

Trading Rules

Approval by FINMA: 12 March 2025

Date of entry into force: 1 April 2025

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1. Purpose and subject matter

- 1.1. The Trading Rules govern the organisation of trading, the execution of trades and their clearing and settlement on Seturion AG (SeturionX).
- 1.2. The purpose of the Trading Rules is to ensure orderly and transparent trading and the smooth settlement of trades, taking into account the principle of equal treatment.
- 1.3. Trading models and product groups are regulated in the Directive on Trading.
- 1.4. Admission to trading is governed by the Participant Rules.
- 1.5. Details on the settlement of trades on SeturionX are set out in the Settlement Rules.

2. SeturionX Trading System

- 2.1. SeturionX offers an electronic trading system (SeturionX Trading System) for the trading of DLT securities and financial instruments (Instruments), which ensures the automatic conclusion and subsequent automatic settlement of trading transactions during trading hours in accordance with these Trading Rules, the Directive on Trading and the Settlement Rules.
- 2.2. Participants and their authorised traders are admitted to join and participate in the SeturionX Trading System.
- 2.3. Participants shall use the SeturionX trading system in accordance with the SeturionX regulations and shall in particular refrain from manipulating or modifying the SeturionX trading system and its interfaces and from unauthorised use or disclosure of the SeturionX software and the data received from the SeturionX trading system.
- 2.4. The participant shall inform SeturionX immediately if:
 - a) it violates or is unable to comply with the Trading Rules;
 - b) the trader or authorised trader violates or is unable to comply with the obligations under the Participant rules;
 - c) the competent supervisory authority initiates proceedings against them, their traders registered with SeturionX or the persons responsible for them, which could impair their participation in trading;
 - d) there is a technical problem with the connection to the SeturionX trading system;
 - e) there is a technical problem with the connection to the SeturionX settlement system (see Settlement Rules).
- 2.5. The participant is liable for the actions and omissions of its bodies, employees and authorised representatives. SeturionX is liable in accordance with the provisions of the participant rules.

- 2.6. The principle of equal treatment applies exclusively to the SeturionX trading system, which ends at the physical exit of the gateways to the trader systems. SeturionX ensures equal treatment of trading participants in accordance with the following principles:
- a) all participants have the same access to the functionalities of the SeturionX trading system;
 - b) the data sent by the SeturionX trading system is made available to all participants simultaneously on the gateway;
 - c) Participants' entries are processed in the order in which they arrive in the SeturionX Trading System;
 - d) if entries arrive simultaneously, each entry has an equal probability of being processed first;
 - e) the order of arrival is determined by the order identification number (Order ID) assigned by the SeturionX trading system; and
 - f) pricing in trading is carried out for all participants according to the same pricing rules defined by SeturionX.

3. Trading segments and product groups

DLT securities are managed within product groups. A trading segment can consist of one or more product groups. Trading segments and product groups are defined by SeturionX.

4. Trading on the trading system

- 4.1. Only instruments admitted to trading by SeturionX that are payable and transferable after conclusion in accordance with the specified settlement period are subject to trading.
- 4.2. Trades on the trading system (**on-exchange**) are trades in the order book (**'on-book'**) or outside the order book (**'off-book'**) that are concluded during the opening or ongoing trading on the trading system. All other trades are considered off-exchange trades.
- 4.3. The provisions of these Trading rules shall apply to off-book trades. The following requirements must be met cumulatively:
 - a) the trade is reported to SeturionX as off-book in accordance with the Reporting rules;
 - b) the parties agree on a trade in accordance with the provisions of these Trading Rules before or at the time of the trade; and
 - c) SeturionX may verify the plausibility of the price of the reported trade.

Off-book trades may be settled by SeturionX upon agreement.

- 4.4. Participants are obliged to comply with the rules, decrees and decisions of SeturionX and provide information to SeturionX in accordance with the Participant rules.

- 4.5. Participants shall act in accordance with generally recognised business ethics and the market conduct rules provided for by law, in particular in compliance with Art. 142 and Art. 143 FMIA and the FINMA Circular 'Market Conduct Rules' (FINMA Circular 2013/8).
- 4.6. In the event of non-compliance with these rules (including the associated decrees) or the participant agreement, SeturionX shall take the necessary measures to restore compliance with the rules.
- 4.7. SeturionX may issue regulations regarding short selling. Further details are governed by the Trading Directive.

5. Trading outside the trading system

Trades outside the trading system (off-exchange) are not subject to these Trading Rules. They may be reported to SeturionX in accordance with the Reporting Rules of the Reporting Office and are subject to a fee.

