

Settlement rules

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1. Purpose and scope of application

- 1.1. Seturion AG (SeturionX) calculates and settles the transfer of DLT securities for participants on the basis of Art. 73a para. 1 lit. c Financial Market Infrastructure Act (**FinMIA**) (securities settlement system). The following types of trades are processed:
 - a) Trades from the SeturionX trading system (on-exchange, on- or off-book). Supplements and deviations from these rules are set out in 'Annex I: Settlement of transactions from the SeturionX trading system'.
- 1.2. SeturionX sets out the technical requirements for connection to its securities settlement system in these rules. Ensuring an appropriate IT infrastructure is sometimes a prerequisite for participants' access to the DLT trading facility. Corresponding technical documentation will be provided to the participant during onboarding as part of the 'Onboarding Guide'.
- 1.3. SeturionX does not offer custody services. The participants themselves are responsible for the custody of DLT securities.

2. Obligation to report and cooperate

The participant must report immediately any disruptions in the settlement process to SeturionX. The participant is obliged to cooperate in the rectification of faults and in particular to provide SeturionX with all relevant information in this context.

3. Requirements for DLT securities

The DLT securities to be transferred via the securities settlement system of SeturionX must fulfil the legal requirements for DLT securities pursuant to Art. 2 lit. b^{bis} FinMIA at all times. The issuer must ensure this and confirm this to SeturionX. Should the participant nevertheless have knowledge or indications that the DLT securities do not fulfil these requirements, it must notify SeturionX immediately. In the event of defects concerning the DLT securities, the participants shall communicate with each other. In any case, SeturionX accepts no liability.

4. Requirements for participation in the securities settlement system

- 4.1. The participant must fulfil the following technical requirements for the settlement of the securities side:
 - a) Ability to store DLT securities that are approved by SeturionX (compatibility with the blockchain used accordingly);
 - b) Ability to grant the Delivery versus Payment Smart Contract (**DvP Smart Contract**) access to the DLT securities held in custody;
 - c) Provision of all other functionalities and options relating to the settlement of DLT securities in accordance with the technical documentation.
- 4.2. The participant must notify SeturionX of the public wallet address to be used for the settlement of the securities side using the notification form. SeturionX will then use a

technical procedure to verify and confirm the participant's power of disposal over the wallet specified. The participant is obliged to provide the cooperation required for the verification. If the wallet address is to be changed at a later date, the change must be reported using the notification form and the technical procedure repeated.

- 4.3. The participant must have the necessary access to the SIX Interbank Clearing Ltd system (SIC system in the case of CHF settlement and/or the euroSIC system in the case of EUR settlement) for the settlement of the cash side.
- 4.4. Compliance with the technical functionalities and access to the SIC or euroSIC system must be ensured at all times. If one or more technical functionalities are cancelled, SeturionX must be informed immediately of the nature and extent of the restrictions. Until the settlement functionality has been fully restored, the participant is excluded from further trading in accordance with the provisions of the Participant Rules.

5. Settlement process

- 5.1. A DvP smart contract is used for securities settlement.
- 5.2. Before the settlement time, the seller releases the corresponding DLT securities to be transferred for access by the DvP smart contract.
- 5.3. At the time of settlement, the DvP Smart Contract transfers the corresponding number of DLT securities from the seller to its own address. From this point onwards, the DLT securities are technically blocked and can no longer be transferred back by the seller. At this point, SeturionX holds the DLT securities with direct dependent power of disposal (similar to direct dependent possession) and limited right of disposal for the seller, who has indirect independent power of disposal (similar to indirect independent possession) and unrestricted right of disposal (similar to ownership).
- 5.4. Once the DLT securities have been transferred to the DvP Smart Contract, SeturionX initiates a payment instruction that triggers the delivery of funds in the SIC system. The amount of money owed is transferred from the buyer to the seller. At the same time as payment is made (step by step), SeturionX no longer holds the DLT securities for the seller, but now for the buyer, who holds the indirect independent power of disposal (similar to indirect independent possession) and the unrestricted right of disposal (similar to ownership). The instruction issued by the seller to SeturionX at the same time as payment is made (step by step) is deemed to be a binding and unalterable instruction pursuant to Art. 89 para. 2 lit. a FinMIA.
- 5.5. Upon receipt of the payment confirmation to SeturionX, SeturionX triggers the transfer of the DLT securities from the DvP Smart Contract to the buyer's wallet address.
- 5.6. The DLT securities temporarily held in the DvP Smart Contract (see definition in clause 3.1 above) are segregable custody assets pursuant to Art. 88 para. 1 FinMIA, Art. 37d BankA and Art. 16 BankA and will be segregated in favour of either the seller or the buyer in the event of the bankruptcy of SeturionX, depending on the status of the settlement.

