behalf and for the account of the GCM;
- e. clarification that there is no contractual relationship between SIX x-clear and the NCM in the ongoing clearing process, meaning that in cases in which an order placed by an NCM on a Trading Platform is matched with another order entered on the Trading Platform, a Single Contract is formed between the GCM and SIX x-clear and an identical contract is formed between the NCM and GCM;
- f. clarification that the NCM must be an active participant of the respective Trading Platform and that the NCM is therefore responsible for compliance with the Trading Platform Rules;
- g. demand for Margin and Link Margin Element contributions from the GCM for the NCM, whereby in the case of individual client account segregation, these contributions must be made in the same amount (equivalent value) as calculated separately by SIX x-clear for the respective NCM; their use must also be clearly designated;
- h. adoption of requirements that the NCM receives the information it needs in order to exercise its rights and obligations within the deadlines set out in Art. 7 (3) CSDR;
- i. regulations with regard to data protection and release of the GCM from applicable confidentiality obligations;
- j. regulations with regard to a Default of the NCM and the non-fulfilment of fundamental obligation, in particular with regard to the provision of Collateral;
- k. period of validity of the GCM/NCM Agreement.

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The corresponding forms can be found on the SIX website (SIX > Securities Services > Clearing > Info Center > Membership > Onboarding forms).



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