COOPERATION ARRANGEMENT

BETWEEN THE CRISIS MANAGEMENT GROUP MEMBERS
REGARDING THE CRISIS MANAGEMENT OF SIX x-clear AG

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A. PREAMBLE

(1) SIX x-clear AG ("SIX x-clear") is a stock corporation incorporated in Switzerland and licensed by the Swiss Financial Market Supervisory Authority FINMA ("FINMA") as a central counterparty under Article 48 of the Swiss Financial Market Infrastructure Act. SIX x-clear is subject to supervision and resolution by FINMA. Following its classification as a systemically important financial market infrastructure by the Swiss National Bank ("SNB"), it is also subject to oversight by the SNB. Furthermore, SIX x-clear is subject to regulatory regimes outside Switzerland based on its registration status in those jurisdictions. In 2017, SIX x-clear was found to be systemically important in more than one jurisdiction by some host authorities.¹

(2) In accordance with the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions, October 2014, and its annexes ("Key Attributes"), in particular KA 9 (Institution-specific cross-border cooperation agreements) thereof, and Appendix I-Annex 1 (Information Sharing for Resolution Purposes), Appendix I-Annex 2 (Essential Elements of Institution-specific Cross-border Cooperation Agreements) and Appendix II-Annex 1 (Resolution of Financial Market Infrastructures (FMIs) and FMI Participants) thereto, as well as the FSB Guidance on Central Counterparty Resolution and Resolution Planning, namely Section 9 (Crisis Management Groups) thereof, FINMA as the Home Resolution Authority of SIX x-clear wishes to establish a Crisis Management Group ("CMG") which consists of the Home Authorities and the Host Authorities as set out in Annex 1 ("CMG Members").

(3) This Arrangement is the governing framework under which the CMG Members will work together to cooperate and mutually support each other in crisis management planning for SIX x-clear and in the actual management of a crisis and potential resolution of SIX x-clear. It also sets out the information sharing and confidentiality provisions, which will govern all aspects of cooperation and support among CMG Members, both during business-as-usual periods and in times of crisis, with a view to facilitating the recovery and/or, as necessary, an orderly resolution of SIX x-clear.

# B. COOPERATION ARRANGEMENT

## I. Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Arrangement</td>
<td>This cooperation arrangement</td>
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<tr>
<td>CMG</td>
<td>Crisis Management Group for SIX x-clear AG</td>
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<tr>
<td>CMG Members</td>
<td>The Home Authorities and the Host Authorities as set out in Annex 1</td>
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<tr>
<td>Confidential Information</td>
<td>Any non-public information, whether written or spoken, and regardless of its format (electronic, paper, etc.) which the CMG Members share or receive in connection with their cooperation within the CMG</td>
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<tr>
<td>FINMA</td>
<td>Swiss Financial Market Supervisory Authority FINMA</td>
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<td>FSB</td>
<td>Financial Stability Board</td>
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<td>Home Authorities</td>
<td>FINMA and SNB</td>
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<tr>
<td>Home Resolution Authority</td>
<td>FINMA</td>
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<tr>
<td>Host Authority</td>
<td>Each of the host authorities as set out in Annex 1</td>
</tr>
<tr>
<td>Key Attributes</td>
<td>Key Attributes of Effective Resolution Regimes for Financial Institutions, including its annexes, as of 15 October 2014 and as amended from time to time</td>
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<tr>
<td>PFMI</td>
<td>CPSS-IOSCO’s Principles for Financial Market Infrastructures as of April 2012 and as amended from time to time</td>
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<tr>
<td>Providing Party</td>
<td>CMG Member that produced or provided the Confidential Information</td>
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<tr>
<td>Recovery Guidance</td>
<td>CPMI-IOSCO's guidance on &quot;Recovery of financial market infrastructures&quot; as of October 2014 (revised July 2017) and as amended from time to time</td>
</tr>
<tr>
<td>Recovery Plan</td>
<td>The recovery plan for SIX x-clear as prepared by SIX x-clear in accordance with applicable national laws and regulations and relevant international standards, and to be approved by FINMA in consultation with the SNB</td>
</tr>
<tr>
<td>Resolution Plan</td>
<td>The resolution plan for SIX x-clear as prepared by the Home Resolution Authority in accordance with applicable national laws and regulations and relevant international standards, and to be consulted with the SNB</td>
</tr>
<tr>
<td>SIX x-clear</td>
<td>SIX x-clear AG</td>
</tr>
<tr>
<td>SNB</td>
<td>Swiss National Bank</td>
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</table>
II. Composition of the CMG

