



All participants

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Zurich, 15 April 2015

Revision of the General Terms and Conditions of SIX SIS Ltd

Dear Sir/Madam

SIX SIS Ltd (SIX SIS) has partially revised its General Terms and Conditions (GTC). This revision is necessary as a result of SIX SIS's participation in the pan-European settlement platform TARGET2-Securities (T2S). Another factor behind the revision is the expanded range of participants that can now be admitted by SIX SIS for the Collateral Management and Securities Financing Services as well as related services. Furthermore, a selective amendment and changes of an administrative nature have been made.

T2S

From 22 June 2015, SIX SIS will use the T2S system to settle certain securities transactions against payment in EUR. As a result of the newly introduced provisions, the technical and operational specifics relating to money and securities settlement in T2S and the obligations entered into by SIX SIS vis-à-vis the Eurosystem as the operator of T2S will be incorporated into the relationships between SIX SIS and its participants.

The rules applicable to money and securities settlement in T2S are basically summarized in Annex 2 GTC. The corresponding implementation provisions are set out in the rules and regulations pursuant to Art. 10 GTC. Please note the following with regard to Annex 2 GTC:

The start of Annex 2 GTC sets out the scope of the provisions contained therein and specifies for which transactions SIX SIS uses T2S for money and securities settlement. In addition, it describes the account structures required by participants and ABPs, and it contains a provision concerning the possibility for another Central Securities Depository to establish a direct link to SIX SIS in T2S.

It then lays out the fundamental principles underlying settlement in T2S. The relevant bookings are carried out in T2S, while SECOM is only used to maintain records, which are synchronized, as far as possible, on a real-time basis. In this respect, please also note that legal effectiveness depends on the status of order-processing in T2S; this concerns the possibility to revoke instructions from participants or the disposition of intermediated securities, which takes place the moment they are credited to the participant account of the acquiring participant in T2S.

With regard to the functionalities of T2S, it should be noted that it is the participant's responsibility to ensure that the securities positions required for settlement in T2S exist in its participant account in T2S at



the time of the booking. If there is not sufficient cover, settlement will not take place, because unlike settlement in SECOM, a shortfall scenario pursuant to Art. 37a GTC cannot occur.

Participants should also note that participant-related data in relation to T2S settlement will be saved and processed abroad.

Participant base

As a result of the revised Art. 1.1 and the newly introduced Art. 1.2 GTC, the case-by-case regulations contained in Art. 1.1 lit. h) and i) have been rescinded and replaced with certain general provisions. Collateral Management and Securities Financing Services as well as related services are available to all categories under Art. 1.1 GTC (at the end) and are now also available to the categories under Art. 1.2 lit. a) to e) GTC.

Selective amendment (Art. 48b GTC)

As a result of the revised Art. 48b GTC, for its claims, SIX SIS is now entitled to a lien and foreclosure on money claims of the participant against SIX SIS. This addition is to be read in conjunction with Art. 48c GTC and allows SIX SIS in specific cases to secure its claims by asserting the lien and to waive its right of set-off.

The revised GTC are enclosed with this letter. They shall be binding for all participants as of 22 June 2015.

Should you have any questions, please do not hesitate to contact your Relationship Manager at any time.

We look forward to a continuing and successful business relationship with you.

Yours faithfully

SIX SIS AG

Valerio Roncone
Head Markets & Clients

Markus Boller
Senior Legal Counsel

Enclosures:
GTC SIX SIS, version June 2015