

SQX TRADING RULES

1. INTRODUCTION

These trading rules (the “**Trading Rules**”) set out the rules in accordance with which Digital Assets may be traded on the cryptocurrency trading venue named “**SQX**” (the “**Venue**”) operated by Swissquote Bank Ltd (the “**Operator**”). The Trading Rules, as amended from time to time, are published on the Operator’s website at www.swissquote.ch (the “**Website**”).

Capitalized terms not defined in these Trading Rules have the meaning ascribed to them in the Digital Assets Contract (or similar agreement) entered into between the Operator and the Clients (as defined below).

2. CLIENTS

Trading on the Venue is open to clients of the Operator (“**Clients**”) which have entered into the relevant contracts (as determined by the Operator), have accepted to be subject to the rules contained in these Trading Rules and have accepted all disclaimers and risk warnings relating to the Venue or to Digital Assets traded on the venue.

3. TOKENS ADMITTED TO TRADING

3.1 Eligible and tradable Tokens

The Operator may admit to trading on the Venue those Digital Assets that do not qualify as securities or financial instruments within the meaning of Swiss law. Only the Digital Assets specifically identified on the list published on the Website are admitted to trading on the Venue (the “**Tokens**”).

3.2 Addition and removal of Tokens

The Operator may add or remove Tokens from the list of Digital Assets admitted to trading on the Venue at its discretion, at any time and without notice. Unless the circumstances dictate otherwise, the Operator will however seek to provide advance notice on the Website that the admission to trading of a particular Token will be permanently cancelled.

3.3 Hard forks, airdrops and similar events

In the event of a split into two or more incompatible versions of a distributed ledger on which Tokens are based (*i.e.* a “hard fork”) or similar event, only the Tokens operating on the “legacy” version of the relevant distributed ledger will be tradable on the Venue, unless the Operator states otherwise on its Website (*e.g.* by amending the list of Tokens).

In case holders of Tokens are granted the possibility to acquire, for free or against consideration, additional Digital Assets of a different kind through so-called “airdrops”, the Operator will act in accordance with agreements in place between the Operator and the relevant Client, as well as the Operator’s policy on the topic. Even if the Operator allows Clients to retrieve additional Digital Assets as part of an airdrop, the Operator is under no obligation to admit such Digital Assets to trading on the Venue.

4. ORGANIZATION OF TRADING

4.1 Trading model

The Venue operates based on a central limit order book model. The Operator may maintain one or several order books for each Token.

4.2 Orders and matching principles

4.2.1 Trading model

Orders in a Venue order book are matched on a ‘price time priority’ basis, such that the matching engine will prioritize orders:

- by price, with the best price being given priority;
- by their time of arrival, meaning that if two orders are submitted for the same price, the earlier order will have priority over the more recent order.

There is no guarantee that the price at which orders will be matched corresponds to the best price at which one would be able to buy or sell the relevant Tokens on other trading venues or through a broker (no best execution).

4.2.2 Submission of orders

Clients can submit orders through the channels indicated by the Operator on the Website. The Operator may allow Market Makers (as defined below) as well as institutional clients to submit orders through an application programming interface (API).

Orders are binding offers to buy or sell and remain in the order book of the Venue until executed, withdrawn by the relevant Client or withdrawn by the Operator. The same applies to the unmatched portion of partially executed orders.

4.2.3 Securing execution

Before an order is placed in the order book, the Operator may block the corresponding Tokens (in case of a sell order) or the necessary buying power (in case of a buy order) on the relevant Client’s account to ensure clearing and settlement of the transaction.

4.3 Venue operating hours / interruption of trading

The Venue operates based on a schedule published on the Website. The Operator may publish a single schedule for the Venue or several schedules that differentiate between Tokens or order books.

The Operator may at its own discretion and at any time temporarily interrupt the trading on the Venue (or parts thereof) or shut down the Venue entirely. The necessity and the duration of an interruption of trading will be determined by the Operator on a case-by-case basis. The Operator will use best efforts to inform Clients of such interruption as soon as practicable.

5. TERMS OF TRADES

5.1 Counterparty

The Operator is the counterparty to each trade entered into on the Venue. As a result, upon two orders being matched on the Venue, the Operator will enter into a separate transaction with each Client who has submitted the matched orders.

5.2 Transfer of rights, obligations and risks

The rights, obligations and risks associated with Tokens traded on the Venue are transferred to the buyer of such Tokens upon the relevant trade being entered into (which is when a matching has taken place on the Venue).

6. MARKET MAKING

The Operator may authorize Clients to act as market makers on the Venue ("**Market Makers**"), subject to such Market Makers entering into agreements with the Operator pursuant to which Market Makers undertake to submit quotes on the Venue in accordance with certain parameters (*e.g.* price and frequency). As a consideration for the services rendered by Market Makers, the Operator may agree to fee arrangements that differ from the fees indicated on the Website.

The Operator itself may also fulfil a market making role and will, in such a case, submit quotes in accordance with requirements substantially similar to those imposed on third party Market Makers. When performing market making activities:

- the Operator will trade on the Venue (as if it were a Client) with its own funds and at its own risks. In doing so, the Operator may generate trading gains which will be retained by the Operator;
- when orders from Clients are matched with an order from the Operator, any fees due pursuant to these Trading Rules will remain due and will not be waived or set-off against trading gains made by the Operator. As a result, the Operator will generate revenues from the operation of the Venue that are derived from fees levied on Clients for the use of the Venue and from trading gains the Operator may make when engaging in market making activities; and
- when trading on the Venue, the Operator is bound by these Trading Rules. In addition, the Operator has implemented a number of measures to manage conflicts of interest, which include adhering to pre-defined and validated market making strategies and the appointment of a platform head who does not take part in the day-to-day operations of the Venue.