1. This CMG has been established by the Home Resolution Authority in accordance with the criteria set out in Article 9.2 of the FSB Guidance on Central Counterparty Resolution and Resolution Planning (version as of 5 July 2017).

2. The initial composition of the CMG has been determined by application of the aforementioned criteria to the actual circumstances at the time of its establishment.

3. The composition of the CMG will be reviewed periodically by the Home Resolution Authority with an aim to (i) duly reflect changes in the regulatory requirements as well as the actual circumstances affecting the composition; and (ii) ensure representation of all those authorities in the CMG which it deems relevant for facilitating the recovery or an orderly resolution of SIX x-clear. The Home Resolution Authority may therefore, at its own discretion and without creating any precedent, from time to time:

   a. invite additional authorities to join the CMG and become a party to this Arrangement. Such an invitation will be subject to prior written notification and consultation of the then current CMG Members, whose consent will be deemed given, unless a CMG Member expresses substantiated concerns regarding the exchange of Confidential Information with such a new CMG candidate in written form to cmg-xclear@finma.ch within twenty (20) calendar days as of the date of such notification.

   b. remove any CMG Member from the CMG that (i) no longer qualifies for participation in the CMG based on the criteria referenced in paragraph 1 above; or (ii) is in breach of a material obligation under this Arrangement.

4. The Home Resolution Authority may, at its discretion, invite additional external entities to attend CMG meetings on a standing or ad hoc basis, subject to prior written notification of the then current CMG Members at least thirty (30) calendar days in advance of the respective meeting. Before receiving any Confidential Information, such an external entity must agree in writing to confidentiality obligations substantially equivalent to those set out in this Arrangement.

III. Objectives, nature and scope of the Arrangement

5. This Arrangement sets out how the CMG Members will communicate, coordinate, cooperate and share information, both during business-as-usual periods and in times of crisis, with a view to facilitating the recovery and/or, as necessary, an orderly resolution of SIX x-clear. The objective of an orderly resolution is to minimise the impact of the failure of SIX x-clear on financial stability and to maintain continuity of critical functions whilst minimising the use of public funds.

6. This Arrangement is not legally binding. Therefore, its provisions do not create any legally binding obligations or any directly or indirectly enforceable rights, confer any rights, modify or supersede any domestic laws or regulatory requirements in the CMG Members’ respective jurisdictions. Nothing in this Arrangement will affect the competence of the CMG Members under their respective laws and regulations.

7. Subject to paragraph 16, the CMG Members will make their best efforts to cooperate according to this Arrangement. They will inform each other as soon as possible in written form about any amendment to the law to which they are subject as well as any other circumstances, to the extent that either of these may affect their ability to comply with the commitments made in this Arrangement.

8. The CMG Members may be party to existing bilateral or multilateral agreements (e.g. Memoranda of Understanding) between them, or may conclude other agreements in the future. Whereas this Arrangement supersedes the “Declaration of Confidentiality regarding SIX x-clear AG Crisis Management Group” as executed by the individual CMG Members, it is otherwise not intended to amend or supersede pre-existing agreements or limit the terms of any future agreements.
9. The existence of this Arrangement may be publicly disclosed. Unless otherwise agreed by all CMG Members or required by respective laws and regulations, the content of this Arrangement will not be publicly disclosed and, in particular, no firm-specific elements of this Arrangement will be made public. Notwithstanding the above, the Home Resolution Authority may inform SIX x-clear about the existence and content of this Arrangement. If a CMG Member is required by respective laws and regulations to disclose any part of this Arrangement, it will inform the other CMG Members, and take such actions as provided under paragraph 33 before making such a disclosure.

