

FrontLine SIX x-clear Ltd

CCP Clearing of Exchange Traded Products with crypto currencies as underlyings: Special provisions for margining

1.0 Overview

SIX x-clear Ltd (SIX x-clear) is extending its instrument universe to selected approved, regulated, and non-leveraged Exchange Traded Products (ETPs) with crypto currencies as underlyings (Crypto ETPs). For the time being, Bitcoin will be the only supported crypto currency as an underlying. Due to the volatility of the underlying asset(s), special provisions will be applied when margining these products.

2.0 Effective date

Effective immediately.

The special provisions for margining Crypto ETPs will be effective immediately. At the moment, no Crypto ETPs are offered for trading by any trading venue for which SIX x-clear provides clearing services. However, there are initiatives in the market to introduce such products.

3.0 Impact on participants

In order to support the special provisions for margining Crypto ETPs, Clearing Members are required to open up new margin accounts dedicated for these products. Clearing Members interested in clearing Crypto ETPs are kindly asked to contact their Relationship Manager to start the account opening process.

4.0 Details

SIX x-clear is extending the clearing universe to selected Crypto ETPs. The criteria for clearing eligibility are as follows: long/short tracker of the crypto currency Bitcoin, physically backed, unleveraged, and in supported clearing currencies. The criteria can be changed at a later stage. SIX x-clear's Risk Management teams are monitoring the situation and can initiate adjustments of the criteria according to market conditions if necessary.

The risk model has been enhanced in a way that allows the margining on the combined exposure netted across all crypto ETPs that meet the criteria as described above with an increased rate of 50%. SIX x-clear's Risk Management teams are monitoring the situation and can initiate adjustments to the margining rate according to market conditions if necessary.

5.0 Contact

If you have any further questions, please contact your Relationship Manager. The contact details are mentioned in the list of SIX SIS contacts published at www.six-

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group.com > Login > Securities Services Private > Contacts > SIX SIS > List of SIX SIS contacts.

In this context, SIX x-clear Ltd draws the Members' attention to **clause 7.1 and chapter 16.0** (liability) of the Rulebook of SIX x-clear Ltd stipulating that the Member is responsible for compliance with the applicable laws (in particular domestic and foreign tax, foreign exchange and stock market regulations as well as with company law and articles of association) with respect to the Clearing services obtained from SIX x-clear Ltd.