

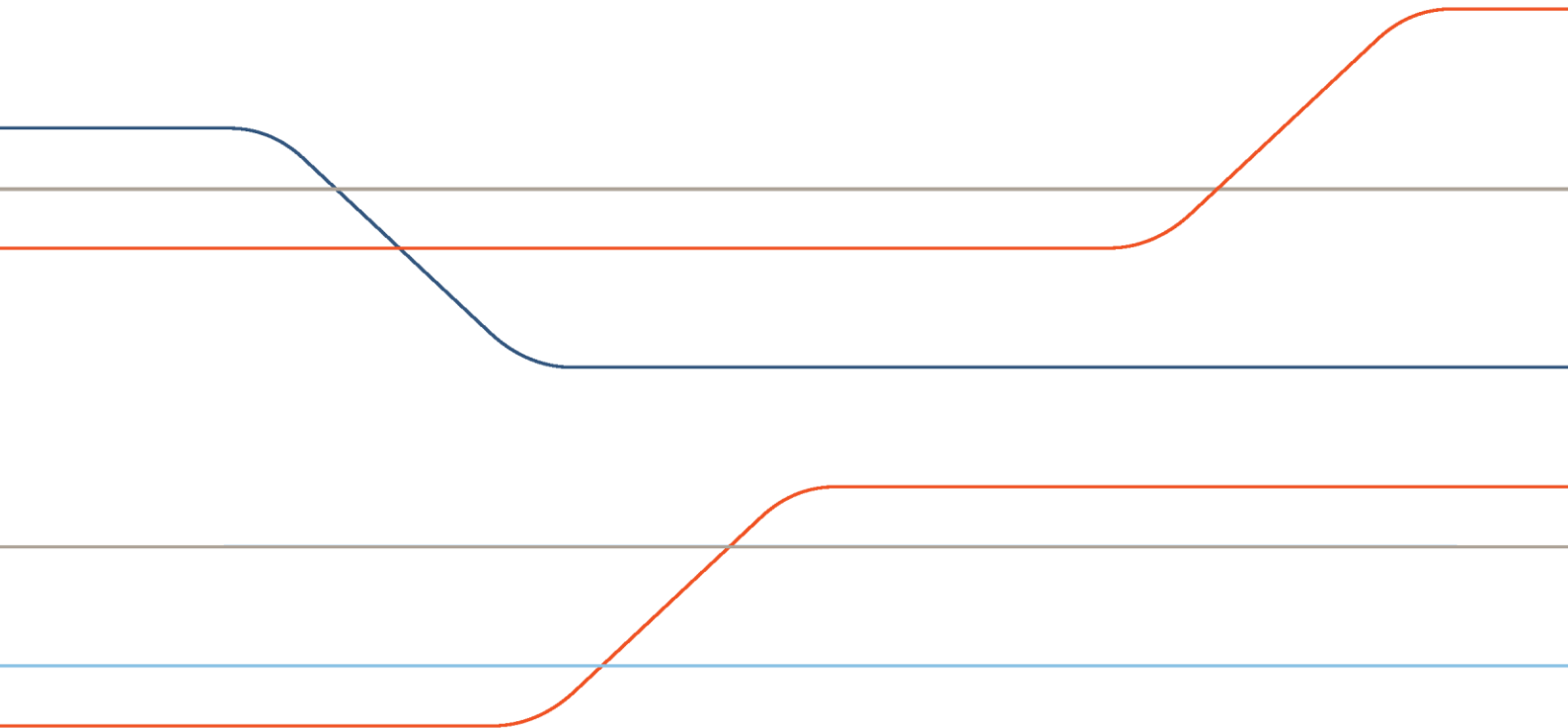


Securities Services

# Rules and Regulations SIX x-clear Ltd

**Price list SIX x-clear Ltd**  
valid from 1 January 2018

January 2018



# Rules and Regulations SIX x-clear Ltd

## Price list SIX x-clear AG

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### 1.0 Basis for the pricing model and invoicing

SIX x-clear Ltd pursues an open and transparent pricing policy. SIX x-clear Ltd is committed to offering its services at competitive and cost-effective prices. Flexible pricing for both small and large volumes in Switzerland and abroad plays an important role. The pricing model is based on the current pricing policy approved by the Board of Directors:

- Transparent and attractive pricing
- Application of "user pays" principle and fair pricing
- Economies of scale obtained at purchase are passed on to clients

### 1.1 General

#### Invoicing

SIX SIS sends its clients a detailed invoice each month for the services used. All invoice amounts are indicated in Swiss francs (CHF). Clients have the choice between the direct debit procedure (bank account) and a debit of their cash account – in CHF, EUR, GBP or USD – with SIX SIS.

