



Swiss Exchange

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SIX Swiss Exchange Ltd  
**Special Provisions Governing Collateral-Secured  
Instruments**

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## 1. Purpose

These Special Provisions Governing Collateral-Secured Instruments (referred to below as the "Special Provisions") apply to applicants, contracting parties and users ("Users") in the context of SIX Swiss Exchange Ltd ("SIX Swiss Exchange") collateralization services for certificates ("COSI Services").

COSI Services may be accessed only in connection with CONNEXOR® Listing.

## 2. Applicability

These Special Provisions, the CONNEXOR® Listing usage agreement and the CONNEXOR® Listing provisions form an integral part of the legal relationship between SIX Swiss Exchange and the contracting party with regard to the use of COSI Services. They apply to applicants, to contracting parties, and to Users.

Should these Special Provisions contradict those of the "Framework Agreement for Collateral-Secured Instruments" ("Framework Agreement") concluded between the contracting party and SIX Swiss Exchange, then the Framework Agreement will take precedence unless its provisions expressly provide otherwise.

The German version of these Special Provisions takes precedence in the event of contradictions between language versions.

## 3. Definitions

### 3.1 COSI

The "COSI" acronym stands for "Collateral-Secured Instruments".

### 3.2 Applicant

An applicant is any party that, having signed the Framework Agreement, submits an application to SIX Swiss Exchange to use COSI Services ("**Application for the collateralization of certificates via IBT**" form). The application must include a power of attorney for a User with authorization level 4.

### 3.3 Contracting party

The applicant becomes a contracting party with SIX Swiss Exchange after the applicant has received written confirmation by e-mail from SIX Swiss Exchange.

### 3.4 User and user account

Under the terms of these provisions, a User is a natural person, whom

- the contracting party has specified in writing to SIX Swiss Exchange as being authorized to use COSI Services in the name or on behalf of the contracting party, or
- a User duly authorized by the contracting party has specified electronically to SIX Swiss Exchange as being authorized to use COSI Services in the name or on behalf of the contracting party.

Each User has a personal user account. Authorization levels are defined in both of the cases described above.

### 3.5 Authorization levels

Authorization levels ("Levels") are assigned to each user account:

- **Level 1 (Read):**  
This Level authorizes the User to view applications and to configure individual settings.
- **Level 2 (Write / Change / Delete):**  
This Level authorizes the User to enter new applications either manually or automatically, individually or in batches. It also authorizes the User to modify applications with the status "not sent", to delete applications with the status "not sent", and to configure certain individual settings.  
This Level is assigned only in combination with Level 1.
- **Level 3 (Submit):**  
This level authorizes the User to submit applications with "not sent" status electronically to SIX Swiss Exchange, to upload additional electronic information and to configure certain individual settings.  
This Level is assigned only in combination with Levels 1 and 2. Users who have user accounts with authorization level 3 must have the necessary expert knowledge laid down in Art. 43 of the Listing Rules. It is the responsibility of the contracting party to ensure that this condition is fulfilled.
- **Level 4 (Administration):**  
This Level authorizes the User to create new users and user accounts, modify existing user accounts, assign and modify authorization levels, temporarily or permanently block existing user accounts, unblock or delete blocked user accounts and configure certain individual settings, as well as general settings for all Users.  
This Level must be assigned in combination with another Level.

The contracting party must declare its consent that information on all of that contracting party's Users is accessible, unless individual data is specially marked and user accounts are configured for specific applications only. The Users are responsible for adjusting these settings.

Along with the application to use COSI Services, SIX Swiss Exchange must receive a power of attorney for a User with authorization level 4 ("**Power of attorney to activate a user account for the collateralization of certificates**" form). This User is responsible for entering and managing all other users.

## 4. Application for collateralization

The contracting party must use the IBT function to submit the application for the collateralization of a certificates issue. IBT will then send confirmation to the contracting party that the application for the collateralization of certificates has been received.

The application must be submitted at least three trading days before the planned first day of trading in the certificate.

## 5. Additional requirements pursuant to COSI underlyings

In addition to the provisions of the Framework Agreement, structured products are not allowed as underlying instruments for COSI products.

Indices are only allowed as underlying instruments if the index calculation agent is organizationally separated from the trading, sales and structuring of the COSI products and if the index calculation agent calculates indices for different business divisions or companies within or outside the corporate group of the issuer.

## 6. Technical requirements

The technical requirements for access to CONNEXOR are governed by the CONNEXOR® Listing provisions.

## 7. Proof of authority

To protect the contracting party, the SIX Swiss Exchange computer system will check the User's access authorization. Access to SIX Swiss Exchange COSI Services is granted to those who can identify themselves via the internet by entering

- their COSI User ID, and
- their chosen personal password (figures, letters or a combination of both)

(referred to below as "Validation Criteria").

Users must therefore provide proof of their authority via the internet. Each authorized user is allocated a fixed User ID by SIX Swiss Exchange. This enables them to prove their authority to access the system.

The contracting party acknowledges that the applications submitted to SIX Swiss Exchange via CONNEXOR® Listing will be executed if the authorization check for COSI services is successful.

