

## Rules Governing Use of the Bilateral Trading Platform

### 1. Purpose and structure

<sup>1</sup> These Rules Governing Use of the Bilateral Trading Platform (hereinafter "Rules") set out the terms and conditions of use of the bilateral trading platform.

<sup>2</sup> The platform operator may issue implementing guidelines relating to these Rules and specifications, which shall form an integral part of these Rules.

<sup>3</sup> The platform operator shall inform users of any amendments to these Rules as well as any implementing guidelines and specifications.

<sup>4</sup> The purpose of the platform is to promote efficient trading and enable automatic transfer for settlement purposes of the products described in clause 8.1.

### 2. Requirements for trading on the bilateral trading platform

Users of the bilateral trading platform ("Users") must:

- a) be admitted as a participant on SIX Swiss Exchange;
- b) have issued the necessary settlement instructions;
- c) meet the technical specifications required; and
- d) agree to be bound by these Rules.

### 3. Rights and obligations of Users

Users shall:

- a) only allow traders authorized by the platform operator to access the bilateral trading platform;
- b) use the bilateral trading platform properly as directed by the platform operator and in accordance with the Rules;
- c) refrain from tampering with or otherwise modifying the bilateral trading platform; and
- d) neither use the data received for unlawful purposes nor pass on such data to third parties.

### 4. Clients with direct access to the bilateral trading platform (Direct Electronic Access; DEA)

Users may give clients direct access to the bilateral trading platform ("DEA Clients"). Users shall continue to be accountable and liable to the platform operator in respect of all actions and omissions of DEA Clients.

### 5. Connectivity options for Users and connectivity of application service providers (ASPs)

The Standard Trading Interface (STI) shall allow Users to access the bilateral trading platform. A web-based OTC GUI shall also be available to Users.

Users may select one of the connectivity options described below.

#### 5.1 Direct connectivity

<sup>1</sup> Technical connectivity for Users may be provided by means of proprietary applications.

<sup>2</sup> Upon application, the platform operator may permit Users to use the connectivity infrastructure of a third party, which has been instructed by the User and approved by the platform operator, provided that the User ensures that the third party concerned also complies with these Rules.

<sup>3</sup> The User is responsible for the technical connectivity of the User's proprietary applications and the connectivity infrastructure of third parties. The platform operator may undertake or require an acceptance or certification process for the User's proprietary applications and any connectivity infrastructure of third parties.

<sup>4</sup> If the User's proprietary applications or the connectivity infrastructure or leased lines of any third party put the operation of the bilateral trading platform at risk, the platform operator may suspend or prohibit use thereof.

## 5.2 ASP connectivity

### 5.2.1 Technical layout

<sup>1</sup> Technical connectivity to the bilateral trading platform may be provided to Users through an ASP. The User shall carry out its transactions using the infrastructure and functions provided by the ASP.

<sup>2</sup> Upon application by the ASP, the platform operator may permit use of the connectivity infrastructure of an ASP, which has been instructed by the User and approved by the platform operator, provided that the User also ensures that the third party concerned complies with these Rules.

<sup>3</sup> The ASP is responsible for the technical connectivity of ASP applications and the connectivity infrastructure of third parties. The platform operator may undertake or require an acceptance or certification process for ASP applications and any connectivity infrastructure of third parties.

<sup>4</sup> If the ASP applications, or any third-party connectivity infrastructure or leased lines put at risk, adversely affect or impair operation of the bilateral trading platform, the platform operator may suspend or prohibit use thereof.

<sup>5</sup> The ASP shall not be entitled to trade on the bilateral trading platform.

### 5.2.2 ASP applications

<sup>1</sup> The ASP shall, on its sole responsibility, select suitable ASP applications that will enable the User to access the bilateral trading platform in accordance with these Rules. The platform operator does not guarantee or give any warranty as to the security, availability and performance of such ASP applications.

<sup>2</sup> The ASP shall be responsible for installing, running and maintaining the ASP applications at its own expense.

