

# INTERNAL REGULATIONS FOR THE REGULATORY BOARD



Exchange Regulation

## Admission of Securities

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# Internal Regulations for the Regulatory Board

(Internal Regulations, IRRB)

Dated 1 January 2016

## 1. CONSTITUTION

### 1.1 *Vice-Chairman*

The Regulatory Board elects the Vice-Chairman from among its members.

### 1.2 *Committees*

The Regulatory Board elects from among its members one Issuers Committee for issuer regulation and one Participants & Surveillance Committee for participant (securities dealer) regulation. The members of these Committees serve a three-year term of office.

### 1.3 *Issuers Committee*

The Issuers Committee is composed of seven members. It is headed by the Chairman of the Regulatory Board. The Committee may appoint a Vice-Chairman from among its members.

### 1.4 *Delegation of tasks*

With the exception of the evaluation of new types of products, the Issuers Committee delegates the following tasks to SIX Exchange Regulation:

- a. the listing of new securities from those issuers that already have securities listed;
- b. the listing of new securities from issuers for which the issue is secured by a guarantor that
  1. acts as guarantor for other securities that are already listed or provisionally admitted to trading on SIX Swiss Exchange; or
  2. has itself had securities listed or provisionally admitted to trading on SIX Swiss Exchange;
- c. the preliminary review of new issuers of bonds prior to provisional admission to trading;
- d. the provisional admission of securities to trading;

- e. the definitive admission to trading of securities which are already listed on a recognised third-party exchange;
- f. the decision on applications for delisting;
- g. the granting of exemptions from the regulatory obligations in connection with applications for delisting;
- h. the approval of new issuers of bonds which fulfil all of the requirements set out in the Listing Rules and the applicable Additional Rules;
- i. the approval of exemptions for issuers of bonds which the Issuers Committee has already evaluated and approved in a previous, similar case, provided such approval from the Issuers Committee is no more than three years old;
- j. the approval of exemptions in respect of guarantors which are not called upon to fulfil disclosure obligations on a substitute basis in connection with listing or the maintenance of listing;
- k. the approval of new issuers of collective investment schemes;
- l. the decision concerning an exemption from disclosure obligations. If the application is not made in connection with the applicant's delisting, SIX Exchange Regulation is responsible only for an exemption from disclosure obligations concerning a period of maximum three months. In the case that SIX Exchange Regulation grants the exemption for a period of less than three months, and should the applicant request an extension of the exemption, the Issuers Committee is responsible for the assessment of the application if the duration of both applications together exceeds three months.

### **1.5 Participants & Surveillance Committee**

The Participants & Surveillance Committee (securities dealers) is composed of five members. It is headed by the Vice-Chairman of the Regulatory Board. The Committee may appoint a Vice-Chairman from among its members.

## **2. MEETINGS OF THE REGULATORY BOARD**

### **2.1 Invitation**

The Chairman sends a written invitation to the meetings by letter (or e-mail or fax), stating the items on the agenda. If the Chairman is unable to send out the invitation, the Vice-Chairman does so in his place. As a rule, the invitation must be sent out no later than 14 days prior to the date of the meeting. It must state the items on the agenda, and any documents that are required for the meeting must be sent out at the same time.

## **2.2 Convening meetings**

Any member of the Regulatory Board and the Management Committee of SIX Exchange Regulation may request that the Chairman convene a meeting.

## **2.3 Number of meetings**

The Regulatory Board meets as often as business requires, but at least twice a year.

## **2.4 Agenda rights**

<sup>1</sup> Each member and the members of the Management Committee of SIX Exchange Regulation may have items included in the agenda.

<sup>2</sup> Applications for items to be included in the agenda must be submitted to the Office of the Regulatory Board at least 28 days prior to the meeting of the Regulatory Board.

## **2.5 Telephone conferences**

In urgent cases or if no member raises an objection within 24 hours, meetings may be held in the form of telephone or video conferences. The decision as to urgency lies with the Chairman of the Regulatory Board.

## **2.6 Decisions by circular**

Decisions by circular, which may also take the form of e-mails, are also possible providing no member demands a verbal discussion.

## **2.7 Minutes**

Meetings and decisions (incl. telephone conferences and decisions by circular) must be recorded by the Office in sequentially numbered minutes. These minutes must be signed by the Chairman and the minute-taker and must be approved at the next meeting. Decisions made by circular must be included in the minutes of the next meeting.