6. Algorithmic trading

- 6.1. Trading Participants that engage in algorithmic trading must report this to SeturionX and identify the orders generated in this way. They shall keep records of all orders sent, including order cancellations, and have effective arrangements and risk controls in place to ensure that their systems meet the requirements of Art. 31 para. 2 FMIO.
- 6.2. Trading participants shall label orders generated by algorithmic trading with a clear identification of the algorithm used to generate the order and the trader responsible for executing these orders in the trading system. SeturionX provides corresponding functionalities in all trading models.
- 6.3. SeturionX may, in order to reflect the additional burden on the trading system, provide for higher fees for:
 - a) the placing of orders that are subsequently cancelled;
 - b) Participants whose proportion of cancelled orders is high;
 - c) Participants with:
 - (i) an infrastructure to minimise delays in order transmission,
 - (ii) a system that decides on the initiation, generation, routing or execution of an order, and
 - (iii) a high intraday number of quotes, orders or cancellations.

7. Participants' duty to keep records

Pursuant to Art. 38 FMIA, participants admitted to a trading venue shall record the orders and the transactions they have carried out, together with all the information required for their traceability and for the supervision of their activities.

8. Reporting obligation

- 8.1. All participants are required to report securities transactions for trades in instruments admitted to trading on SeturionX and in derivatives derived from securities admitted to trading on SeturionX.
- 8.2. The reports are submitted to the SeturionX Reporting Office or to a foreign reporting office recognised by SeturionX in accordance with the SeturionX Reporting Office Rules.

9. Trading system obligation

- 9.1. SeturionX may require trading participants to execute trades up to a certain volume in instruments admitted to trading on SeturionX exclusively via the order book during trading hours.
- 9.2. Any trading system obligation does not apply during a trading outage (emergency situation) and is subordinate to statutory provisions that oblige the participant to execute orders in the best possible way (best execution).
- 9.3. The trading system obligation is regulated by product group in the Trading Directive.

10. Market information, pre- and post-trade transparency

- 10.1. Market information on pre- and post-trade transparency as well as other data and reports are published for the purpose of transparency and facilitation of trading and to inform market participants, subject to professional secrecy in accordance with Art. 29 FMIA.
- 10.2. Market information on pre- and post-trade transparency (prices, turnover and other data) will be published promptly, subject to the delayed publication of trades in accordance with the Reporting Rules.
- 10.3. SeturionX may determine the scope of the information published according to trading model, instruments or product groups. Details are set out in the Trading Directive.
- 10.4. Market information is published on the SeturionX website and by the affiliated data vendors.
- 10.5. SeturionX and data vendors shall contractually determine the scope of the information provided on an individual basis.
- 10.6. Participants and their traders may use the market information transmitted via the SeturionX trading system.
- 10.7. SeturionX may charge fees for the dissemination of market information.
- 10.8. SeturionX shall retain all information and is authorised to forward it to the competent authorities or other addressees as required by law or regulatory requirements.

11. Market control

- 11.1. Market Control at SeturionX ensures orderly and transparent trading.

- 11.2. In the interests of transparent, efficient and liquid trading, Market Control may temporarily suspend or completely interrupt trading in individual instruments or individual product groups, shorten or extend trading hours or delay the opening of individual instruments or the entire market, instruct participants to delete orders from the order book, declare trades invalid (mistrades), cancel them or require participants to reverse them.
- 11.3. SeturionX regulates the details in the Market Control Directive and the Trading Directive.

12. Extraordinary situations

- 12.1. Market Control shall decide at its own discretion whether an extraordinary situation exists, in particular in the event of
 - a) major price fluctuations or trades that deviate significantly from the market price;
 - b) decisions or information about to be published that could have a significant impact on the market price (price-sensitive information);
 - c) other situations that are likely to impair orderly and transparent trading.
- 12.2. In the event of an extraordinary situation, Market Control may take any measures it deems necessary to maintain an orderly and transparent market. In particular, it may delay the opening of trading in an instrument or the overall market, interrupt or suspend ongoing trading in an instrument or the overall market, or declare trades invalid.
- 12.3. Market Control shall inform trading participants of the measures taken.
- 12.4. SeturionX regulates the details in these Trading Rules, in the Directive on Trading or in the Market Control Directive.

13. Emergency situations

- 13.1. Trading on SeturionX will, whenever possible, be maintained on the basis of the fundamental principles of an orderly and transparent market.
- 13.2. It is at the discretion of SeturionX to determine whether an emergency situation exists, who or what is affected, which special measures are applicable and when the emergency situation has ended.
- 13.3. Brief technical disruptions of the SeturionX trading system or a trader system, as well as the failure of the SeturionX settlement system, do not constitute an emergency situation.
- 13.4. Emergency situations within the meaning of this provision may be