The pricing overview and the monthly invoice (report RPFE010) have the same structure. The fee code is indicated for each position, enabling participants to see at once what the position stands for. Manual bookings (RPFE070) and manual intervention fees/MIFs (RPFE075) are shown in detail on an ongoing basis in the monthly report. These items are mainly caused by market-specific services provided by third parties in connection with the processing of transactions or with other tasks executed abroad. They are passed on to clients.

#### Price details

Prices are set in CHF, basis points per annum/month (BP p.a., BP p.m.), per transaction, or in percent per annum (e.g. Securities Lending/Borrowing), on the value of the financial volume under management and are quoted exclusive of VAT. One basis point equals 0.01%.

#### Client groups

In principle, for services with sliding-scale prices and rebates, the volumes of a client group are taken into account. At SIX SIS and SIX x-clear Ltd, the following conditions must be met in order to maintain a client group:

Institutions must have a parent company/subsidiary relationship or be part of a holding company and these participations must be consolidated in the same group financial statements.

In calculating prices, this has the following impact:

- when granting a volume rebate, all relevant volumes (e.g. custody account assets, transactions) of the group are taken into consideration, i.e. rebates are granted based on the group volumes.

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- Volume-based prices apply based on the group volume.
- Cross-rebates are also granted at group level.

Business Partners that are not part of a group will be treated as an individual client accordingly. The volumes of Assigned Business Partners (ABP) are already consolidated at the level of the top-level Business Partner, meaning a client with an ABP will benefit, for example, from volume rebates that are granted to the entire client group.

### Third-party fees

The sections for the individual services also list the associated third-party fees, which are passed on to clients as necessary. In general, the fees listed are so-called “out-of-pocket” fees, which are passed on to clients in full. In some cases, flat rates may apply.

## 1.2 Rebate models (individual service level)

The volume-based rebate model that applies in the price lists of SIX SIS and SIX x-clear Ltd (excl. cross-rebates, see below) is structured as a sliding scale rebate model. With this model, each level of the sliding scale must be passed through, i.e. the rebate rate only applies to the volume at the respective level. The average rebate rate/price applied is shown on the invoice.

Example of sliding scale rebate

In the event of level 3 being reached for the total volume:

1. No rebate is granted for the volume at level 1.
2. For the volume at level 2, the rebate valid for level 2 is granted.
3. For the volume at level 3, the rebate valid for level 3 is granted.
4. (No volume in level 4 or above)

## 1.3 Cross-rebate (additional rebate)

To ensure the optimum utilization of their infrastructure, SIX SIS and SIX x-clear Ltd grant their clients (and client groups) who process their core and additional business on the platform an additional rebate (irrespective of the pricing model and any rebate model that may apply for a service). "Core business" includes "Domestic core custody", while "additional business" comprises a range of other additional services offered by SIX SIS and SIX x-clear Ltd. The "cross-rebate" is granted on the lower part of the proportion of the core/optional business compared to the overall turnover from the monthly invoice totals (excl. VAT) (direct credit to the corresponding fee code).

Designation	Calculation method	Rebate on minimum	VAT	Code(s)
Cross-rebate	Minimum (invoice total for core business; additional business)	25.00%	0.00%	According to list in appendix
			7.70%	

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Underlying business fields for cross-rebate:	
Core business	Additional business
"Domestic core custody" (Code 3000)	<ul style="list-style-type: none"> <li>- "International core custody" (Code 3010)</li> <li>- All tax services</li> <li>- All services from the Securities Finance &amp; Collateral Management area</li> <li>- All services from the Proxy Voting area</li> <li>- All services from the Global Fund Services area</li> <li>- "New Issue –Non-SIX Swiss Exchange" (Code 3530)</li> <li>- "Clearing transactions" (Code 1100, see SIX x-clear Ltd price list)</li> <li>- "CCP Settlement domestic" (Code 2100 and 2110, see SIX x-clear Ltd price list)</li> <li>- "CCP Settlement international" (Code 2600, see SIX x-clear Ltd price list)</li> <li>- Selected services from other divisions (at planning stage)</li> </ul>

