

FrontLine SIX x-clear Ltd

New market maker regime

Differential late settlement regime for market makers on SIX Swiss Exchange

1.0 Overview

SIX x-clear (x-clear) will harmonize late settlement charges and extended buy-in periods for market maker trades executed on SIX Swiss Exchange (SSX).

2.0 Effective date

1st February 2016.

3.0 Impact on participants

Members of x-clear will benefit from harmonized late settlement charges by x-clear for trades executed as market makers on SSX. x-clear will automatically apply the changes. No action is required from members.

4.0 Details

x-clear will harmonize late settlement charges for market makers and apply discounted failed settlement charges for market maker trades executed on SSX. In addition, failed settlements on market maker trades executed on SSX will have an extended buy-in period.

Trade type	Late settlement penalty	Buy-in		
		Notification	Execution	Cash settlement
Non-market makers	CHF 20	ISD + 4	ISD + 5 15:00	ISD + 20
Market makers	CHF 3	ISD + 10	ISD +11 15:00	ISD + 20

If the member is identified as a market maker for a specific ISIN on SSX on a particular trading day, any failed settlements against those trades will have discounted late settlement charges and extended buy-in periods. The market maker benefits are applicable only for ETF and ETP segments traded on SSX. For all other trades, standard late settlement charges remain unchanged.

For more details please refer to the document “Late settlement and buy-in rules” published on the x-clear website at www.six-securities-services.com > Clearing > Download center > Operational > Late settlement and buy-in rules.

The settlement performance of market maker trades will be assessed on a quarterly basis and the late settlement charges will be revised.

5.0 Contact

If you have any further questions, please contact your Relationship Manager. The contact details are mentioned in the list of SIX SIS contacts published at www.six-securities-services.com > Login > SIX SIS Private > Contacts > List of contacts.

In this context, SIX x-clear Ltd draws the Members’ attention to clauses **7.1 lit. f. and 25.3** of the General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and



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consequences of clearing with x-clear pursuant to the Applicable Law and that SIX x-clear Ltd assumes no liability for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Law.