

FrontLine SIX x-clear Ltd

T2S settlements

Migration of T2S MW3 markets to TARGET2-Securities (T2S)

1.0 Overview

As part of T2S Migration Wave 3, the CSDs Euroclear Belgium, Euroclear France, Euroclear Netherlands (ESES markets) and VP Denmark (hereinafter referred to as “T2S Wave 3 markets”) will migrate to the T2S platform. SIX x-clear Ltd, as a participant in these markets, will be adapting to T2S Wave 3 market requirements. SIX x-clear Ltd will be leveraging the services of SIX SIS Ltd as its settlement agent in Wave 3 markets.

2.0 Effective date

12 September 2016.

3.0 Impact on members

Below are the standard settlement instruction (SSI) details of SIX x-clear Ltd for settlement in Wave 3 markets

| Description | VP Denmark | Euroclear Belgium | Euroclear France | Euroclear Netherlands |
|----------------------------|--------------|-------------------|------------------|-----------------------|
| Place of settlement | VPDKDKKKXXX | CIKBEBBXXX | SICVFRPPXXX | NECINL2AXXX |
| Receiving/delivering agent | VP no. 17600 | INSECHZZTRA | INSECHZZTRA | INSECHZZTRA |
| Buyer/seller | - | CLRXCHZZXXX | CLRXCHZZXXX | CLRXCHZZXXX |

SIX x-clear Ltd clearing members must provide their standard settlement instruction (SSI) details applicable for T2S Wave 3 markets to the SIX Solutions and Onboarding team on or before 5 September 2016.

Form 002C, as published at www.six-securities-services.com > Clearing > Member Information > Forms > SIX x-clear > III. Common Forms > Settlement standing instructions (SSI) notification form - Annex 2 to Form 002 "Market coverage and netting preferences for clients (<http://www.six-securities-services.com/dam/downloads/clearing/forms/six-x-clear/clr-form-002C-x-clear-en.pdf>), is required to submit the new SSIs.

The below table summarizes the approach of SIX x-clear Ltd in routing settlement instructions to settlement locations during the transition phase. Clearing members of SIX x-clear Ltd are recommended to route settlement instructions appropriately to ensure matching and settlement.

| Trade date | Settlement date | Settlement location | x-clear reporting to members | Transition phase – settlement reporting to members |
|------------|-----------------|---------------------|--|---|
| 7 Sep | 9 Sep | ESES | Settlement details as applicable at ESES | Pending settlement instructions at settlement location (ESES) will be migrated to ESES@T2S automatically by ESES* |
| 8 Sep | 12 Sep | ESES@T2S | | |
| 9 Sep | 13 Sep | | Settlement details as | Using counterparty |

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| Trade date | Settlement date | Settlement location | x-clear reporting to members | Transition phase – settlement reporting to members |
|------------|-----------------|---------------------|------------------------------|--|
| 12 Sep | 14 Sep | | applicable at ESES@T2S | settlement details as applicable at ESES@T2S |
| 13 Sep | 15 Sep | | | |

*The SIX x-clear Ltd leg of settlement instructions which are not migrated for any reason will be instructed on 12 September 2016.

For the pending settlement instructions created on or before 8 September, the corresponding reports (RDXO436, RDXO437, RVXO443) generated by SIX x-clear Ltd from 9 September onwards will have the same settlement details as applicable during the creation of the settlement instruction.

The SIX x-clear leg of settlement instructions generated for the trade date 9 September will be routed from SIX x-clear Ltd to T2S via ESES only after the T2S system is operational for 12 September.

For settlement instructions created on or after 9 September, the reports generated by SIX x-clear Ltd will have SIX x-clear Ltd SSIs as per the details specified in section 3.

The SIX x-clear Ltd member reporting for the trade date 9 September will follow the standard SIX x-clear Ltd reporting schedule.

4.0 Reference

Please refer to the FrontLine dated 23 June 2016 published at www.six-securities-services.com > Clearing > Member Information > Frontlines > "T2S settlements: Migration of T2S MW3 markets to T2S platform".

The Settlement User Guide for SIX x-clear settlements is available at www.six-securities-services.com > Clearing > Member Information > Market Information > User Guides.

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 SIX SIS contacts.

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