

29 August 2008

MARKET NOTICE NO 27/2008

CHANGES TO DIRECTIVE 9 (FEES)

Further to the member communication of the second tariff reduction of 2008, the following changes are proposed to Directive 9 (Fees) as set out in the Appendix to this Market Notice. It is proposed that the changes will become effective on 1 October 2008.

The changes can be summarised as follows:

- The transaction fee will be reduced to CHF 1 (from CHF 1.50)
- The ad valorem fee for posted orders will be reduced to CHF 0
- The ad valorem fee for the balanced tariff will be adjusted downwards (with the exception of Pan-European Equities)
- Introduction of a Trade Reporting membership category.

Fees for the auction and off order book transactions remain unchanged.

Members are invited to comment on these changes by contacting Emma Vick at emma.vick@swx.com or on +44 (0)20 7074 4412 by **12 September 2008**.

Please address any queries to
your relationship manager or to the Market Helpdesk

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DIRECTIVE 9: FEES

Proposed changes are shown with deletions struck through and new text underlined:

3. Membership Fees

3.1 Membership categories

- Trade Reporting: This allows the member to report trades. Access is restricted to off-order book only.

3.2 Admission fee

SWX Europe charges each member a one-time admission fee when joining SWX Europe as detailed in the table below:

Membership category	Markets	Admission fee
a) Full	SWX Europe, SWX	CHF 20,000
b) Clearing	SWX Europe	CHF 10,000
<u>c) Trade Reporting</u>	<u>SWX Europe</u>	<u>CHF 4,690</u>

3.3 Annual membership fee

SWX Europe charges each member an annual membership fee as detailed in the table below:

Membership category	Markets	Annual Membership fee
a) Full	SWX Europe, SWX	CHF 20,000
b) Clearing	SWX Europe	CHF 5,000
<u>c) Trade Reporting</u>	<u>SWX Europe</u>	<u>CHF 2,345</u>

APPENDIX 1: SWISS EQUITIES

A1-1 Fees On-Order Book trading

A1-1.1 Transaction Fee

The transaction fee is CHF ~~4.50~~ 1.00. Where an order is executed on the same day in several tranches the fee is pro-rated over these tranches.

A1-1.2: Ad valorem Fee

A1-1.2.1 Standard Tariff

A1-1.2.1.1 Asymmetrical:	Floor	Scale	Caps
a) Poster	CHF 0.50 <u>0.00</u>	0.25 bp <u>0.00 bp</u>	CHF 25 <u>0</u>
b) Aggressor	CHF 0.50	0.65 bp	CHF 65
c) Auction Execution	CHF 0.50	0.75 bp	CHF 75
Commitment	No commitment required		

Alternative fee structure:

A1-1.2.1.2 Balanced:	Floor	Scale	Cap
a) Poster & Aggressor	CHF 0.50	0.54 bp <u>0.32 bp</u>	CHF 54 <u>32</u>
b) Auction Execution	CHF 0.50	0.75 bp	CHF 75
Commitment	No commitment required		

A1-1.2.2 Commitment Level 1-Tariff

A1-1.2.2.1 Asymmetrical:	Floor	Scale	Caps
a) Poster	CHF 0.50 <u>0.00</u>	0.25 bp <u>0.00 bp</u>	CHF 25 <u>0</u>
b) Aggressor	CHF 0.50	0.55 bp	CHF 55
c) Auction Execution	CHF 0.50	0.65 bp	CHF 65
Commitment	Monthly minimum fee of CHF 100,000		

Alternative fee structure:

A1-1.2.2.2 Balanced:	Floor	Scale	Cap
a) Poster & Aggressor	CHF 0.50	0.48 bp <u>0.29 bp</u>	CHF 48 <u>29</u>
b) Auction Execution	CHF 0.50	0.65 bp	CHF 65
Commitment	Monthly minimum fee of CHF 100,000		

A1-1.2.3 Commitment Level 2-Tariff

A1-1.2.3.1 Asymmetrical:	Floor	Scale	Caps
a) Poster	CHF 0.50 <u>0.00</u>	0.25 bp <u>0.00 bp</u>	CHF 25 <u>0</u>
b) Aggressor	CHF 0.50	0.45 bp	CHF 45
c) Auction Execution	CHF 0.50	0.55 bp	CHF 55
Commitment	Monthly minimum fee of CHF 300,000		

Alternative fee structure:

A1-1.2.3.2 Balanced:	Floor	Scale	Cap
a) Poster & Aggressor	CHF 0.50	0.42 bp <u>0.25 bp</u>	CHF 42 <u>25</u>
b) Auction Execution	CHF 0.50	0.55 bp	CHF 55
Commitment	Monthly minimum fee of CHF 300,000		

A1-2 Fees Off- Order Book Trading

A1-2.1 *Transaction Fee* The transaction fee is CHF ~~4.50~~ 1.00

A1-2.2 *Ad valorem Fee*

A1-2.2.1 Uniform Tariff:	Floor	Scale	Cap
Report	CHF 0.50	0.25 bp	CHF 25

APPENDIX 2: PAN-EUROPEAN EQUITIES

Securities admitted to trading on SWX Europe other than Swiss Equities.

