

User Guide SIX x-clear Ltd

Sweden

June 2011





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1.0 Market overview

Description	Details
Settlement Institution of SIX x-clear	SIX SIS Ltd (INSECHZZXX)
Local Custodian	SEB, Stockholm ESSESESSXXX
Place of Settlement	Euroclear Sweden VPCSSSESSXXX
Participant ID	BIC code required
Custody account	01002862159
Cash Account EUR	58528201511
Cash Account SEK	52018551620
Beneficiary ID	CH112114 This BP ID of SIX x-clear has to be mentioned in the instruction as final beneficiary.
Market Deadlines (CET)	Bonds (general) S 10:30 SEB external (versus payment) S 12:30 SEB internal (versus payment) S 13:30 Free of payment (shares) S 15:30

2.0 Settlement guide

2.1 Settlement process

Transactions free of payment and versus payment both have to match before settlement.

2.2 Handling of unmatched trades

Trades should be matched on T+1 at 14:00 (CET) to ensure timely settlement. SIX x-clear will contact missing/failing counterparties after 14:00 (CET) and ask for instructions. SIX x-clear will contact missing counterparties twice at the most.

2.3 Handling of unsettled trades

Trades are expected to settle on the intended settlement date (ISD). SIX x-clear will not cancel or amend instructions. SIX x-clear will contact delayed counterparties on settlement date twice at the most. In respect of late settlement, please refer to "late settlement and buy-in guide" of SIX x-clear.

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2.4 Specialities

Trades that are eligible for a specific entitlement, e.g. dividends / rights for trades settled over ex date, need to be reported and claimed at SIX x-clear.

3.0 Income and corporate action guide

The most common events in the Swedish market are dividend payments, spin-offs, bonus issues, rights issues, splits and tender offers.

Equity dividend information is published in the official newspaper (Postoch Inrikes Tidningar) and other media sources. Dividends are paid on the basis of the VPC (Värdepapperscentralen AB, Swedish Central Securities Depository) register of shareholders and their holdings on the record date. Normally, dividends are paid once a year in spring.

3.1 Ex date

The first date on which shares are traded without entitlement. In general, the ex date is the first business day after the annual general meeting (AGM).

3.2 Record date

The date when close of business positions are captured for entitlement to the proceeds of the corporate event. Distribution payments are based on the record date holdings. Record date is 2 business days after the ex date.

3.3 Pay date

The corporate event proceeds are credited to the participant's account on pay/available date based on the holdings registered as of record date (EOD).

For dividend payments in SEK, the pay date is 3 business days after the record date.

For dividend payments in EUR, the pay date is 5 business days after the record date.

3.4 Cancel/Regeneration (transformation)

In case of a mandatory exchange (i.e. split, reverse split, conversion etc) VPC will automatically cancel all pending settlement instructions at record date (EOD) and both SIX x-clear and the clearing member will have to reinstruct the new trades according to the terms of the corporate action.

3.5 Compensation rules for mandatory events

Sweden is a record date market. Distributions are credited on the basis of the settled stock position as at record date. Trades which follow the T+3 settlement structure are compensated automatically.



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Transactions with a longer or shorter settlement cycle are entitled as follows:

- Receive transactions whose contractual settlement date is on or prior to the record date are entitled to receive the distribution (even if the actual settlement takes place after the record date).
- Receive transactions whose contractual settlement date is after the record date are not entitled to receive the distribution.
- Delivery transactions whose contractual settlement date is on or prior to the record date are not entitled to receive the income (even if the actual settlement takes place after the record date).
- Delivery transactions whose contractual settlement date is after the record date are entitled to receive the distribution. The distributions for late settlements are credited/debited as soon as the trade has been settled.

Unsettled instructions will remain active for a period of 2 months after pay date.

3.6 **Source tax**

Dividends paid by Swedish companies to non-resident companies or individuals are generally subject to 30% withholding tax, unless reduced by a tax treaty.

3.7 **Currency**

The currency most commonly distributed in the Swedish market is SEK (some payments are credited in EUR). There is a possibility that the CSD will not distribute the announced original currency. In this case, SIX x-clear will credit the currency received from the custodian.

3.8 **Buyer election**

There is no buyer protection facility in the Swedish market.

The buyer has to send his choice by fax (a template can be downloaded on the website under www.six-x-clear.com > Forms to SIX x-clear Settlement no later than 10:00 am (CET) one business day after the market deadline (election) date. SIX x-clear will forward the buyer's choice to the failing seller until 18:00 (CET) one business day after the market deadline. The seller is obliged to execute the instruction and to deliver the outcome according to the buyer's choice. The cancellation of the original trade and the new instruction(s), according to the relevant corporate action terms, need to be agreed bilaterally by SIX x-clear and the counterparty. The settlement dates of the new outturn will generally be the payment date of the corporate action transaction.

A seller shall deliver the rights/shares no later than 5 business hours before the market deadline. A buyer / SIX x-clear is not obliged to accept delivery of rights/shares after such time. Therefore the rights/shares could be returned to the seller. The seller still has the obligation to fulfil the executable buyer's choice.



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4.0 Contact details

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