<sup>3</sup> If the ASP applications put at risk, adversely affect or impair operation of the bilateral trading platform, the platform operator may suspend or prohibit use thereof.

## 6. OTC reference data and valuation prices

<sup>1</sup> The OTC Reference Data Interface (OTC RDI) facilitates access to OTC reference data.

<sup>2</sup> There shall be no charge to Users in respect of use by traders of OTC reference data and valuation prices for trading purposes.

<sup>3</sup> Users shall enter into a separate Data Distribution Agreement with SIX Exfeed Ltd in order to use OTC reference data and valuation prices for commercial purposes or to pass on OTC reference data or valuation prices to third parties.

## 7. Technical support

<sup>1</sup> Technical support on standard terms shall be provided between 9.00 am and 5.00 pm. The platform operator may charge fees in respect of any special work performed based on the time spent and complexity of the work.

<sup>2</sup> Any queries relating to CONNEXOR® shall be referred to the CONNEXOR® helpdesk only.

## 8. Trading

### 8.1 Tradable securities

Structured products that have a separate ISIN, and are assignable to a category on the SSPA Swiss Derivative Map, may be set up as tradable securities on the bilateral trading platform, insofar as such products

- a) have not previously been admitted to trading on Scoach Switzerland Ltd or SIX Swiss Exchange Ltd;
- b) are settled through SIX Securities Services;
- c) are offered under a private placement, i.e. are not offered for sale to the public.

Products may be transferred from the bilateral trading platform to on-exchange trading at any time, in which event the listing requirements for on-exchange trading must be met.

The platform operator reserves the right to remove products from trading, which in its opinion are incompatible with the aims of the bilateral trading platform, or appear unsuitable for trading on the bilateral trading platform on other grounds.

### 8.2 Entry of static data

<sup>1</sup> The product ISIN must be available before the product concerned can be traded on the bilateral trading platform. Static data must be entered prior to or immediately after completion of the first transaction for the product, but by 2.00 pm on the trading day following the first transaction at the latest.

<sup>2</sup> Static data must be entered and altered where necessary using CONNEXOR® only, provided that a CONNEXOR® Distribution Usage Agreement has been signed.

### 8.3 Trading days and hours

<sup>1</sup> Trading days for the purposes of the bilateral trading platform are equivalent to the official exchange trading days.

<sup>2</sup> The bilateral trading platform shall be open for trading between 8.00 am to 6.00 pm.

<sup>3</sup> The platform operator shall be entitled to suspend trading on the bilateral trading platform at any time for technical or other objective reasons.

### 8.4 Price steps (tick size)

The platform operator shall not provide any price increments (tick sizes).

### 8.5 Market model / order types and functions

Orders shall be entered with the following attributes:

- a) User identifiers: member ID and trader ID;
- b) Recipient identifier: member ID;
- c) Description of the type of transaction: buy or sell;
- d) Trading capacity: client transaction (trading in own name but for the account of the client) or proprietary transaction (own account trading in own name);
- e) Order book identifiers: ISIN, trading currency and trading platform;
- f) Quantity: number of securities or nominal value for percent-listed instruments;
- g) Price limit: limited or unlimited;
- h) Validity in minutes or overnight execution request

The platform operator shall set out detailed requirements in the applicable technical specifications. The bilateral trading platform shall provide the following functions:

#### 8.5.1 Request for Quote (RfQ)

Any User (party requesting a quote) may use the RfQ function to send a non-binding request for a quote for a tradable security to another User. No information regarding the intended purchase or sale, the price, or quantity may be disclosed to the recipient at this stage.

The party submitting the request may set the validity period for the RfQ at between 1 and 60 minutes. If no such entry is made, the validity period shall be 60 minutes.

