



SIX x-clear Ltd

Charter of advisory Risk Committee of SIX x-clear Ltd

December 2018



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1.0 Basis and purpose

Swiss Central Counterparties (CCPs) are required to have an advisory Risk Committee, which is established and composed in accordance with articles 13 and 14 FMIA and art. 44 FMIO. Also considered should be CPMI-IOSCO, ESMA and Swiss authorities' guidance in this regard.

This Charter forms the basis of the Risk Committee's contribution to SIX x-clear's risk management by setting the mandate and fields of activity. It also defines the composition and procedural rules of the Risk Committee.

2.0 Mandate

2.1 General

The Risk Committee shall advise the Board of Directors on any matters and arrangements having an impact, or being directly related to, the risk management of SIX x-clear. It shall not provide advice on issues of minor significance and/or regarding daily operations.

The Risk Committee may be consulted in emergency situations at the Board of Director's discretion.

2.2 Fields of activity

The Risk Committee shall be consulted in the following matters:

1. significant changes in the risk framework, which include
 - risk and margin models,
 - stress testing framework,
 - risk tolerances and definitions,
 - anti-procyclicality checks,
2. the default waterfall composition and procedures,
3. the criteria for accepting members, or
4. the clearing of new classes of instruments and markets.

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The committee should also periodically review the entity's risk profile, the control framework, outsourcing arrangements (such as treasury functions to group or sister companies) as well as any risk framework validations conducted. The committee shall pay due attention to the interests of various stakeholders when issuing recommendations, as well as any potential conflicts of interest.

3.0 Composition and personal requirements

The Risk Committee shall consist of at least four (4) members. Each of the following groups of stakeholders shall be represented in the Risk Committee by at least one person:

- SIX x-clear's Members (Clearing Members),
- clients of SIX x-clear's Members (i.e. the Non-Clearing Members),
- independent members of the Board of Directors.

The members of the Risk Committee as well as its chair and its vice-chair shall be appointed by the Board of Directors for a period of two (2) years.

All members must have solid competences and experience in the financial and/or operative risk management and have signed the SIX Confidentiality Declaration.

4.0 Competences

The Risk Committee reports directly to the Board of Directors and has an advisory function. Its advice shall be independent of any direct influence by representatives of SIX x-clear and/or other legal entities of SIX.

Its advice is not binding for SIX x-clear . However, the advice given by the Risk Committee shall be duly considered by the Board of Directors of SIX x-clear.

4.1 Procedural rules

The Risk Committee shall have two (2) regular meetings per year. If required by the Board of Directors of SIX x-clear additional meetings can be convened. Each member of the Risk Committee may ask for an item to be included on the agenda no later than ten (10) working days before the date of the meeting.

Where appropriate, the Risk Committee may invite employees of SIX, external independent experts and representatives of regulatory bodies to attend its meetings in a non-voting capacity or provide their opinion in writing to the Risk Committee.

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The chair of the Risk Committee shall ensure that the members of the Board of Directors are duly informed of the activities and advisory decisions of the Risk Committee. Minutes of the Risk Committee's meetings shall be taken. The minutes and any other document specified by the Risk Committee shall be submitted to the Board of Directors. Any advice and related documentation shall be brought to the attention of the members of the Board of Directors at least five (5) working days ahead of their scheduled meetings.

A designated employee of SIX shall serve as secretary for the Risk Committee and keep minutes of its meetings.

The chair (or the vice-chair in case of absence of the chair) of the Risk Committee shall determine whether a member has an actual or potential conflict of interest on a particular matter. That member shall not be allowed to participate in the discussion or vote in this particular matter, or may even be excluded from the respective discussion.

4.2 **Information and Documentation to Risk Committee**

The members of the Risk Committee shall be adequately informed and the meetings documented by SIX x-clear, so as to enable the Risk Committee to fulfil its function in the best interest of SIX x-clear.

Such information and documentation shall be given in a form which does not breach secrecy requirements of SIX.

4.3 **Confidentiality and disclosure to third parties**


The members of the Risk Committee shall be bound by secrecy requirements as set forth in the SIX Confidentiality Declaration. They shall not communicate any of the Risk Committee discussions and advisory decisions to any third parties unless explicitly agreed with the Board of Directors of SIX x-clear.

In this context, SIX x-clear Ltd draws the Members' attention to clauses **7.1 lit. f., chapter 17.0 and 25.3** General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and consequences of clearing with x-clear pursuant to the Applicable Law and that SIX x-clear Ltd assumes no liability for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Law.

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A decorative graphic at the bottom of the page consisting of several overlapping, semi-transparent red shapes. These shapes include horizontal bands and curved, organic forms that create a layered, abstract composition. The colors range from a deep, dark red to a lighter, more vibrant red, with some areas appearing as darker shadows where the shapes overlap.