

SDX Market Advisory Group

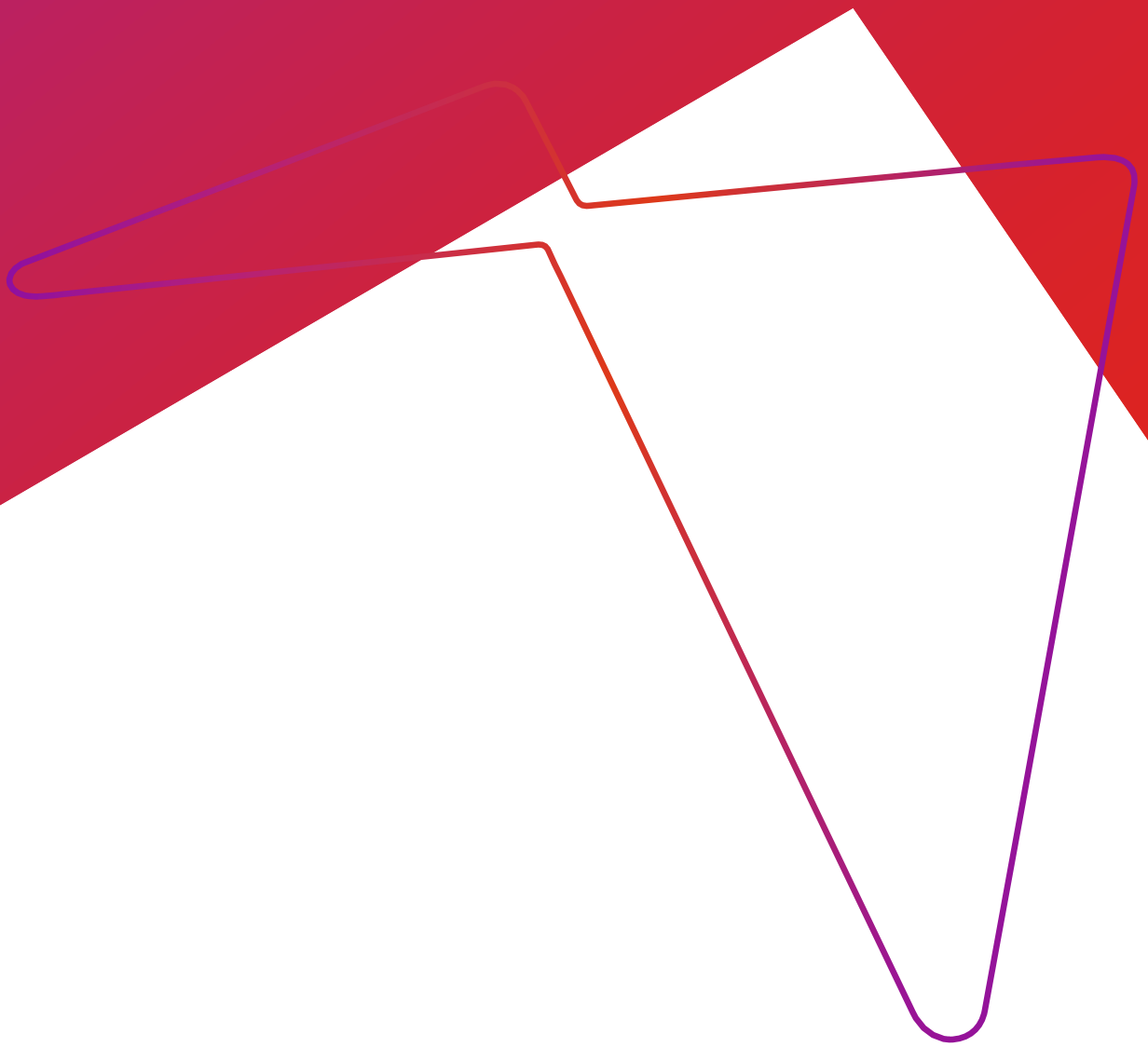


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1. Mandate

The SDX Market Advisory Group (SMAG) is an autonomous and independent market committee pursuant to art. 52 para 1 of the Financial Market Infrastructure Ordinance, mandated to collect market voices and market objectives for developing a broad, innovative market in digital assets and related payments, in Switzerland.

The SMAG advises SIX Digital Exchange (SDX) in defining market needs, guiding product and service developments, priority settings and communication with market participants/organizations. In addition, the committee may support the Swiss Financial Marketplace for digital assets in national and international organizations that deal with digital assets.

The SMAG collects ideas, discusses high level solutions and develops the necessary information to enable it to forward recommendations to SDX. The recommendations of the SMAG represent the consolidated opinion of the members and are taken, if necessary, by majority vote.

In addition, the SMAG is the point of contact for domestic and foreign entities in case of enquiries, consultations and responses in the post-trade digital asset area.

