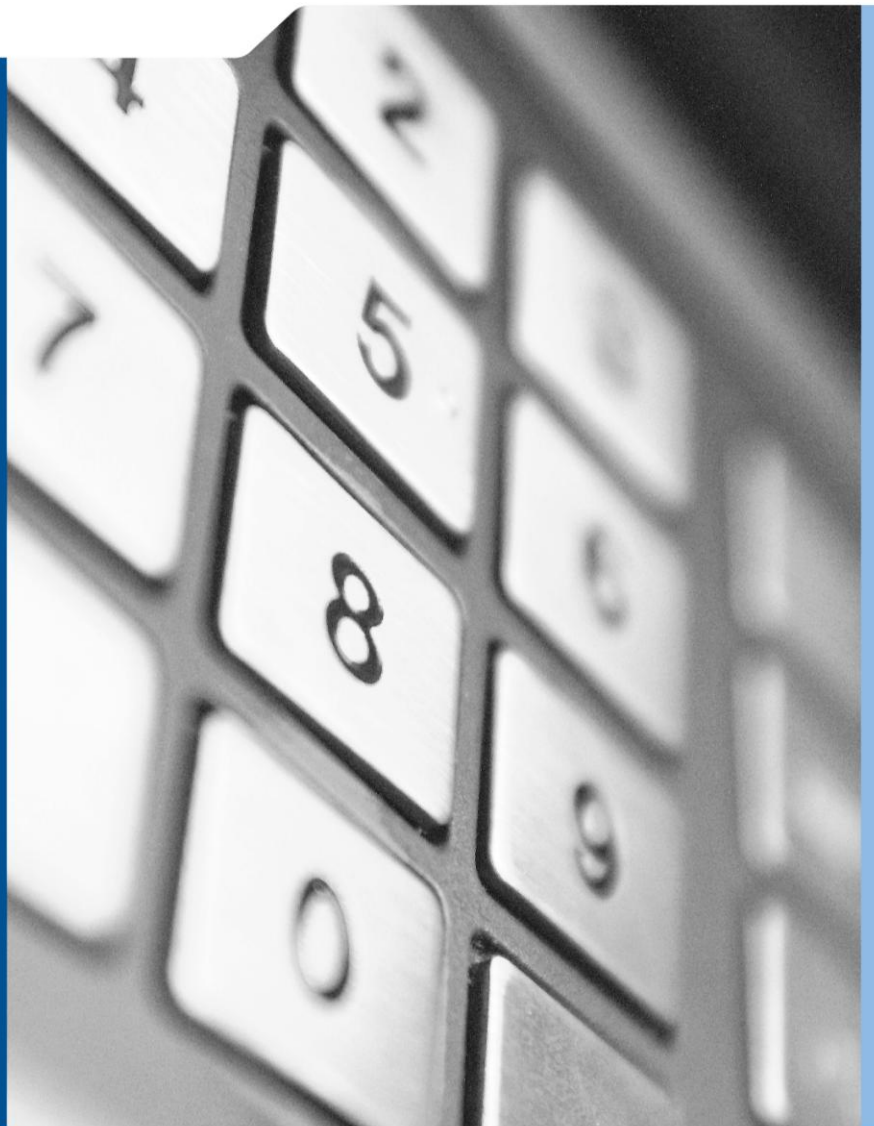


## User Guide SIX x-clear Ltd

**Switzerland**

June 2011





# User Guide SIX x-clear Ltd

Switzerland

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### 1.0 Market overview

| Description                           | Details  |
|---------------------------------------|--|
| Settlement Institution of SIX x-clear | SIX SIS Ltd (INSECHZZXX)   |
| Local Custodian                       | SIX SIS Ltd  |
| Place of Settlement                   | SIX SIS Ltd (INSECHZZXX)   |
| Participant ID                        | CH112114   |
| Beneficiary ID                        | Not applicable   |
| Custody account                       |  |
| Cash Account EUR                      | Cash account with SIX SIS: 40330383-CHF  |
| Market Deadlines (CET)                | Clearing via SIC (Swiss Interbank Clearing)<br>S 14:30<br>Clearing within SIX SIS Ltd (if both parties keep a cash account with SIX SIS Ltd)<br>S 21:30<br>(exception: last settlement day of each month)<br>S 19:30 |

### 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 the "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

##### 3.1 Ex date

According to Swiss market practice, holdings that are entitled to participate in a corporate action are stored as of end of day processing (EOD) on record date

##### 3.2 Record date

After implementation of the record date (23 November 2009), SIX x-clear will no longer determine the eligible positions on ex date, i.e. the first day the securities are traded without entitlement (ex), but only three working days thereafter (record date EOD).