7. ORDERLY TRADING

7.1 Use of algorithms

Each Client who uses one or several algorithms to submit or withdraw orders on the Venue is required to:

- thoroughly test the algorithms before using them for actual transactions, including against abnormal market conditions;
- continuously monitor the functioning of algorithms (in particular how they appear to interact with algorithms of other users of the Venue and how they react to other types of orders, *e.g.* large orders);
- ensure that the Client is in a position to stop each algorithm it uses at any time (including overnight and during weekends); and
- respond to requests from the Operator's market compliance function relating to algorithms within a maximum of 48 hours and provide – in addition to any appropriate technical supporting documentation – answers in layman's terms, such that a person familiar with the Venue but who is neither an algorithmic trader nor a software developer would be able to understand them.

7.2 Market conduct and surveillance

Any form of market abuse is prohibited on the Venue. In particular, all trading behaviors or activities prohibited by FINMA Circular 2013/8 "Market conduct rules" are explicitly

prohibited on the Venue. Accordingly, Clients may not engage in any conduct or activity on the Venue which harms or may harm its integrity or orderliness, and may not engage in any form of deceptive, manipulative or abusive trading practice.

The Operator monitors the operation of the Venue for possible market abuses and may investigate Clients or transactions. Clients undertake to respond to queries from the Operator and to provide detailed supporting documentation if appropriate.

7.3 Order and trade cancellations / amendments

The Operator may cancel, amend or correct any order submitted or trade already entered into if necessary (in the Operator's reasonable opinion) to ensure orderly trading, such as in case of extraordinary market conditions and IT system malfunctions.

8. CLEARING AND SETTLEMENT

8.1 Process

Upon a trade being entered into on the Venue, the Operator will arrange for the clearing and settlement of the relevant transactions. To do so, the Operator will perform the following actions:

- transfer all Tokens corresponding to the matched sell orders from the relevant Clients' accounts to one or several special clearings account owned by the Operator (each a "Clearing Account");
- transfer the cash (if applicable) corresponding to the matched buy orders from the relevant Clients' accounts to a Clearing Account;
- transfer the Tokens and cash from Clearing Accounts to the relevant Clients' accounts.

8.2 Settlement default

If the Operator is unable to perform some of the steps described in Section 8.1 because a Client does not hold sufficient Tokens and/or cash (a "**Defaulting Client**"), such Defaulting Client will be deemed to be in breach of these Trading Rules.

The Operator will in such a case:

- postpone the settlement of the affected trades by up to 72 hours, if the Operator deems it appropriate;
- acquire any missing Tokens (a "**Buy-in Trade**") not held by Defaulting Client as of the planned (and, as the case may be, postponed) settlement and deliver such Tokens to the Client who purchased them; and/or
- if the Defaulting Client did not hold enough cash as of the planned (and, as the case may be, postponed) settlement, credit the missing cash on the account of the Client who was the seller of Tokens.

The Defaulting Client shall fully indemnify the Operator for all costs incurred in accordance with this Section, in particular for amounts paid to enter into and execute a Buy-in Trade.

9. TRANSPARENCY

The Operator reserves the right to publish, on its Website or in another manner it deems appropriate, pre- and post-trade transparency information. Such information may contain the number, volume and price of orders placed in the Venue's order

books as well as number, volume and price of trades, in either cases in an anonymized form.

10. FEES

Trading activities on the Venue are subject to fees, as detailed on the Website. The Operator may amend the fees at any time without prior notice.

11. VIOLATION OF THE TRADING RULES

In the event it becomes aware of any violation of the Trading Rules, the Operator may prevent the relevant Client from trading on the Venue temporarily or permanently or close the relevant Client's account with the Operator. In addition, the Operator may report the case to Swiss or foreign authorities as it sees fit. The foregoing does not prevent the Operator from seeking any other available remedies against the relevant Client.

12. LIABILITY OF THE OPERATOR

Except if otherwise agreed upon in writing, the liability of the Operator for any loss or damage, be it direct or indirect, is excluded to the fullest extent permitted by applicable law, including (without limitation) any loss or damage incurred as a result of:

- (a) a suspension or removal of an instrument from the list of Tokens admitted to trading on the Venue, even if not preceded by a notice or communication from the Operator;
- (b) the malfunctioning of the Operator's IT systems leading to the impossibility to execute a trading strategy;
- (c) decisions of the Operator to enforce these Trading Rules or any agreement between the relevant Client and the Operator; or
- (d) actions of a Defaulting Client.

In case a Client suffers a loss or damage (the "**Affected Client**") that can be attributed to actions of another Client (the "**Responsible Client**"), the Operator shall be deemed to have satisfied any obligation to indemnify the Affected Client by assigning to the Affected Client the claims it may have against the Responsible Client for the actions having caused the loss or damage. With acceptance of these Trading Rules, the Clients agree to the assignment of any actions the Operator may have against them to third parties and waive any banking secrecy or confidentiality rights in this respect.

13. AGREEMENTS WITH THE OPERATOR

When trading on the Venue, Clients remain bound by other agreements entered into with the Operator. Subject to Section 6, these Trading Rules prevail in the event of a discrepancy between other agreements and these Trading Rules.

14. AMENDMENTS

The version of these Trading Rules in force at any given time is the version published on the Website. These Trading Rules may be amended at any time by the Operator without prior notice.

15. GOVERNING LAW | JURISDICTION

Except otherwise agreed upon in writing, any dispute between the Client and the Operator relating to the Venue, any trade entered into on the Venue, these Trading Rules or the Tokens shall be governed by the General Business Conditions and Safe Custody Regulations of the Operator and any other relevant agreement entered into by the Client and the Operator, as amended from time to time.