A2-1 Fees On-Order Book Trading

A2-1.1 Transaction Fee The transaction fee is CHF ~~4.50~~ 1.00. Where an order is executed on the same day in several tranches the fee is pro-rated over these tranches.

A2-1.2 Ad valorem Fee

A2-1.2.1 Standard Tariff

A2-1.2.1.1 Asymmetrical:	Floor	Scale	Cap
a) Poster	CHF 0.00	0 bp	CHF 0
b) Aggressor	CHF 0.50	0.65 bp	CHF 65
c) Auction Execution	CHF 0.50	0.75 bp	CHF 75
Commitment	Standard Tariff only		

Alternative fee structures

A2-1.2.1.2 Balanced:	Floor	Scale	Cap
a) Poster & Aggressor	CHF 0.50	0.54bp	CHF 54
b) Auction Execution	CHF 0.50	0.75bp	CHF 75
Commitment	Standard Tariff only		

A2-2 Fees Off-Order Book Trading

A2-2.1 Transaction Fee The transaction fee is CHF ~~4.50~~ 1.00

A2-2.2 Ad-valorem Fee

A2-2.2.1 Uniform Tariff:	Floor	Scale	Cap
Report	CHF 0.50	0.25 bp	CHF 25

APPENDIX 3: EXCHANGE TRADED FUNDS (ETF)

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APPENDIX 4: ON-ORDER BOOK FEE EXAMPLES

Amendments have been made to the Transaction Fee but, for ease of reading, the changes are not underlined:

On-Order Book

Example 1 - Swiss equity, commitment level 2 (one tranche & one transaction)

Billing Segment	Appendix Reference	Execution Type	Trade Turnover (CHF)	Transaction Turnover (CHF)	Transaction Fee (CHF)	Scale Fee (bp)	Scale Fee (CHF)	Total Fee (CHF)
Swiss Equities	A1-1.2.3.1	AG	15,500.00	15,500.00	1.00	0.45	0.70	1.70
								1.70

Example 2 - Swiss equity, commitment level 2 (3 tranches & one transaction)

Billing Segment	Appendix Reference	Execution Type	Trade Turnover (CHF)	Transaction Turnover (CHF)	Transaction Fee (CHF)	Scale Fee (bp)	Scale Fee (CHF)	Total Fee (CHF)
Swiss Equities	A1-1.2.3.1	PO	11,000.00	30,000.00	0.37	0.00	0.00	0.37
Swiss Equities	A1-1.2.3.1	AG	10,000.00	30,000.00	0.33	0.45	0.45	0.78
Swiss Equities	A1-1.2.3.1	AG	9,000.00	30,000.00	0.30	0.45	0.41	0.71
								1.86

Note: the transaction fee is pro-rated where an order is executed in several tranches

Example 3 - Swiss equity, commitment level 2 (1 tranche & one transaction)

Billing Segment	Appendix Reference	Execution Type	Trade Turnover (CHF)	Transaction Turnover (CHF)	Transaction Fee (CHF)	Scale Fee (bp)	Scale Fee (CHF)	Total Fee (CHF)
Swiss Equities	A1-1.2.3.1	PO	8,300.00	8,300.00	1.00	0.00	0.00	1.00
								1.00

APPENDIX 5: OFF-ORDER BOOK FEE EXAMPLES

Amendments have been made to the Transaction Fee but, for ease of reading, the changes are not underlined:

Off-Order Book

Example 1 - Swiss equity, commitment level 2

Billing Segment	Appendix Reference	Execution Type	Trade Turnover (CHF)	Transaction Turnover (CHF)	Transaction Fee (CHF)	Scale Fee (bp)	Scale Fee (CHF)	Total Fee (CHF)
Swiss Equities	A1-2.2.1	Off	250,000.00	250,000.00	1.00	0.25	6.25	7.25
								7.25

Example 2 - Swiss equity, commitment level 2 (below floor)

Billing Segment	Appendix Reference	Execution Type	Trade Turnover (CHF)	Transaction Turnover (CHF)	Transaction Fee (CHF)	Scale Fee (bp)	Scale Fee (CHF)	Total Fee (CHF)
Swiss Equities	A1-2.2.1	Off	11,000.00	11,000.00	1.00	0.25	0.28	1.28
Floor adjustment							0.22	0.22
								1.50

Note: the floor adjustment is shown for illustration purposes. In reality the fee will be charged as one amount

Example 3 - Swiss equity, commitment level 2 (above cap)

Billing Segment	Appendix Reference	Execution Type	Trade Turnover (CHF)	Transaction Turnover (CHF)	Transaction Fee (CHF)	Scale Fee (bp)	Scale Fee (CHF)	Total Fee (CHF)
Swiss Equities	A1-2.2.1	Off	1,150,000.00	1,150,000.00	1.00	0.25	28.75	29.75
Cap adjustment							-3.75	-3.75
								26.00

Note: the cap adjustment is shown for illustration purposes. In reality the fee will be charged as one amount