## **2.8 Decision-making**

The Regulatory Board is quorate if the majority of its members attend the meeting. Members who are unable to attend in person may participate in the meeting by means of video or telephone conferencing, for example.

## **2.9 Voting**

<sup>1</sup> A decision is passed if it is supported by a majority of participating members. Where votes are tied, the Chairman has the casting vote in addition to his regular vote. A quorum of at least two-thirds of the members of the Regulatory Board is required for the issue of or an amendment to the Internal Regulations.

<sup>2</sup> This also applies by analogy to video and telephone conferences or decisions by circular; the latter are deemed to have been taken provided the necessary majority has approved the decision.

## **2.10 Invitations to third parties**

The Chairman may invite persons other than members to attend a meeting of the Regulatory Board in an advisory capacity. The Chairmen of the Committees may invite other persons to attend a meeting of their Committee.

## **2.11 Additional committees**

The Regulatory Board may form additional committees.

## **3. COMMITTEE MEETINGS**

In the absence of any other provisions in these Internal Regulations, the provisions that apply to the Regulatory Board apply by analogy to its Committees.

## **4. OFFICE**

<sup>1</sup> The tasks assigned to the Office of the Regulatory Board include, in particular, conducting the correspondence of the Regulatory Board, organising and minuting meetings, and providing documentation to the members of the Regulatory Board. The Office conducts consultative proceedings and public hearings on behalf of the Regulatory Board. It submits those Regulatory Board decrees that must be approved to the Swiss Financial Market Supervisory Authority (FINMA) for approval, and handles the publication, communication and submission of the legal records of the Regulatory Board in accordance with the law.

<sup>2</sup> SIX Exchange Regulation informs the Office immediately about decisions that the Regulatory Board makes by circular.

<sup>3</sup> The Office informs SIX Exchange Regulation immediately about decisions by the Regulatory Board, if they affect the activities of SIX Exchange Regulation.

## 5. OBLIGATIONS

### 5.1 *Confidentiality obligation*

<sup>1</sup> The members of the Regulatory Board must keep confidential the information that they gain as part of their activities for the Board, provided such information is not published following the conclusion of proceedings or a decision by the Regulatory Board or by SIX Exchange Regulation.

<sup>2</sup> The provisions on insider trading, of Art 161 of the Swiss Penal Code, and the provisions prohibiting price manipulation, of Art. 161<sup>bis</sup> as well as the business confidentiality that employees and bodies of an exchange must uphold under penal law in accordance with Art. 147 FMIA, also apply. Those persons who are subject to FINMA supervision must also observe any possible further obligations that arise from their position.

### 5.2 *Abstention*

<sup>1</sup> In decisions on individual cases, conflicts of interest must be reported immediately to the Chairman or to the Vice-Chairman of the Regulatory Board or of the Committee in question. The reasons for abstention laid down in the Rules of Procedure apply by analogy (Point 2.1 para. 4 Rules of Procedure).

<sup>2</sup> The member who abstains does not take part in the discussion (consultation and decision-making) on the agenda item and leaves the meeting for as long as the agenda item in question is under discussion.

## 6. FINAL PROVISIONS

### 6.1 *Entry into force*

<sup>1</sup> These Internal Regulations were issued by the Regulatory Board on 17 April 2009 on the basis of the SIX Group Ltd Rules of Organisation for Regulatory Bodies of 17 April 2009.

<sup>2</sup> They entered into force on 29 April 2009.

### 6.2 *Revisions*

<sup>1</sup> Point 5 (Standing Commissions) was cancelled without substitute as of 20 August 2010 on the basis of the Regulatory Board Resolution of 24 June 2010.

<sup>2</sup> The revision of Point 1.3 that was decreed by the Regulatory Board in its resolution of 6 August 2010 entered into force on 20 August 2010.

<sup>3</sup> The revision of Point 1.3 that was decreed by the Regulatory Board in its resolution of 11 May 2011 entered into force on 15 May 2011.



<sup>4</sup> The revision of Point 1.4 that was decreed by the Regulatory Board in its resolution of 4 April 2013 entered into force on 4 April 2013.

<sup>5</sup> Amendments due to the entry into force of the Financial Market Infrastructure Act and related ordinances in Point 5.1 as of 1 April 2016.