**Please note:** See also the calculation example and complete list of fee codes in the appendix.

### 2.0 CCP clearing services

#### 2.1 Cash Products

Membership contributions are charged on a monthly pro rata basis for each Clearing Member ID that is actively set up in SIX x-clear Ltd's clearing system. The contributions for Non-Clearing Members (NCMs) are charged to the respective General Clearing Member (GCM).

Designation	Type	Rate in CHF p.a.	VAT	Code
Clearing membership fee (SIX x-clear)	ICM	20,000.00	0.00%	1000
	GCM	20,000.00		
	NCM	2,900.00		

A volume-related sliding scale rebate applies for clearing transactions, under which all levels must be passed through. The cumulative SIX x-clear Ltd group volume determines the price per transaction in accordance with the following model. The average price applies for all members of the participant group.

For equity flows from the onboarding of existing clearing members at new trading venues, a flat price at the lowest price level is applicable. Please note that such a flat price volume is excluded from the group tiered pricing volume below.

In addition, a monthly fee cap at group level is applicable for clearing equity transactions, covering both existing clearing transaction business and new trading venue flows. Consequently, fee reductions will be applied proportionately across all clearing transaction equity flows of group members.

Designation	Rate in CHF	VAT	Code
Clearing transactions: equity (SIX x-clear)	According to rating and monthly volume as per below table	0.00%	1100

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Existing clearing transaction business (tiered pricing)			Existing clients – new flows
Volume band (transactions per month)	Cost per transaction (in CHF)		Cost per transaction (in CHF)
Up to 250,000	0.08		0.005
250,000 to 500,000	0.05		
500,000 to 1,500,000	0.02		
1,500,000 to 2,500,000	0.015		
2,500,000 to 4,000,000	0.01		
4,000,000 to 6,000,000	0.007		
Over 6,000,000	0.005		Flat price
<i>Please note that the actual monthly transaction volume must exceed the applicable level.</i>			
Monthly fee cap at group level (net fee before cross rebate in CHF)			
			135,000.00

The clearing fee incentive (i.e CHF 0.005 per cleared trade) is applicable as follows:

- Existing clients who bring new equity clearing business by onboarding any trading venue will be eligible for a favorable clearing fee flat rate (CHF 0.005 per cleared trade). The clearing fee incentive will be applicable to new trading venue flows for a period of two years. It will commence with the onboarding of the new trading venue or at a mutually agreed date.
- To ensure continued trading venue neutrality, SIX x clear Ltd has decided to exclude the Oslo Børs market/segment from the clearing fee flat rate.

A value-based tariff structure applies to fixed income clearing transactions. The clearing fee is calculated per gross trade value of CHF 10,000.

A minimum activity charge (MAC) applies per clearing member **only** if the monthly clearing fee (fixed income) is lower than CHF 100 and the clearing member has executed at least one trade on fixed income products during the month.

Designation	Calculation method	Rate in CHF	VAT	Code
Clearing fee fixed income	Per CHF 10'000 gross trade value	0.005	0.00%	1110
Minimum activity charge (fixed income)	Per month with at least one trade	100.00	0.00%	1110

Designation	Rate in CHF	VAT	Code
Clearing margin call (SIX x-clear)	25.00	0.00%	1200

### 3.0 Settlement-related fees

#### 3.1 Settlement (SIX x-clear Ltd)

SIX x-clear Ltd does not charge its members for SIX Swiss Exchange (SSX) settlements for the time being. Any other settlements – incl. cross-netted SIX Swiss Exchange (SSX) settlements netted by SIX x-clear Ltd – are charged as follows:

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Designation	Calculation method	Rate in CHF	VAT	Code
SIX x-clear CCP settlement domestic	per settlement	1.15	0.00%	2100
SIX x-clear T2S CCP settlement domestic	per Settlement	1.15	0.00%	2110

