

FrontLine

Clearing Notice

Consolidation of Swiss equity trading: transfer of the trading venue for blue chip stocks from SWX Europe to SIX Swiss Exchange as of 4 May 2009

Dear Madam, Dear Sir

This Clearing Notice is based on clauses 14 and 15 of the *Contract for Clearing Services (Swiss Law)*.

As you know, trading in the 30 Swiss blue chip stocks (i.e. the shares included in the Swiss Market Index and the Swiss Leader Index), which until now has been conducted on SWX Europe in London, will be relocated to SIX Swiss Exchange in Zurich. SIX Swiss Exchange has communicated this change in various documents, in particular the press release of 11 November 2008, the letter dated 20 February 2009, the Fact Sheet dated 5 March 2009 and most recently the press release of 17 April 2009. These documents provided you with some information on the implications of the change of trading venue.

As concerns the clearing of trades in Swiss blue chip stocks, the contracts currently in place are not affected by this change for the time being. Your position as a member of SIX x-clear remains essentially the same despite the replacement of the trading venue SWX Europe by SIX Swiss Exchange. However, as of 4 May 2009, the legal documents which govern the legal relationship between you and SIX x-clear (*Membership Agreements*) are to be read in line with the new trading setup. In particular, the following has to be taken into account for the reading of the *Exchange Specific General Terms and Conditions of Business concerning virt-x* and of the *Clearing Terms SIX x-clear Ltd for SWX Europe Ltd*:

- SWX Europe Ltd is replaced by SIX Swiss Exchange Ltd.
- The *SWX Europe Rules* are replaced by the *Transitional Rule Book for Blue Chip Trading of SIX Swiss Exchange (Transitional Rule Book)*, which will enter into force on 4 May 2009.
- The provisions in the *Membership Agreements* which relate to the *SWX Europe Rules* are to be interpreted in a way that they are consistent with the *Transitional Rule Book*.

We would like to stress that the consolidation will not have any technical or operational impacts on clearing members. There is also no change to the clearing arrangements for the blue chip segment.

We hope that the above information is helpful to you. Should you have any questions, please do not hesitate to contact us.

Kind regards

SIS x-clear Ltd