SeturionX shall at no time acquire the unrestricted right of disposal (similar to ownership) of the DLT securities for the duration of the liquidation.

6. Instrument-specific provisions

- 6.1. Equity securities are traded including associated claims to distributions and subscription rights ('cum'). From the ex-date, trading in an instrument takes place excluding distributions or subscription rights ('ex'). The ex date is determined by the issuer and published on the SeturionX website without any guarantee.
- 6.2. Subscription rights traded on a separate trading line are traded no later than the trading day on which the exercise period ends.
- 6.3. Bonds are traded as a percentage of the nominal value, with accrued interest being added to the nominal value in accordance with the interest rate listed in the SeturionX trading system from the expiry date of the last coupon paid until the value date. The calculation of the accrued interest is generally based on the 30/360 method, whereby the year is assumed to be 360 days and each month, including February, 30 days. Other bond conditions remain reserved.
- 6.4. Bonds for which interest or repayments on the principal have not been paid or have only been partially paid (non-performing bonds) are traded without accrued interest (flat), whereby the coupons specified in the SeturionX trading system and on the SeturionX website must also be transferred. Non-performing bonds are specifically listed in the SeturionX trading system and on the SeturionX website.
- 6.5. Bonds whose interest service is not fulfilled in accordance with the prospectus due to foreign exchange restrictions, transfer moratoria or other circumstances, but for which there is a possibility of realising the coupon due, are traded without accrued interest settlement. These instruments are shown in the SeturionX trading system and on the SeturionX website specifically as bonds without accrued interest, with current coupon. SeturionX reserves the right to stipulate deviating provisions in special cases.
- 6.6. Bonds with different nominal and interest rate currencies are traded on SeturionX without accrued interest (flat). The coupons designated in the SeturionX trading system and on the SeturionX website must also be transferred. These instruments are specifically identified in the SeturionX trading system and on the SeturionX website.

7. Technical malfunctions

- 7.1. If technical malfunctions occur in the transmission process of DLT securities during settlement, SeturionX will analyse the source of the error with the participating parties and make appropriate adjustments to the system. The participants shall provide SeturionX with all the necessary information and data for these clarifications and adjustments.
 - a) If the source of the error is on the participant's side, the other participant has the options set out in 'Annex I: Settlement of transactions from the SeturionX trading system' in the case of an on-exchange transaction.

- b) If the source of the error lies in the SeturionX infrastructure or if the source of the error cannot be determined or clearly attributed to a participant or SeturionX within the first four trading days after the Intended Settlement Date (ISD) (ISD +4), the following procedure will be followed:
 - d) If the source of the error can be rectified within eight trading days after the ISD (ISD +8), the payment of the purchase price to the seller and the transfer of the DLT securities to the buyer will be executed. The notification to SeturionX of an agreement pursuant to clause 2 remains reserved.
- 1. If the source of the error cannot be rectified within four trading days after ISD, the parties may declare to SeturionX within further four trading days (ISD +8) that the transaction concerned will be settled outside the securities settlement system of SeturionX (securities and cash side). In this case, SeturionX will return any DLT securities blocked in the DvP Smart Contract to the seller after regaining the ability to technically retransfer the DLT securities.
- 2. If the source of the error cannot be rectified within these first eight trading days after the ISD (ISD +8) and if the participants have not notified SeturionX in accordance with clause 2 above, the underlying contract between seller and buyer shall lapse at the close of trading on the eighth day (ISD+8). In this case, SeturionX will return any DLT securities blocked in the DvP Smart Contract to the seller after regaining the ability to technically retransmit the DLT securities.

3. If the source of the error lies in the infrastructure of SeturionX or if the source of the error cannot be determined or clearly assigned to a participant or SeturionX, no claims for compensation shall arise between the participants and against SeturionX. If the source of the error can subsequently be clearly attributed to a participant, the other participant shall be entitled to compensation from the other party for the loss incurred by it as a result.
- 7.2. SeturionX and its bodies and employees are not liable for damages, loss of profit or additional expenses suffered by a participant, its customers or third parties due to technical malfunctions in the transmission process of DLT securities, subject to gross negligence and intent (see also clause 19.1 of the Participant Rules).