Designation	Calculation method	Rate in CHF	VAT	Code
SIX x-clear CCP settlement international	per settlement	see below	0.00%	2600

Domestic market		ID of SCO/CSD	Rate in CHF
BE	Belgium	NL.100'003	2.30
DK	Denmark	DK.100'033	3.75
DE	Germany	DE.100'408	1.95
FI	Finland	FI.100'168	3.40
FR	France	NL.100'003	2.10
GB	United Kingdom	GB.101'985	1.50
IE	Ireland	GB.101'985	1.50
IT	Italy	IT.100'054	2.80
NL	Netherlands	NL.100'003	2.25
NO	Norway	NO.100'009	3.15
AT	Austria	AT.100'042	4.10
PT	Portugal	PT.100'002	4.50
SE	Sweden	SE.100'041	2.45
CZ	Czech Republic	CZ.100'012	22.00
HU	Hungary	HU.100'016	13.00

Special markets			
CBn	Clearstream Banking, Luxembourg	LU.100'060	3.90
ECn	Euroclear Bank equities	BE.100'519	8.00
ECb	Euroclear Bank bonds	BE.100'519	2.90

Additional costs (e.g. late or failed submission of orders) are calculated as follows:

Designation	Rate in CHF	VAT	Code
CCP Settlement exceptions	see below	0.00%	2710

SCO	Definition	Rate in CHF
Other	Third-party costs incurred	Actual costs

Please note that SIX x-clear Ltd passes on any third-party costs that are incurred in relation to additional expenses caused by clients. This may include cancellations, manual instructions or manual corrections.

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#### 3.2 Late/failed settlements (SIX x-clear Ltd)

Timely settlement significantly improves settlement efficiency and system security. For equity transactions with a CCP that do not settle on the value date (delayed/failed settlements), the following rates apply:

##### SIX x-clear Ltd

1. charges a penalty fee for late/failed settlements due to a lack of securities or an instruction mismatch; and
2. can attempt to borrow securities in order to make up the shortfall in holdings and can charge its Members any costs incurred in this respect.

In order to comply with the EU regulation on short-selling, the failing party is charged a late settlement fee per day and settlement. This fee is charged for each day until the corresponding obligation is actually fulfilled. The fees are collected on a monthly or ad hoc basis. This regime applies for all trading venues on which SIX x-clear Ltd trades as a CCP.

Designation	Definition	Rate in CHF	VAT	Code
CCP Settlement domestic late/failed	Flat fee per failed settlement per day	20.00	0.00%	2410
CCP Settlement international late/failed	Flat fee per failed settlement per day	20.00	0.00%	2910

For identified segments of SIX Swiss Exchange (MIC XSWX) and London Stock Exchange (MIC XLON), a special price is applied for late settlement charges.

Designation	Definition	Rate in CHF	VAT	Code
CCP Settlement domestic late/failed	Flat fee per failed settlement per day	3.00	0.00%	2410
CCP Settlement international late/failed	Flat fee per failed settlement per day	3.00	0.00%	2910

In many markets, late settlement fees as well as securities lending and borrowing (SLB) fees are charged at the place of settlement. Please note that SIX x-clear Ltd passes on all third-party fees resulting from late settlements and SLB fees to the clearing members who failed to deliver to SIX x-clear Ltd.

Considering SLB fees are invoiced independently by SIX x-clear Ltd, any relevant revenue/costs as well as the rate at which the SLB fees are distributed will be reviewed periodically and adjusted accordingly.

Designation	Rate in CHF	VAT	Code
Settlement domestic borrowing (Switzerland)	actual costs	0.00%	2405
Settlement late/failed third-party fees	actual costs	0.00%	8110

In the event of a so-called "gridlock situation", only the party actually (initially) responsible is charged. No further discounts are possible.



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**Note on shaped orders:** SIC guidelines discourage participants from carrying out settlements of over CHF 100 million. Accordingly, orders for settlement amounts of over CHF 100 million can be shaped into smaller orders in multiples of a maximum of CHF 100 million each.

### 3.3 Manual splitting of MTF and OTC transactions (SIX x-clear Ltd)

SIX x-clear Ltd and its Members can also be obliged to split an MTF or OTC transaction into several deliveries to facilitate timely settlement.