The recipient may submit the following responses to the RfQ within the validity period:

- a) RfQ Reject: the recipient rejects the RfQ.
- b) Quote: the recipient sends a non-binding quote to the party submitting the request, which is subject to a time limit. The quote may apply to a buy or sell transaction or both.
- c) Quote to follow: the recipient advises the party submitting the request that providing a non-binding quote will take longer than the period indicated in the RfQ, and that a response will only be submitted after the validity period has expired.
- d) No reaction: the recipient is under no obligation to respond to the RfQ.

Any party that has received a non-binding quote may submit a binding buy or sell request within the validity period set by the recipient.

The recipient may confirm, reject or ignore any binding buy or sell request.

In the event that a request is confirmed, the bilateral trading platform shall generate a transaction confirming the bilateral agreement between the party that submitted the request and the recipient.

Such confirmations may only be provided by the recipient.

#### 8.5.2 Transaction entry

The "transaction entry" function allows two Users to confirm on the bilateral trading platform any bilateral agreement for the purchase / sale of tradable

securities, which has been concluded outside the bilateral trading platform, and to route such transaction into the settlement process.

#### 8.5.3 Valuation prices

All Users have the option during trading hours to provide valuation prices for all securities offered on the bilateral trading platform.

The platform operator shall set out detailed requirements in the applicable technical specifications.

### 9. Correction and cancellation of trades

<sup>1</sup> The bilateral trading platform does not provide any correction, cancellation or emergency deletion functionality.

The parties shall have the option to execute a corresponding countertrade in lieu of corrections or cancellations.

<sup>2</sup> Insofar as is practicable, the Newsboard facility may be used to notify emergency situations to Users.

### 10. Market data

No market data shall be distributed, except for valuation prices, which shall be distributed on the basis of User information. SIX Swiss Exchange Ltd shall be entitled to use these prices for commercial purposes.

### 11. Static data

Static data entered through CONNEXOR® may be used for commercial purposes in accordance with the terms of the CONNEXOR® agreements of SIX Swiss Exchange Ltd and SIX Exfeed Ltd.

### 12. Settlement

The platform operator shall provide transaction information on behalf of the relevant Users to allow transactions to be settled at SIX Securities Services.

### 13. Designation of trading venue

Transactions on the bilateral trading platform must be identified as follows on client statements: "Execution OTC XBTR (bilateral trading platform)". Neither "SIX" nor "Scoach" may be designated as the exchange for transactions on the bilateral trading platform.

The same applies in respect of information regarding the trading venue. Any products activated must be identified as follows: "Submission OTC XBTR (bilateral trading platform)".

### 14. Contractual terms

<sup>1</sup> A trade shall give rise to a contractual relationship between the Users concerned. The rights and duties of the parties to the contract (Users) shall be governed by the Swiss Code of Obligations (CO).

<sup>2</sup> The platform operator accepts no liability in respect of any claims which may arise out of or in connection with any contractual relationship between Users. Users shall be solely responsible for settling such claims.

<sup>3</sup> Users shall bear the counterparty risk.

#### 15. Duty to provide information

The platform operator shall be entitled to obtain any information from Users that it may require for the purposes of enforcing these Rules, provided that bank-client confidentiality is maintained. The platform operator shall be entitled, for example, to carry out inspections and question traders.

#### 16. Suspension and definitive exclusion from the OTC trading platform

In the event of any breaches of these Rules, the platform operator may decide to suspend or definitively exclude Users and/or traders from the bilateral trading platform.

#### 17. Emergency situations

<sup>1</sup> In emergency situations, the platform operator may suspend any rules or directives in whole or in part, including these Rules, and replace these temporarily with new rules. In emergency situations, the platform operator may also temporarily suspend trading on the bilateral trading platform in whole or in part.

<sup>2</sup> The following specific circumstances shall be deemed to be emergency situations:

- a) failure of the bilateral trading platform or the platform operator's access infrastructure or parts thereof;
- b) failure of the access systems of multiple Users;
- c) failure of the settlement infrastructure;
- d) upon the occurrence of any event of force majeure; or
- e) any other comparable events or incidents.

