



CRO Regulation S1 Annex 5: BME Clearing Business Continuity Special Requirements

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Table of revision

Version	Status	Name	Date	Description
1.0	Draft	José María Navamuel	13.01.2022	Initial Release of Annex 5: As the storage of documents classified as confidential (C3 or higher) on the i-Connect platform is not authorized, this document describes the requirements, without providing any detailed information. Likewise, any references to links and interdependencies are intentionally removed.



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1. Basics

This annex specifies the special requirements of BME Clearing's Business Continuity. Due to its confidentiality (C3: Confidential), this version of the document will describe the objectives and processes, intentionally excluding all content that may be categorized as Confidential.

1.1. Introduction

BME CLEARING, as a company of the BME Group 100% owned by SIX, participates in the Business Continuity management system of the SIX/BME Group (CRO Regulation S1: "Business Continuity Management"). Furthermore, in compliance with Regulation 648/2012 of the European Parliament of 4 July 2012 (EMIR) and its implementing regulations, BME CLEARING, as part of the SIX/BME Group's continuity management system, has established, implements and maintains an appropriate business continuity and ITSC strategy aimed at ensuring the preservation of its functions, the timely recovery of operations and the fulfillment of its obligations.

1.2. Objective

With the present annex, BME CLEARING specifies its management scope in line with the CRO Regulation S1: "Business Continuity Management" and in compliance with EMIR, including:

- BME CLEARING's Business Continuity Governance.
- The critical processes and functions of BME CLEARING and its recovery objectives.
- The means and strategy for the recovery of its essential services and functions.
- The links and interdependencies identified for the above.
- The articulation of BME CLEARING's Business Continuity function is fundamentally based on 5 tools:
- The Business Continuity Management Regulation (CRO Regulation S1: "Business Continuity Management").
- The Business Continuity Governance, whose main body in the BME Group is the BME Continuity and Risk Committee in which the interests of BME CLEARING are clearly represented through its Continuity Representative.
- BME CLEARING Business Impact Analysis (BIA) and BME CLEARING Risk Inventory.
- The Business Continuity Plan and the ITSC Plans for all systems / functions identified as critical.
- The performance of annual tests of the entire Business Continuity Management System to ensure that both the Business Continuity Management Regulation and the Business Continuity Plan as well as their associated procedures are adapted to the needs of BME Clearing.

1.3. Internal Requirements

The main internal BCM requirements of BME CLEARING are as follows:

- SIX Risk Policy
- SIX Security Policy
- CRO Regulation S1: Business Continuity Management
- CRO Regulation S7: Emergency and Crisis Management



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2. Content

BME CLEARING, as part of the BME Group, participates in the Business Continuity management system of the SIX/BME Group established in the CRO Regulation S1: "Business Continuity Management". Consistent with the provisions set forth in the Regulation 648/2012 of the European Parliament of July 4, 2012 (EMIR), the contents of this annex reflect BME CLEARING's business continuity specialties arising from the supervised activity that develops.

2.1. Roles and Responsibilities

BME CLEARING has its own Business Continuity Structure that is integrated and aligned with the SIX/BME Business Continuity Organization. The different roles and bodies in BME CLEARING related to the Business Continuity structure are identified below, as well as their responsibilities on this matter.

2.1.1. BME CLEARING BoD

The Board of Directors of BME CLEARING is the competent body responsible for approving the Business Continuity Management Regulation and the Business Continuity Plan within the Company scope.

Likewise, it is responsible for ensuring the correct management of business continuity within the Company, in coordination with the bodies entrusted with the management of business continuity within the SIX/BME Group, on which BME CLEARING is a part.

2.1.2. BME CLEARING Chief Risk Officer (CRO)

When defining business continuity as part of the Company's risks, IBERCLEAR Chief Risk Officer assumes the role of the Company's Continuity Representative, thus becoming responsible for coordinating the Business Continuity provisions within BME CLEARING.

The main functions in this area are:

- Facilitate the compilation and changes on requirements of the critical systems of BME CLEARING.
- Represent and safeguard the interests of BME CLEARING within the Continuity and Risk Committee within the BME Group.
- Keep the Board of Directors of BME Clearing informed of any relevant situation that affects business continuity or any relevant issue dealt with in the Continuity and Risk Committee.

2.2. BME CLEARING Critical Processes and Recovery Objectives

During the performance of the corresponding Business Impact Analysis (BIA), BME CLEARING has identified and defined its processes and essential functions for Business Continuity, as well as the IT systems that support them:

2.2.1. CCP Service

BME CLEARING interposes itself in its own name in every purchase and sale transaction between the buyer and the seller, so that it assumes the counterparty risk. In other words, the CCP is the buyer vis-à-vis the seller and is the seller vis-à-vis the buyer. Thus, through the novation process, a sale and purchase between a seller and a buyer becomes two transactions, with the CCP as the counterparty. To protect itself from the counterparty risk assumed, the CCP establishes a series of precautionary



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measures or services and functions to ensure that the counterparty risk does not threaten the very survival of the entity.

2.2.2. Recovery Objectives

In addition, BME CLEARING has defined the Recovery Time Objective (RTO), the Recovery Point Objective (RPO) and the Maximum Tolerable Period of Downtime (MTPD) for each essential service identified.

For confidentiality matters, the values of the recovery objectives have been intentionally removed from the document.

2.3. Business Continuity Strategy and means

BME CLEARING has all the necessary means to ensure the continuity and recovery of its essential services and functions within the established target recovery times.

The main strategy established by BME CLEARING to ensure the continuity of its essential functions, and therefore the continuity of its business, is to ensure the redundancy all those elements that support the critical functions of Company. Fundamentally:

- Provision of an alternative work center with sufficient capacity to host the functions required by BME CLEARING, to which workers can move at an appropriate time.
- Geographically diversified Data Processing Centers that allow the recovery of all functions within the stipulated target times.
- Availability of workstations with remote access capacity for all personnel considered critical.
- Training of personnel to carry out tasks under critical business circumstances.

BME CLEARING has developed and continuously updates the different Continuity Procedures (communication, activation, transfer to the alternative center...) established in the provisions applicable in case of emergency and which are included in the Business Continuity Plan.

2.4. Links and Interdependencies

The links and interdependencies existing for each of the services provided by BME CLEARING and that have been identified during the corresponding Business Impact Analysis are described below. For confidentiality reasons, the links and interdependencies of BME Clearing services have been intentionally omitted from the document.

3. Contact

For questions regarding this document please contact: corporate-security@six-group.com

4. Effective Date

This Regulation enters into force on 01.11.2021

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