10. This Arrangement and its annexes, which form an integral part of this Arrangement, will continue indefinitely subject to modification or termination. Any modification to this Arrangement, with the exception of a change in the parties thereto which will be subject to paragraph 3a above and paragraph 11 below, will be agreed in writing by all CMG Members.

11. Each of the CMG Members may terminate their participation in this Arrangement by giving one (1) month's prior notice in writing to the other CMG Members, whereby Confidential Information received remains subject to the provisions in Section VII below (Information sharing framework) as stipulated in paragraph 36. Upon such termination, this Arrangement will continue to apply between the remaining CMG Members; an exception exists in the case of a termination of this Arrangement by FINMA, where the Arrangement will cease to apply with respect to all parties.

12. Should new authorities join the CMG, they will be expected to agree to the terms of this Arrangement within a reasonable time period. Where authorities have not yet become parties to this Arrangement, (i) they may be restricted from viewing certain Confidential Information as defined in this Arrangement at the discretion of the Providing Party; and (ii) participation in CMG meetings will be subject to signature of a respective declaration of confidentiality.

IV. General framework for cooperation

13. The CMG Members agree that the Key Attributes, the PFMI, the Recovery Guidance, the FSB Guidance on Central Counterparty Resolution and Resolution Planning, as well as any other guidance as the CMG Members may agree, should guide their approach to crisis management, recovery and resolution for SIX x-clear, to the extent permitted by their respective laws and regulations.

14. The CMG Members acknowledge that the crisis management, recovery and/or resolution powers are entrusted to the authorities by the relevant legislation applicable to their respective jurisdictions. The commitments made in this Arrangement by the CMG Members will be understood within the scope of their respective mandates, roles, responsibilities and powers.

15. The CMG is a cooperative structure that consists of representatives from all CMG Members, with the objective to enhance preparedness for, and facilitate crisis management, recovery and resolution of SIX x-clear. As provided for in paragraphs 17 and 18 below, this will be achieved by holding at least annual meetings and conference calls to discuss, inter alia, recovery and resolution information submissions by SIX x-clear, resolution planning options, informational requirements and enhancing communication and cooperation. The CMG does not have legal personality and understandings reached at the CMG will not be legally binding or enforceable.

16. The CMG Members acknowledge that they are only able to cooperate under this Arrangement and within the CMG as far as such cooperation is consistent with their respective laws and regulations. The CMG members will make their best endeavours to implement plans developed at the CMG so far as consistent with their respective laws and regulations and internal governance procedures.
V. Commitments to cooperate

17. The Home Resolution Authority will:

i. Facilitate and chair CMG meetings at a sufficiently senior level and on at least an annual basis.

ii. Provide the other CMG Members with information about SIX x-clear which it deems relevant for an informed assessment of the Recovery Plan and the Resolution Plan, amongst others by inviting SIX x-clear to the CMG meetings as a presenter.

iii. Discuss the Recovery Plan and any material amendments to it in the CMG in line with the PFMI, the Recovery Guidance and such other guidance as applicable, taking into account the input of the other CMG Members.

iv. Assess SIX x-clear’s resolvability, duly considering the input of the other CMG Members, and in line with any relevant FSB guidance and such other guidance as applicable.

v. Draft and ultimately maintain a Resolution Plan, which considers resolution of SIX x-clear as a whole or in part and the financial stability impact in other jurisdictions concerned. To the extent permitted by its laws and regulations and not contrary to public policy, the Home Resolution Authority will share the Resolution Plan with the CMG Members and will coordinate through the CMG, on at least an annual basis, the preparation and maintenance of the Resolution Plan in line with FSB guidance.

vi. Alert the other CMG Members, to the extent permitted by its laws, without undue delay if SIX x-clear encounters material financial difficulties, takes recovery actions, or enters the resolution regime of its Home Resolution Authority.

vii. Work with the other CMG Members towards the coordinated resolution of SIX x-clear, with the aim of continuing critical functions, maintaining financial stability and minimising use of public funds in the event that resolution should become necessary.

viii. Undertake best efforts to avoid taking actions that could reasonably be expected to trigger instability elsewhere in the financial systems of the CMG Members’ jurisdictions.