In the context of its activities, the SMAG is subject to Swiss competition and antitrust laws as well as its relevant notices and ordinances:

- › Swiss competition and antitrust laws apply without restriction, and each individual participant is obliged to comply with them at all times.
- › Should a participant at any time consider Swiss competition and antitrust laws to be breached or is potentially likely to be breached, they are required to address this immediately and inform all members.
- › The SMAG chair may decide, in the chair's sole discretion and after consultation with the chair's respective legal function, to remove topics presented for discussion in case of reasonable doubt that such topic might result in a violation of Swiss competition and antitrust laws.

2. Members and representatives

The SMAG is composed of representatives, some of whom are entitled to vote and some without voting rights. Ideally the SMAG will be composed by up to 20 representatives.

If required, further representatives of permanent member institutions and/or representatives of other committees/associations/authorities (domestic and foreign) may be invited as guests on specific topics, without voting rights.

a. Permanent members with voting rights

- › SDX CSD members
- › SDX

Ideally 10 voting representatives shall be appointed, it is however in the discretion of the chair to increase this number. Every representative has 1 vote.

b. Permanent members without voting rights

- › Chairperson SDX Issuer/Investor working group
- › Issuer representatives e.g. SwissHoldings (Federation of Swiss based multinational enterprises) AMAS (Asset Management Association Switzerland)
- › Chairperson swissSPTC

3. Nomination process and requirements

The SMAG representatives of the permanent members with voting rights are nominated by their individual institution and must be in an active employment with them. They are thus legitimised to represent their institution in voting/ballots/elections in the committee.

The SMAG representatives of permanent members without voting rights are nominated by their respective association, federation or working group.

All representatives contribute to discussions on the agenda items, the assessment of their institution/ association and thus also its needs, so that the committee can conduct an effective formation of opinion. If necessary, they source support from their institution to provide input on agenda items.

Should there be too many members interested in participating in the SMAG, it is in the discretion of the chair to adopt a rotating membership approach.

Additional permanent members without voting rights are nominated by the SMAG or can apply for membership in writing to the chairperson. The committee (voting members) decide on their admission.

Representatives, both with or without voting rights, of institutions, associations or federations prepare for meetings, obtain information from their in-house stakeholders, share this information for the purpose of formation of opinion within the SMAG and ensure the return of information flow to their stakeholders.

Committee members shall promote, within their institutions, associations and federations, the flow of information and formation of opinion on SMAG topics and represent the position of the SMAG and of their institution accordingly.

Amongst other tasks, members shall raise awareness of documents of the SMAG at their own specialist units within their institutions, associations and federations, as these documents serve to provide information and form opinion(s).

4. Duration of membership, continuity and expulsion

There is no limit of the duration of membership, neither as regards the institutions/ associations/ federations nor its representatives. It is desired to achieve continuity and stability through specialist competency and low fluctuation of the respective representatives. In case of a permanent replacement of a representative, the predecessor should provide to his/her successor the necessary documents and information to enable a smooth transition. Substitutes are permitted if the regular representative is prevented from attending. Failing to attend three consecutive SMAG meetings will lead to an expulsion. The membership of the institution, association or federation remains suspended until the SMAG has approved a request for re-admission.

a. Chair and vice chair

The chair of the SMAG is provided by SDX. The vice chair, from a permanent member with voting rights, is determined on a rotational basis by the SMAG at the beginning of a new annual period and is valid for the entire period.

5. Approach and method of working

a. Meetings

The SMAG usually holds two meetings per year. The dates are agreed and fixed at the beginning of a new calendar year at the latest. The meetings are organised according to a set agenda. The meetings can also take place by telephone/video conference. Ad-hoc meetings can be planned by the chair of the SMAG with an appropriate period of notice.

The SMAG shall be convened by the chair by e-mail. With the invitation, the place and time of the meeting as well as the planned agenda must be communicated and any documents and, if applicable, proposed resolutions must be made available.

The invitation shall be sent to the members no later than 14 days prior to the meeting.

The official language of the meeting(s) is English.

b. Task forces

The SMAG may set up temporary and topic focused Task Forces (TF). For these, the following guidelines apply:

- › TFs are defined as needed along the priorities and focal points of the SMAG and employed to fulfil a given mission. Following their completion, TFs are disbanded.
- › TFs operate independently of the SMAG meeting schedule and organise themselves independently.
- › TFs shall be staffed on an ad hoc basis with the necessary technical experts from the institutions of the permanent members or with other specialists as required.

The chairperson of a TF is usually a SMAG representative.

- › Generally, the chairpersons of the TF will report on the progress of the work at the ordinary meetings of the SMAG; they are also encouraged to report to the SMAG and seek clarification in the event of ambiguities in the mandate or other issues that influence or change the mandate.
- › The meeting format and frequency shall be determined by the TF chairperson.