- a) the failure of the SeturionX trading system;
 - b) failure of one or more trading systems of trading participants; SeturionX will consider the market shares of the affected trading participant(s) in its assessment; affected trading participants must inform SeturionX immediately of a serious disruption or failure of the trading system; they may request the cancellation of their order books; the cancellation request must be confirmed immediately in writing (e-mail);
 - c) force majeure events;
 - d) other events that could impair orderly and transparent trading.
- 13.5. SeturionX shall inform trading participants immediately of the start or end of an emergency situation by the available means of information or by telephone.
- 13.6. As soon as the SeturionX trading system is available again, SeturionX will determine the time of resumption of trading. The reopening will be scheduled in such a way that trading participants have sufficient time to update their order books.
- 13.7. During the outage of the SeturionX trading system, the trading system obligation does not apply, but the reporting obligation remains in force.
- 13.8. In the event of an emergency, Trading Participants shall make their own agreements for trading with other Trading Participants on their own responsibility and at their own risk.
- 14. Trading in the order book**
- 14.1. SeturionX defines different trading models and rules for price determination for trading in the order book.
- 14.2. SeturionX maintains an order book for each instrument traded. The orders entered are prioritised and managed according to price and time of entry.
- 14.3. Trading models, trading calendars, trading hours and execution provisions are set out in the Directive on Trading.

15. Orders

- 15.1. An order is a binding offer to buy or sell a certain number of an instrument at an unlimited or limited price.
- 15.2. Orders may be entered, modified and cancelled during the times provided for this purpose.
- 15.3. Orders entered outside the scheduled times may be queued or rejected.
- 15.4. All orders received are provided with a time stamp and an order identification number (Order ID) by the SeturionX trading system.
- 15.5. Amended orders lose their original priority and are assigned a new time stamp.
- 15.6. An order must contain all attributes required by the SeturionX trading system, such as instrument, buy or sell, quantity, price, validity, nostro or client and identification of the algorithms used or related information in accordance with Art. 31 para. 1 FMIO. Incomplete or invalid orders will be rejected.
- 15.7. Order forms and order validity are regulated in the Directive Trading.
- 15.8. The tick size and the smallest tradable quantity (closing unit) are defined in the Directive on Trading.
- 15.9. The quote (**Q**) is the simultaneous submission of a limited buy and sell price by a market maker. Depending on the trading model or product group, the quote can be a binding or non-binding offer.

16. Trading Surveillance

- 16.1. In accordance with Art. 31 para. 1 FMIA, the independent Trading Surveillance Office shall monitor trading for compliance with the applicable statutory provisions and the relevant FINMA and SeturionX regulations.
- 16.2. For this purpose, it may at any time, subject to banking secrecy, request the necessary information and evidence from participants or have its internal auditors or statutory auditors check compliance with the provisions set out in clause 16.1.
- 16.3. The supervisory body shall notify FINMA and other competent authorities in the event of suspected violations of the law or other deficiencies.

17. Settlement

- 17.1. Trades on the SeturionX trading system are automatically cleared and settled via the SeturionX settlement system.
- 17.2. Trades are cleared and settled without the involvement of a central counterparty (**CCP**).
- 17.3. The DLT securities temporarily held in the DvP Smart Contract (see details on settlement in the Settlement Rules) are segregable custody assets pursuant to Art. 88 para. 1 FinMIA, Art. 37d and Art. 16 Banking Act. In the event of the bankruptcy of SeturionX, the DLT

securities shall be segregated in accordance with the Settlement Rules, depending on the settlement status, either in favor of the seller or the buyer. SeturionX shall at no time acquire the unrestricted right of disposal (similar to ownership) of the DLT securities for the duration of the settlement.

- 17.4. Details of settlement via the SeturionX settlement system are set out in the Settlement Rules.

18. Trades on the SeturionX

- 18.1. Trades on SeturionX create a direct contractual relationship between the participants involved in accordance with Swiss law. The contracting parties bear the counterparty risk. Contact details and persons of the counterparty can be requested from SeturionX if necessary.
- 18.2. The rights, obligations (including subscription rights and coupons) and risks to and arising from the instrument sold are transferred to the buyer upon conclusion of the contract.
- 18.3. Details are set out in the settlement rules.

19. Late settlement and buy-in

- 19.1. If a trade cannot be settled on the intended settlement date (ISD) because the defaulting seller does not have the required DLT securities or does not release them for settlement, the defaulting seller shall have four trading days (ISD +4) to purchase the required instruments or to make the stock required for settlement available for settlement. For this period, the defaulting seller must reimburse all costs incurred by the buyer, including costs in connection with any instrument lending and loss of interest, calculated at the applicable interest rate of the Swiss National Bank's standing facility.
- 19.2. Details are set out in the Settlement Rules.

20. Sanctions

Sanctions may be imposed on participants and traders if they breach their obligations under these rules (including associated decrees and the Participant Contract). The following sanctions may be imposed, taking into account the degree of fault and the seriousness of the violation:

- a) Against participants: reprimand, fine of up to CHF 1'000'000, suspension of participation and exclusion;
- b) Against traders: reprimand, suspension and exclusion;

21. Fees

- 21.1. Participants are obliged to pay the statutory fees and the fees set by SeturionX on time.
- 21.2. SeturionX shall regulate the details in the List of Fees or the List of Fees of the SeturionX registrant.

22. Entry into force

These Trading Rules were approved by the Regulatory Body and authorised by FINMA on 12 March 2025 and enter into force on 1 April 2025.