18. The CMG Members (other than the Home Resolution Authority) will, as applicable, and subject to their statutory and regulatory remit:

i. Attend CMG meetings at a sufficiently senior level.

ii. Provide input to the discussion of the Recovery Plan in the CMG.

iii. Provide input to the development and maintenance of the Resolution Plan.

iv. Coordinate with the Home Resolution Authority and, where applicable, the other CMG Members and, subject to Section VII (Information sharing framework) other domestic authorities not party to this Arrangement, regarding the implementation of possible resolution actions to achieve greater resolvability of SIX x-clear.

v. Subject to Section VII (Information sharing framework), share information with other CMG Members as necessary to enhance preparedness for, and facilitate crisis management, recovery and resolution of SIX x-clear, both during business-as-usual periods and in times of crisis.

vi. Alert the Home Resolution Authority without undue delay, to the extent permitted by their respective laws and regulations, if the Host Authority plans to take any significant action with regard to SIX x-clear, a linked FMI or a significant clearing participant that may result in material financial difficulties of SIX x-clear, potentially triggering recovery or resolution.

vii. Work with the other CMG Members towards the coordinated resolution of SIX x-clear, with the aim of continuing critical functions, maintaining financial stability and minimising use of public funds in the event that resolution should become necessary.
viii. In taking resolution actions, endeavour not to pre-empt resolution actions by the Home Resolution Authority, whilst reserving the right to act on their own initiative if necessary to achieve domestic financial stability in the absence of effective action by the Home Resolution Authority.

19. The CMG Members may, through the CMG process, engage in periodic table top simulations or other scenario exercises in order to assess the viability of the Resolution Plan and to help prepare for an orderly resolution of SIX x-clear, with or without the active involvement of SIX x-clear.

20. Subject to their respective laws and regulations, the CMG Members will inform each other of material changes to their crisis management, recovery or resolution frameworks through regular CMG meetings and teleconferences or other appropriate means.

VI. Cooperation mechanism and cross-border resolution measures

21. While it is recognised that each CMG Member must operate within the framework of its own respective laws and regulations, each CMG Member will work with the other CMG Members, both during business-as-usual periods and in times of crisis, to identify and, to the extent possible, to address any legal and operational impediments to effective cross-border recovery and resolution of SIX x-clear under the existing legal and operational frameworks relating to crisis management, recovery and resolution through regular CMG meetings and teleconferences.

22. Where CMG Members have material concerns regarding the Recovery Plan or the Resolution Plan, they should submit them in written form to the Home Resolution Authority, setting out proposed remedies.

23. The Home Resolution Authority will organise the practical procedures for the meetings and activities of the CMG. Where appropriate, meetings may take place via teleconference. The CMG Members should ensure that they provide sufficient human resources to take forward the actions determined at the CMG meetings, which will require close and continuous working-level cooperation.

24. The CMG Members commit to maintaining up-to-date contact lists which should include contact details for key senior and working-level staff, and to cover multiple means of telecommunication to facilitate rapid and effective information sharing and communication among the Home Authorities and Host Authorities. The Home Resolution Authority will be responsible for setting up and keeping such arrangements up-to-date, and for providing the necessary infrastructure to facilitate communication (e.g. conference calling facilities). The CMG Members will develop a procedure for making the communications detailed in this Arrangement.

25. Where this Arrangement stipulates that a communication is to be made "in writing" (paragraphs 4, 10 and 11), such communication must be duly signed, but may then be transmitted either as original or electronically (e.g. by e-mail). Where this Arrangement stipulates that a communication is to be made in "written" form, such communication may be effected by letter, e-mail, fax or any other means of communication in text form directed to the intended addressee.

26. To the extent permitted by their respective laws and regulations, the CMG Members should work together to identify critical systems and services located in and/or provided by SIX x-clear entities or third parties within their jurisdiction to other SIX x-clear entities or third parties in the jurisdictions of other CMG Members. The CMG Members should endeavour to reach a mutual understanding that where critical systems and services are needed in a resolution scenario, the Resolution Plan should provide for the continuation of such systems and/or services to the extent permitted by their respective laws.