8. Final provisions

These settlement rules were adopted by the BoD, approved by FINMA on 12 March 2025 and enter into force on 13 March 2025.

9. Annex

Annex I: Settlement of transactions from the SeturionX trading system

In addition to, or where expressly stated otherwise, the provisions of these Rules, the following provisions shall apply to the settlement of transactions from the SeturionX trading system.

General provisions

- 9.1. The settlement of transactions from the trading system always takes place via the securities settlement system of SeturionX.
- 9.2. Once a transaction has been concluded on the trading system, a corresponding settlement instruction is created and the settlement process is initiated automatically.
- 9.3. The Intended Settlement Date (ISD) is the day on which the transaction is concluded (T+0). The settlement of a trade must therefore be completed by 23:59:59 CET on the trade date (T) (see clause 5).

Late Settlement & Buy-in

- 9.4. The ISD is the date on which settlement is intended to take place.
- 9.5. Buyers and sellers must inform SeturionX immediately of late deliveries.
- 9.6. If a trade cannot be settled on the ISD because the defaulting seller does not have the required DLT securities or does not release them for settlement, the seller has four additional trading days (ISD +4) to stock up on the required DLT securities or to make the stock required for settlement available for settlement. The defaulting seller must reimburse all costs incurred by the buyer for this period, including costs in connection with any instrument lending and loss of interest, calculated at the applicable interest rate of the Swiss National Bank's permanent facility.
- 9.7. If the transfer of DLT securities has not taken place by 12:00 CET four trading days after ISD (ISD +4), the buyer has the right to make a covering purchase (buy-in). The buyer shall notify the defaulting seller and SeturionX of this intention between 12:00 CET and 16:00 CET on the fourth trading day after ISD (ISD +4). Upon receipt of the notification, SeturionX will issue a buy-in notice to the defaulting party stating that the buy-in process will commence on the following day (ISD+5).
- 9.8. Waiting on the part of the buyer does not cancel the buy-in rights granted and the buyer can also initiate the buy-in process on a later day between 12:00 CET and 16:00 CET by notifying the defaulting seller and SeturionX. Upon receipt of the notification, the buy-in process will commence on the following trading day.
- 9.9. Subject to notification in accordance with the regulation, the buy-in may also take place on a later date, be cancelled or the parties may agree bilaterally on a payment. The latest possible time for initiating a buy-in process is at 16:00 CET 19 trading days after ISD (ISD +19). Both buyer and seller are obliged to inform SeturionX immediately.

- 9.10. The buy-in is primarily carried out via SeturionX, but can also be carried out via other trading facilities or over-the-counter if there is insufficient liquidity. If the buy-in cannot be executed by the buyer on day ISD +5 due to a lack of trading liquidity of the DLT securities, the buyer has the right to make further buy-in attempts up to day ISD+20.
- 9.11. Once the buy-in has been completed, the buyer is obliged to notify the defaulting seller and SeturionX electronically on the same day, stating the settlement details. The defaulting seller shall bear the costs arising from the covering purchase, in particular the price difference in the event of a higher price. If the costs are lower, the defaulting seller shall not be entitled to the price difference.
- 9.12. If the buyer's buy-in attempts fail, the underlying contract between the defaulting seller and buyer lapses at the close of trading on the ISD+20 day and is replaced by a claim for compensation by the buyer. The compensation claim amounts to 30% of the contractual purchase price or, if higher, the difference between the contractual purchase price and the closing price at ISD+20. Payment of the compensation claim raised by the buyer is due after verification by SeturionX, which must take place within one trading day.
- 9.13. If the buyer waives the initiation of a buy-in process, the underlying contract between the defaulting seller and buyer shall lapse retroactively at the close of trading on day ISD+20 and without the buyer being entitled to compensation.
- 9.14. For trades where the Designated Market Maker is the defaulting seller, all of the above deadlines are extended by two trading days.
- 9.15. The same procedure may be applied mutatis mutandis and with the exception of the provision in clause 9.14 with the same deadlines if the buyer defaults on payment of the purchase price.
- 9.16. SeturionX charges the defaulting party a late settlement fee of CHF 1,000 per delayed trade in the event of late deliveries or payments, subject to a buy-in procedure. Designated market makers who have demonstrably had a covering purchase problem are exempt from this fee.
- 9.17. If the contract lapses, SeturionX will unblock the DLT securities in the DvP Smart Contract and transfer them back to the seller.