The contracting party acknowledges that the activation of new Users, with the related user accounts, as well as the assignment and modification of authorization levels, are controlled by Users holding authorization level 4, without the need for any further formalities.

Anyone who has offered proof of authorization using the Validation Criteria is regarded by SIX Swiss Exchange as a duly authorized person, regardless of their legal relationship with the contracting party and irrespective of entries in the Commercial Register, other publications or

authorizations laid down in the documentation on signature rules. All activities and legal acts carried out based on the validation checks conducted under these Special Provisions are deemed to have been performed by the contracting party concerned and are legally binding on it.

## 8. Method of determining the current value of certificates for collateralization purposes

The amount of collateral required for a collateral-backed certificate (COSI) is calculated on each trading day ("T") using the current value of the certificate, multiplied by the number of outstanding certificates.

Current values are determined in the trading currency of the COSI and converted in to Swiss francs in order to calculate the required collateral.

The way in which the current value is calculated is determined for each COSI when an application for collateralization is submitted. It remains unchanged for the entire term of the COSI. The calculation of current value is governed by either Method A or Method B, as described below. The current value of a COSI is determined by SIX Swiss Exchange on each trading day.

Legend	
BFP	The bond floor price for structured products that largely pay one-off interest (IUP products), as determined by SIX Telekurs on the previous trading day (T-1) in accordance with the specifications of Swiss tax law
CBP	The closing bid price for the COSI on Scoach Switzerland Ltd on T-1
ISP	The issue price of the COSI
FV1	The first fair value of the COSI as calculated by a third party on the basis of the underlying securities' closing prices on the previous trading day (Fair Value 1)
FV2	The second fair value of the COSI as calculated by a third party on the basis of the underlying securities' closing prices on the previous trading day (Fair Value 2)
CPL	The capital protection level according to the COSI's redemption provisions
max (●)	The higher of different prices
min (●)	The lower of different prices
PCP	The current value of the COSI as determined in accordance with method A or B on the previous trading day (T-1)
T-1	The trading day immediately preceding a given trading day

X	Relevant price available
-	Relevant price unavailable

**Method A: Fair value procedure**

Scenario no.	CBP	FV1	FV2	PCP	Current value
1	-	-	-	-	ISP
2	-	-	-	x	PCP
3	-	-	x	-	ISP or FV2, whichever is greater
4	-	x	-	-	ISP or FV1, whichever is greater
5	x	-	-	-	ISP or CBP, whichever is greater
6	-	-	x	x	FV2 or PCP, whichever is greater
7	-	x	-	x	FV1 or PCP, whichever is greater
8	x	-	-	x	CBP or PCP, whichever is greater
9	-	x	x	-	FV1 or FV2, whichever is greater
10	x	-	x	-	CBP or FV2, whichever is greater
11	x	x	-	-	CBP or FV1, whichever is greater
12	-	x	x	x	FV1 or FV2, whichever is greater
13	x	-	x	x	CBP or FV2, whichever is greater
14	x	x	-	x	CBP or FV1, whichever is greater
15	x	x	x	-	If CBP is lower than FV1 and FV2: then FV1 or FV2, whichever is lower. If CBP is equal to or greater than FV1 and/or FV2, always CBP
16	x	x	x	x	If CBP is lower than FV1 and FV2: then FV1 or FV2, whichever is lower. If CBP is equal to or greater than FV1 and/or FV2, always CBP

**Method B: Bond floor procedure**

Scenario no.	BFP	CBP	PCP	Current value
17	-	-	-	ISP
18	-	-	x	PCP
19	x	-	-	ISP or BFP, whichever is greater
20	-	x	-	CPL or CBP, whichever is greater
21	x	x	-	BFP or CBP, whichever is greater
22	-	x	x	CPL or CBP, whichever is greater
23	x	-	x	BFP or PCP, whichever is greater
24	x	x	x	BFP or CBP, whichever is greater

## 9. Amendment of provisions

SIX Swiss Exchange reserves the right to amend these provisions at any time.

In the event of material amendments to these provisions, SIX Swiss Exchange shall consult the contracting party.

The contracting party will be notified of amendments in writing or electronically and the amendments will apply once 30 days have elapsed following such notification.

## 10. Termination

COSI Services may be terminated by either the contracting party or SIX Swiss Exchange at any time by means of registered letter.

If the Framework Agreement is terminated, SIX Swiss Exchange will activate the termination thirty (30) days after receiving the written notice of termination, effective at the end of a calendar month. It will inform the contracting party by suitable means. Applications for the collateralization of certificates remain effective until the termination has been activated. Until the termination has been activated, the contracting party's Users are entitled to use COSI Services for and on behalf of the contracting party.

If SIX Swiss Exchange is in a position to terminate the Framework Agreement without notice, it is entitled immediately to dissolve its legal relationship with the contracting party.



## 11. Annexes

The following forms constitute an integral part of these Special Provisions:

- "Application for the collateralization of certificates via IBT"
- "Power of attorney to activate a user account for the collateralization of certificates"