

User Guide SIX x-clear Ltd

Czech Republic

June 2011



A small icon of a computer keyboard, showing keys with numbers 7, 5, and 8, and a question mark.

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1.0 Market overview

Description	Details
Settlement Institution of SIX x-clear	SIX SIS Ltd (INSECHZXXX)
Local Custodian	Citibank Europe plc CITICZPXXXX
Place of Settlement	Centralni Depozitar Cennych Papiru (CDCP) UNIYCZPPXXX
Participant ID	601
Custody account	4090034472
Cash Accounts	Operated by Citibank Europe plc CITICZPX CZK-cash account: 202681018
Beneficiary ID	CH112114 This BP ID of SIX x-clear has to be mentioned in the instruction as the final beneficiary.
Market Deadlines (CET)	Bonds and shares versus payment SD-1 7:00 a.m. (CET) Bonds and shares free of payment SD 2:30 p.m. (CET)

2.0 Settlement guide

2.1 Settlement process

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

2.2 Handling of unmatched trades

Trades should be matched on T+1 at 2:00 p.m. (CET) to ensure timely settlement. SIX x-clear will contact missing/failing counterparties after 2:00 p.m. (CET) and ask for instructions. SIX x-clear will contact any missing counterparties only twice.

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 the settlement date twice only. For more details on late settlement, please refer to the "late settlement and buy-in guide" of SIX x-clear.



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2.4 Specialties

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 Czech market are dividend payments, bonus issues, rights issues and redemptions.

Dividends are commonly paid once a year. The dividend season for most events is between April and August. The entitlement is based on the settled position as of the record date.

3.1 Ex date

The first date on which shares are traded without entitlement.

For equities: 7 business days prior to event date.

For fixed income securities: 3 business days prior to event date.

3.2 Record date

The date when close-of-business positions are captured for entitlement to the proceeds of the corporate event. The record date for dividends is typically the AGM date. The AGM, however, is allowed to set the record date on a different date that is no later than the payment date.

3.3 Pay date

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

The issuer is obliged to pay out the dividend within three months of the AGM date unless the articles of association or the AGM state otherwise.

3.4 Cancellation/Regeneration (transformation)

In the event of very rare mandatory exchanges on the Czech market (i.e. split, reverse split, conversion, etc.), both SIX x-clear and the clearing member have to cancel the pending settlement instructions and reissue instructions for the new trades (EOD on record date) according to the terms and conditions of the corporate action. The processing of the corporate action event can deviate from this standard procedure due to different issuers' conditions.



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3.5 Compensation rules

The Czech market does not have specific compensation rules. Auto-compensation does not apply in the market. Compensation payments are generally handled on a case-by-case basis directly between two or more participants (investors).

The entitlement of the proceeds is based on the trade date. SIX x-clear will claim the dividend upon settlement of the underlying transaction with the counterparty. If a trade fails over the record date, SIX x-clear will claim the dividend from the counterparty. Claims are usually made promptly.

The Czech Republic is a record date market. Distributions are credited on the basis of the settled position in the securities account of the account holder at the CDCP on the record date.

SIX x-clear will claim the distribution upon settlement of the underlying transaction from the counterparty as the claiming process is not regulated in the market (if a trade with a trade date before the ex date is pending at the end of the record date).

3.6 Source tax

As a general rule, non-residents are subject to a statutory withholding tax rate of 15% on dividends. Non-residents may reclaim tax in accordance with an existing double taxation treaty between the Czech Republic and the beneficial owner's tax residency.

3.7 Currency

The currency most commonly distributed in the Czech market is the Czech Koruna (CZK). It is possible that the CSD will not distribute the originally announced 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 Czech market.

The buyer has to send his choice by fax (a template can be downloaded from www.six-x-clear.com > Forms) to SIX x-clear Settlement by 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 by 6:00 pm (CET) one business day after the market deadline. The seller is obliged to execute the instruction and 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 date of the new trade will generally be the payment date of the corporate action transaction.

A seller shall deliver the rights/shares on the deposit date at the latest. A buyer/SIX x-clear is not obliged to accept the delivery of rights/shares after such date. Therefore the rights/shares

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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
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Baslerstrasse 100
CH-4600 Olten
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