27. In the event of a resolution, the CMG Members will maintain an open communication channel and endeavour to coordinate with each other, to the extent permitted by their respective laws and regulations, to ensure consistency of external communications both leading up to, at the time of, and following resolution.
VII. Information sharing framework

28. To the extent permitted by their respective laws and regulations, the CMG Members may at all times, upon request or on their own initiative, share Confidential Information as set out in this Arrangement. To the extent that such Confidential Information is received by the CMG Members, it may only be used for the performance of the CMG Members’ respective legal duties in connection with financial stability, recovery and resolution (planning) or crisis management.

29. All CMG Members will hold confidential all Confidential Information and confirm that:
   i. all persons dealing with or having access to any Confidential Information are subject to an obligation of professional or official secrecy;
   ii. the professional or official secrecy requirements apply to any person currently or previously employed by or acting on behalf of them; and
   iii. any passing on of Confidential Information in breach of professional or official secrecy is unlawful in their respective jurisdiction.

30. CMG Members recognise that information pertaining to the Recovery Plan and the Resolution Plan is commercially sensitive and confidential. Access to such information, as well as to any other Confidential Information, should be restricted to those officials, employees and agents of the CMG Members who have a genuine need for access to this information. Such data and information should be handled carefully and appropriately in the same manner applicable to similar information in each CMG Member's respective jurisdiction.

31. Where required for the performance of the CMG Members' respective legal duties in connection with financial stability, recovery and resolution (planning) or crisis management, Confidential Information may be shared with agents acting on behalf of the CMG Members and bound by professional and/or official secrecy (e.g. audit firms), and with SIX x-clear, such disclosure not being subject to the requirements set out in paragraph 32.

32. Confidential Information may solely be disclosed with the prior written consent of the Providing Party and only for the purposes agreed to by it. The disclosure of Confidential Information includes publication and onward sharing to third parties, i.e. any natural or legal person that is not a CMG Member. The disclosing CMG Member will ensure that the disclosed Confidential Information remains subject to secrecy obligations substantially equivalent to those set out in this Arrangement.

33. Where a CMG Member is subject to a legally enforceable request to disclose Confidential Information, it will – to the extent permitted by its respective law – notify the Providing Party in written form prior to complying with such a demand. In the event that prior notification is not permitted by its respective law, the CMG Member will inform the Providing Party in written form without undue delay after such disclosure. Where the Providing Party has not given its prior written consent to the disclosure, the CMG Member subject to the request will make its best efforts to protect confidentiality and to resist disclosure of the Confidential Information, including by using all lawful means to challenge the demand for disclosure or by advising the third party of the possible negative consequences for the future exchange of information between the CMG Members.

34. No privileges or confidentiality duties associated with Confidential Information provided by any party are intended to be waived as a result of sharing information as contemplated by this Arrangement.

35. The provision of, or request for, information under this Arrangement may be denied on grounds of public interest or national security, or when the information sharing would interfere with an ongoing investigation.

36. The confidentiality provisions as stated in Section VII will continue to apply for an indefinite period of time to all Confidential Information in the possession of any CMG Member even if that CMG Member no longer is a member of the CMG, by way of termination or otherwise.
This Arrangement is signed by the representatives of each CMG Member and will become effective with respect to a CMG Member as of the date indicated below its signature block.
C. ANNEX 1: PARTIES TO THIS ARRANGEMENT

The CMG Members and parties to this Arrangement are the following home and host authorities listed according to their official names:

I. Initial composition

Home authorities ("Home Authorities")

1. Eidgenössische Finanzmarktaufsicht FINMA ("FINMA")
2. Schweizerische Nationalbank ("SNB")

Host authorities ("Host Authorities")

3. Bank of England ("BoE")
4. De Nederlandsche Bank ("DNB")
5. De Autoriteit Financiële Markten ("AFM")
6. Autorité de Contrôle Prudentiel et de Résolution ("ACPR")
7. Autorité des Marchés Financiers ("AMF")
8. Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin")
9. Deutsche Bundesbank ("BuBa")
10. Finanstilsynet (Norway)
11. European Central Bank ("ECB")
12. European Securities and Markets Authority ("ESMA")
13. Single Resolution Board ("SRB")