#### 18. Exclusion of liability

<sup>1</sup> Except in the event of an intentional act and gross negligence on the part of its governing bodies or employees, the platform operator shall not be liable for any loss or damage that may be suffered by a User, the clients of any User, or third parties due to any actions or omissions on the part of the platform operator. In particular, the platform operator shall not be liable for any loss or damage resulting from:

- a) measures taken by the platform operator in response to emergency situations;
- b) orders issued by the platform operator;
- c) the full or partial unavailability of the bilateral trading platform, settlement infrastructure, or other technical problems;
- d) incorrect or incomplete data processing or distribution;
- e) tampering or improper use by Users or third parties; or
- f) suspension or definitive exclusion of any User and/or trader.

<sup>2</sup> The platform operator accepts no liability in respect of claims for loss other than direct loss, such as compensation for indirect or consequential loss, including loss of profit or additional expenses.

#### 19. Charges

<sup>1</sup> The platform operator shall charge a product setup fee and levy a charge per transaction.

<sup>2</sup> The applicable fee rates are set out in the Schedule to these Rules.

## 20. Concluding provisions

### 20.1 Confidentiality

<sup>1</sup> The platform operator shall treat any User-related information that it may receive under these Rules as confidential, unless any statutory provisions or any provisions of these Rules provide otherwise.

<sup>2</sup> The platform operator may disclose User-related and other information to SIX Group companies and third parties, provided that it ensures that such Group companies or third parties are also bound by confidentiality and non-disclosure requirements equivalent to those set out in these Rules.

### 20.2 Severability

<sup>1</sup> In the event that any provision or provisions of these Rules are invalid or unenforceable, such provision or provisions shall not affect or impair the validity or enforceability of the remaining provisions hereof. If any provision or provisions of these Rules are invalid or unenforceable in whole or in part, such provision or provisions shall be construed as valid and enforceable.

<sup>2</sup> If this is not possible, the platform operator shall issue new rules within a reasonable period of time and give effect to such rules in accordance with the provisions governing amendments as set forth in these Rules.

### 20.3 Amendments to these Rules

These Rules may be amended at any time. Any amendments shall be notified to Users promptly before they take effect. Any amendments shall be binding upon Users as soon as they take effect.

### 20.4 Authoritative version

In the event of any conflict or inconsistency between different language versions of these Rules, the German version shall prevail.

### 20.5 Applicable law and arbitration clause

<sup>1</sup> These Rules shall be governed by and construed in accordance with substantive Swiss law, with the exception of the conflict of laws provisions of the *Gesetz über das Internationale Privatrecht* (Swiss International Private Law Act).

<sup>2</sup> Any dispute, controversy, or claim arising out of or in relation to this contract, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with the Rules of Arbitration. The number of arbitrators shall be one. The seat of the arbitration shall be Zurich. The arbitral proceedings shall be conducted in German.

### 20.6 Commencement

These Rules were adopted by resolution of the platform operator's Executive Board on 2 April 2013 and shall take effect on 1 July 2013.

1. Schedule:

1.1 Product setup fees

Product setup for instruments to be traded on the bilateral trading platform shall be free of charge until 31 December 2013.

From 1 January 2014, a product setup fee of CHF 100 shall be charged. Any decrease in the fee over the financial year shall be contingent upon the number of products set up.

Any discount shall increase as the number of products activated increases.

The maximum product setup discount achievable is 75%.

The discount shall be updated on a monthly basis by the platform operator and deducted automatically when the next product is activated.

At the beginning of each year, any discount shall be reset to zero.

The specific incremental discounts shall be notified separately before 31 December 2013.

The platform operator reserves the right to adjust the product setup fees unilaterally upon reasonable notice.

1.2 Fees for trading on the bilateral trading platform

In consideration of trading on the bilateral trading platform, each party shall be required to pay an introductory fee of CHF 5.00 per trade prior to 31 December 2013.

From 1 January 2014 onwards, the platform operator shall charge a CHF 10.00 fee per party and per trade. The platform operator reserves the right to adjust its trading fees unilaterally upon reasonable notice.

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