SIX x-clear Ltd offers its Members an optional service to split transactions against SIX x-clear Ltd in the following markets:

Austria, Belgium, Netherlands, Finland, France, Germany, Hungary, Euroclear Bank, Portugal, Sweden and Switzerland.

SIX x-clear Ltd charges a fee if a Member splits a transaction against SIX x-clear Ltd. The Member concerned is not charged a splitting fee, if SIX x-clear Ltd initiates a split against a Member. The following rates apply:

Split event	Rate in CHF	VAT	Code
CCP Settlement domestic splits	10.00	0.00%	2255
CCP Settlement international splits	10.00	0.00%	2755

### 3.4 Administration fee for buy-in

If settlements reach the buy-in date, SIX x-clear Ltd attempts to carry out a buy-in for the securities concerned. The administration fee for the buy-in is charged to the failing member for each buy-in after it is carried out.

The failing Member is obliged to match the buy-in after execution and instruction received from SIX x-clear Ltd until the intended settlement date of the buy-in. Should the buy-in instruction not be matched by the failing member by EOD on the intended settlement date, a late matching buy-in fee will occur. This late matching fee will be raised for each additional day on which the buy-in instruction remains unmatched.

Designation	Definition	Rate in CHF	VAT	Code
CCP Buy-in administration fee	Amount per buy-in	150.00	0.00%	2450
Late matching buy-in fee	Amount per settlement day after buy-in	300.00	0.00%	2450

The costs for the buy-in, including third-party costs, are charged separately to the failing member after each buy-in occurs.

### 4.0 Collateral management

Please note that SIX x-clear Ltd passes on any third-party costs that are incurred in relation to the management of a member's collateral.

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#### 5.0 Reporting and communication

##### 5.1 SIX x-clear Ltd SWIFT outgoing messages

Most reporting and communication services (data volumes customary in the industry) are included in the annual membership fee or the volume-related service fee (see SIX x-clear Ltd Business Partner Specifications - Volume 5). SWIFT messages that are sent by x-clear on behalf of its clearing member (i.e. to member or to a third party) will be charged to ICM or GCM as follows. In the event of excessive reporting requirements (e.g. data volumes), SIX x-clear Ltd reserves the right to invoice the additional costs under the "Special efforts - Miscellaneous" fee codes.

Designation	Definition	Rate in CHF	VAT	Code
SWIFT outgoing messages	Per message	0.20	7.70%	5260

#### 6.0 Special services

##### 6.1 Extraordinary services

Extraordinary services which are not included in the tariff (i.e. in the published prices), are charged on a time-spent basis. Generally, these services are subject to VAT. A non-exhaustive list of extraordinary services is given below.

Designation	VAT	Code
Special efforts - Miscellaneous (without VAT)	0.00%	5510
Special efforts - Miscellaneous (with VAT)	7.70%	5515

Explanation	Definition	Rate in CHF
Support/personnel expenses (per hour)	Monday to Friday, during office hours (8 a.m. to 6 p.m. CET)	230.00
	Monday to Friday, outside office hours	345.00
	On weekends and public holidays	460.00
Basic fee for use of support system (outside office hours)	Test environment	1,000.00
	Production environment	2,000.00
Support/System costs (per hour)	Computer usage, monitoring	500.00
Standardized special reports	Standardized special reports for (max.) last three calendar months	250.00
	Regeneration of a SECOM report within one year	
Standardized special reports for up to last three calendar months as standing order with predefined times of generation.	Initial costs for generation/programming of evaluations incl. initial report	250.00
	Each additional regeneration of report from second regeneration	100.00
Special data evaluations	Initial costs for generating/programming of evaluations	800.00
	Additional data preparation costs, per number of calendar months passed (start of report period)	200.00
Confirmation of business relation		250.00

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### Appendix I – Notes on the cross-rebate (additional rebate)