The ex date is the relevant date for the investor. Whatever the investor buys before ex date is eligible to receive entitlements (dividends, subscription rights etc), regardless of whether all transactions have been settled on record date.

##### 3.3 Pay date

According to Swiss market practice, the pay date is usually identical to the ex date.

The payment date after 23 November 2009 will be on record date +1 at the earliest.

##### 3.4 Compensation rules for mandatory events

In Switzerland, settlement orders are processed three days after the trade date (T+3). As a result, a seller is often credited cash and/or securities to which the buyer would be entitled (instead of the seller).

SECOM will automatically compensate all compensation-eligible SECOM DVP/RVP/DFP/RFP transactions in status "Matched" or "Overdue" on the ex date of the corporate action for a period of 20 working days. Settlement orders that are transmitted to SECOM within 10 days after the booking of a corporate action will be automatically compensated

In Switzerland, settlement orders are processed three days after the trade date (T+3). Market claims have been reduced with implementation of the record date in the Swiss market.

SECOM will automatically compensate all compensation-eligible SECOM DVP/RVP/DFP/RFP transactions in status "Matched" or "Overdue" on the record date + 1 of the corporate action for a period of 20 working days starting from the booking of a corporate action. Settlement orders that are transmitted to SECOM within 10 days after the booking of a corporate action will be automatically compensated.

A small icon of a computer keyboard, showing keys with numbers and letters, positioned to the left of the main title.

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#### 3.5 **Compensation rules (dividends)**

For dividend payments, the settlement date of the market claim will normally be the same as the intended settlement date of the DVP/RVP instruction. Only in case instructions have failed to settle by the intended settlement date, the settlement of the market claim will be equal to the payment date of the corporate action. Market claims are settled “independently” from the original DVP / RVP instruction.

#### 3.6 **Compensation rules (distribution of other ISIN)**

For all other distributions (i.e. rights, stock dividend etc) the settlement of the market claim will be the same as the settlement date of the original DVP/RVP/DFP/RFP instruction. The market claim will only settle once the original settlement instruction has settled.

#### 3.7 **Cancel/Regeneration (same ISIN)**

In case of a mandatory exchange (i.e. split, reverse split etc) pending settlement instructions on ex date -1 EOD will be cancelled by SIX x-clear and a new instruction will be generated. On or after ex date, settlement instructions have to be sent with the new ISIN and/or new quantity only.

In case of a mandatory exchange (i.e. split, reverse split etc) pending settlement instructions on record date EOD will be cancelled by SIX x-clear and a new instruction will be generated. After the record date, settlement instructions have to be sent on the new ISIN and/or new quantity only.

#### 3.8 **Source tax**

The standard withholding tax rate is 35 pct.

#### 3.9 **Currency**

The currency most commonly distributed in the Swiss market is CHF.

#### 3.10 **Mandatory corporate actions**

The most common mandatory events are dividend payments, splits, capital reductions etc.

In general, dividends on stocks are paid once a year.

#### 3.11 **Voluntary/mandatory corporate action with option**

The most common events in the Swiss market are capital increases, repurchase and tender offers. The market deadline can differ from event to event and will be officially announced.

#### 3.12 **Buyer election**

There is no buyer protection facility in the Swiss market.

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The buyer has to send his choice by fax a template can be downloaded on the website under [www.six-x-clear.com](http://www.six-x-clear.com) > Forms to SIX x-clear Settlement no later than 10:00 am (CET) one business day after the deposit date. SIX x-clear will forward the buyer's choice to the failing seller until 18:00 (CET) one business day after the deposit date. 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 on deposit date at the latest. A buyer / SIX x-clear is not obliged to accept delivery of rights/shares after such date. Therefore the rights/shares could be returned to the seller. The seller still has the obligation to fulfil the executable buyer's choice.

#### 4.0 Contact details

SIX x-clear Settlement  
c/o SIX SIS Ltd  
Settlement Client Desk x-clear / SECX  
Baslerstrasse 100  
CH-4600 Olten

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Fax +41 58 499 1316  
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