SYSTEMATIC INTERNALISER COMMERCIAL POLICY

Scope of policy

Susquehanna International Securities Limited ("SIS") is a Systematic Internaliser ("SI") for the purposes of (Directive 2014/65/EU) ("MIFID II") in the following equity and non-equity financial instruments where they are admitted to trading on a Trading Venue:

- Exchange Traded Funds ("ETFs") - equity instruments; and
- Exchange Traded Commodities ("ETCs") and Exchange Traded Notes ("ETNs") - non-equity instruments.

This policy sets out SIS’ requirements under Regulation 648/2012 ("MiFIR") in relation to the publication of SI quotes and where it provides its approved counterparties with access to these quotes.

Publication of SI quotes

SIS’ quote publication requirements in a financial instrument are determined by its instrument type and whether ESMA has determined that it has a liquid market.

SIS makes firm public SI quotes in liquid ETFs, ETCs and ETNs, at an ISIN level, on a regular and continuous basis during Normal Trading Hours on the Cboe Europe Limited ("Cboe") SI quoting platform. The quotes are published under SIS’ MIC code ("SISI") and their price and size requirements are detailed below:

- **price**: reflects prevailing market conditions and is close to quotes of equivalent sizes for the same financial instrument on the most relevant market in terms of liquidity ("Relevant Market") as determined by ESMA.
- **size**:
  - **ETFs**: minimum of 10% of Standard Market Size ("SMS") up to SMS;
  - **ETCs & ETNs**: below or equal to the Size Specific to Instrument ("SSTI").

SIS’ SI Quotes are available free and in real time on Cboe’s public website at the following link:


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1 As defined in Article 4(1)(24) of MiFID II.
2 Normal Trading Hours are continuous trading sessions on the Relevant Market for the financial instrument which will typically be from 8am to 4.30pm Irish time. Normal Trading Hours do not include periods outside of continuous trading such as halts, suspensions and auctions. In the case of instruments primarily traded on a third country venue and admitted to trading in Europe, Normal Trading Hours will be the period when the local market hours and core European trading hours overlap.
3 ESMA’s “Q&A on MiFID II and MiFIR transparency topics” sets out that SIs can stream prices in liquid non-equity instruments such as ETCs and ETNs to meet the quote publication requirement set out in Article 18(1) of MiFIR.
4 The SMS is based on the Average Value of Transactions in the ETF in question and is published annually by EU competent authorities and on ESMA’s website. Where it is not available it defaults to €10,000.
5 The SSTI is published in a similar way to the SMS.
SIS’ SI public quotes may update at any time but will only be withdrawn in exceptional market conditions e.g. where a reliable market price is not available for a significant number of instruments underlying the ETF or the index. Outside of Normal Trading Hours, SIS reserves the right not to show a public SI quote or to widen out to a level it deems appropriate.

Note that SIS may at its own discretion provide SI quotes in larger trade sizes or tighter spreads than those published upon request.

**Access to published quotes**

SIS’ clients\(^6\) may access SI published quotes either by contacting SIS’ ETF sales desk e.g. by chat or voice or by directing price / quote requests to SIS via a third party trading platform “offMTF”. Due to the dynamic nature of the underlying instruments SIS’ SI quotes may only be available to trade for a limited time that is reasonable to allow clients to execute against them.

To limit its risk exposure, SIS may restrict the number of transactions from the same or different clients that it enters at the published quote. This restriction may occur in cases where the number and/or volume of trades considerably exceeds the norm such that SIS would expose itself to undue risk inter alia due to the firm’s market risk, credit risk, counterparty risk, settlement risk and also during exceptional market conditions. If such a restriction occurred then it would apply in a non-discriminatory manner amongst requests received from clients e.g. transactions would be agreed on a first come, first served basis.

In addition, SIS may be unable to execute transactions with clients where applicable legal or regulatory restrictions prevent it from doing so.

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\(^6\) To qualify as a SIS client for the purposes of this policy, the following two conditions must both be met 1) the client must have been approved in accordance with SIS’ counterparty approval process and 2) SIS’ relationship with the client should be such that there is a reasonable expectation of the client such that SIS will provide it with liquidity on an ongoing basis.