#### Comments on the additional rebate

##### 1. List of fee codes relevant to the additional rebate

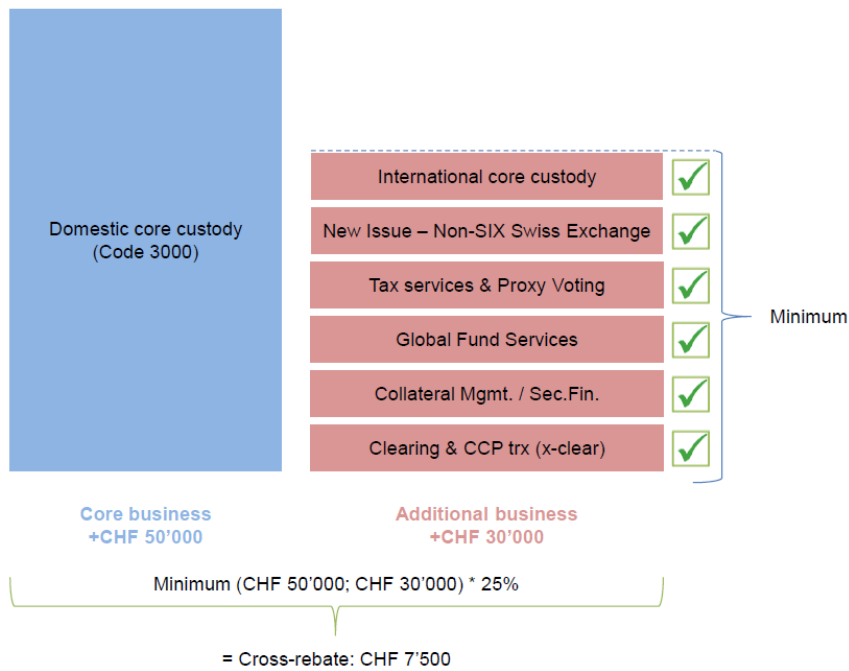
Core business		Optional business	
3000	SIS domestic core custody	1100	x-clear clearing transactions
		1110	x-clear clearing for bonds value based
		1900	SIS global funds trade execution
		1915	SIS global funds execution exception
		2050	SIS global funds domestic settlement
		2100	x-clear CCP settlement domestic
		2110	x-clear T2S CCP settlement domestic
		2550	SIS global fund international settlement
		2600	x-clear CCP settlement international
		2915	SIS global funds settlement exception
		3010	SIS international core custody
		3020	SIS global funds core custody
		3215	SIS global funds custody exception
		3300	SIS custody proxy voting service
		3310	SIS custody proxy voting non-STP service
		3320	SIS custody proxy voting special efforts
		3400	SIS tax standard reclaims
		3401	SIS tax reclaims via tax portal
		3410	SIS tax relief at source (RAS)
		3420	SIS tax quick refund (QR)
		3440	SIS tax certificate
		3450	SIS tax exception handling
		3460	SIS tax FATCA reporting
		3470	SIS tax voucher Germany
		3475	SIS tax FTT financial trx tax reporting
		3480	SIS tax documentation & reporting
		3530	SIS new issue non-SIX Swiss Exchange
		4000	SIS Repo administration
		4010	SIS Repo orders
		4020	SIS Repo intraday orders with SNB
		4030	SIS Repo GC select
		4040	SIS Repo orders open-ended
		4050	SIS Repo custody cover account SNB
		4060	SIS Repo evergreen contract order
		4065	SIS Repo evergreen child generation
		4110	SIS SLB borrower fee
		4200	SIS SecLend loan administration
		4210	SIS SecLend loan settlement
		4220	SIS SecLend loan settlement GC select
		4250	SIS COSI loan admin collateralized ISINs
		4300	SIS TCM administration
		4301	SIS TCM administration structured prod
		4310	SIS TCM exposure order
		4320	SIS TCM modify exposure order
		4330	SIS TCM collateral pool (CP only)
		4340	SIS TCM issuance
		9100	x-clear OC clearing cash products
9110	x-clear OC clearing SLB products		
9200	x-clear OC settlement cash products		

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### 2. Example: Calculation of cross-rebate

$$\text{Cross-rebate} = \text{Minimum (core business; additional business)} * 25\%$$



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.

Please note that references to external sources, e.g. to websites or links of third parties, are provided solely for information purposes and do not imply any recommendations whatsoever. SIX SIS Ltd has neither provided nor processed the contents of the sources in question. Furthermore, SIX SIS Ltd has not verified, reviewed or updated the contents of these sources and therefore disclaims all liability for the information contained therein.

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