6. Communication

The SMAG chairperson is responsible for ensuring the communication of SMAG information, assessments, decisions, proposals, consultations, etc.

Furthermore, the SMAG ensures the exchange of information from relevant associations, with experts, other decision-makers, and with TFs and other expert committees.

Communication with or any involvement with the Swiss authorities on SMAG topics is handled by SDX which maintains a regular exchange with the authorities. In the event of an immediate need for explicit communication/clarification with these authorities, the SMAG will submit a request to SDX. Close cooperation and collaboration are therefore necessary. The information flow is predominantly channelled through the chair of the SMAG.

The SMAG maintains a website for the publication of the most important documents such as the charter, list of members, statements and minutes (incl. TFs).

7. Fields of activities

In addition to and within the above mandate, currently the following fields of activities arise (list is of an exemplary nature and neither conclusive nor weighted):

- › Potential Helvetia Pilot transactions / use cases
- › New product and service proposals
- › Enhancements to existing products / services
- › Swift ISO developments / enhancements

The SMAG assumes the role of a discussion platform on the SDX market(s).

In the case of Swiss draft legislation or regulations for digital cash and securities relevance, the SMAG can be involved as required in terms of an advisory body for opinions/comments/responses.

The SMAG decides on the acceptance or rejection of a topic submitted to the SMAG.



8. Decision-making/adoption of resolutions

The SMAG can adopt decisions or recommendations to be submitted to SDX. If necessary, the SMAG may issue a circular decision among its members with a maximum notice period of 30 days.

The SMAG has the competence to propose developments for the SDX market, as the most important stakeholders are represented in it. Appropriate specialist expertise is drawn upon and, if necessary, consultations are carried out in the respective home market(s). Decisions are made by consensus whenever possible. If a formal vote is necessary or desired, a decision will be taken by a simple majority of the institutions/ associations/ federations present and entitled to vote. In case of tied vote, the chair of the SMAG shall have the casting vote. For reasons of efficiency, electronic (e.g. e-mail) voting is also possible and should be provided for.

9. Minutes

Minutes shall be taken for each meeting of the SMAG. The minutes shall record the place and date of the meeting, the names of participants and guests, the agenda, the quorum (number of votes), the resolutions and the pending items. Generally, the minutes shall be available at the latest two weeks after the meeting and shall be electronically sent to all members and published two weeks thereafter on the SDX-SMAG website.

10. Confidentiality

The members of the SMAG as well as their accompanying persons and guests are only bound to secrecy about those meeting content details and documents that are marked as confidential.

Confidential content will not be published on the SMAG website and will not be shown in the published minutes. The duty of confidentiality also applies regarding documents and information given to the SMAG by SDX, third parties and marked as confidential.

11. Secretariat

SDX assumes the role of the secretariat, which deals with administrative matters and supports the chairperson and the members of the SMAG.

The tasks of the secretariat includes the following:

- › Central contact for information, explanations and enquiries from SMAG members
- › Fulfilling all administrative tasks related to the SMAG
- › Managing the SMAG website
- › Handling of the nomination process for new members/applications
- › Coordinating as well as preparing and dispatching documents
- › Taking minutes of the SMAG meetings and, if required, of the TF meetings
- › Planning of follow-up meetings incl. monitoring of deadlines
- › Drawing up the consultation drafts



12. Compensation

Participation in the SMAG and in the task forces or working groups is not remunerated and expenses are not reimbursed.

13. Budget SMAG

The SMAG does not have a budget. Extraordinary costs for analyses by third parties, legal opinions, etc. are defrayed to the market via the fees charged by SDX or otherwise. The meetings of the SMAG are voluntarily held by members on an alternating basis and any costs incurred by the hosts are borne by the host institutions.

14. Principality of Liechtenstein

The Liechtenstein financial centre and its participants are closely linked to the Swiss market and may use the Swiss financial market infrastructure of SDX. Based on the „Currency Treaty between the Swiss Confederation and the Principality of Liechtenstein“, Liechtenstein uses the same national currency, the Swiss franc (CHF), and processes trade and post-trade transactions based on conditions and standards in line with those applicable to Swiss participants. Unlike Switzerland, Liechtenstein is an EEA (European Economic Area) member. Therefore, EU legislation for the financial sector can be adopted in the EEA and thus become binding. However, from an EU point of view, Switzerland is a third country. It is from this perspective, that the SMAG mandate must be assessed and applied to Liechtenstein. Discrepancies from a legal perspective are considered accordingly.

15. Changes and entry into force

The SMAG Charter may be amended or supplemented at the request of one or several voting members in accordance with clause 5. In general, amendments are made once yearly unless there is an urgency to the matter.

The charter is provided in English only.

The charter was adopted at the SMAG meeting on _____ 2025 and will come into force on _____ 2025

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