



SIX SIS SIX INTERBANK CLEARING

Guide for participation in the SecLend market

June 2010 edition

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Introduction

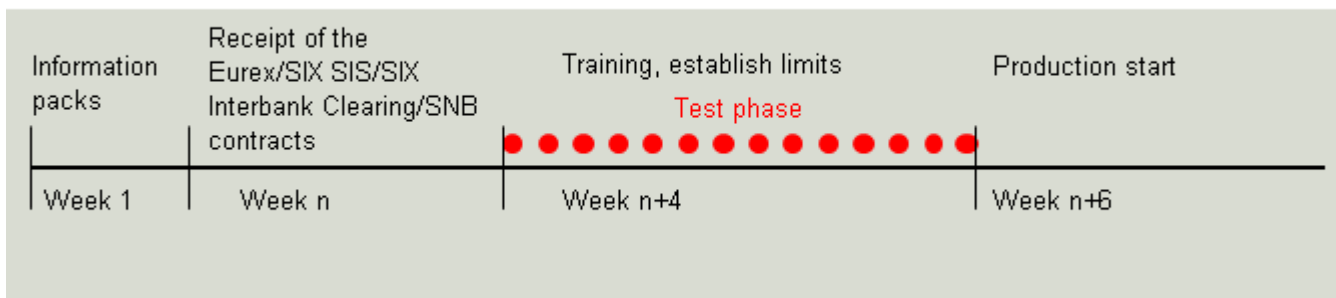
This guide is designed for participants of the SecLend market and provides a summary of the conditions of participation. The segment COSI (Collateral Secured Instruments; www.eurexseclend.com) used for collateralization of structured products is also part of the SecLend market. The conditions of participation for COSI are listed in detail in chapter 3.8.

Both lending transactions within SecLend and COSI transactions are generated by the SecLend infrastructure of Eurex Zurich Ltd and settled by SIX SIS.

1. Indicative timeline for the setup of SecLend

Prerequisite for a setup are contracts that are duly signed by all involved parties. In order to stick to the timeline, it is important to start the setup process simultaneously at all involved institutions.

Indicative time axis for joining the SecLend Market:



2. Legal basis for participation

- The claimant must be subject to a financial market supervisory authority in its domicile country.
- The claimant must be a bank in accordance with the law of its domicile country (entitled to operate deposit, credit and financial commission businesses), have a status equal to the Swiss securities trader status or be a supervised insurance company or a fund management company of funds domiciled in Switzerland with substantial activity in the money market.

Central banks, international organizations and further companies which are in possession of a special authorization can be participants without having a banking status or a securities trader authorization, provided that they meet the requirements of Eurex Zurich Ltd and SIX SIS.

3. Conditions of participation Eurex Zurich Ltd

3.1 Contractual material/documents

The following contracts and documents are the condition, established by Eurex Zurich Ltd to participate in the SecLend market:

- General Terms and Conditions
- SecLend trade regulations
- SecLend product specification

- Participation contract for the participation in OTC trading of funding and financing products and issues of securities on Eurex Zurich Ltd
- Participant setup form
- User registration or deregistration form

3.2 Technical connection

The claimant must ensure the technical connection to the SecLend trading system. Technical connection can be established either via Internet or via a leased line. Depending on the client's needs, both solutions can also be used simultaneously. The participant is in charge of ordering, installation and maintenance of the Internet line. If a leased line is not desired, Eurex Zurich Ltd, which developed a connection and service concept with the companies Verizon Business or Radianz, takes over directly. Relevant documentation is at the disposal of the participants.

3.3 Registration of persons

Every participant must apply for a personal access code for every person (trader, system manager, back office staff member etc.) who should have access to the system. Participants can apply for access codes with restricted (read-only access) or complete (full-trading access) trading functionality for the test and productive environment. Participants are required to notify Eurex Zurich Ltd immediately in case of changes of personnel that are related to the entitlement of participation, if the persons concerned were assigned a personal access code by Eurex Zurich Ltd. The personal access code assigned to a trader must not be used by other persons.

3.4 Trader training and exam

Trader training for SecLend takes place directly at the participant's location. Upon request, a trader training can also be held at Eurex. Up to now, it has not been necessary to take an exam for participating in the SecLend market.

3.5 Counterparty limits for the SecLend market

Prior to the productive trade start, the new participant is required to activate the participant relationship with the banks taking already part in the SecLend market.

3.6 Participation from abroad

Claimants domiciled outside Switzerland must provide an additional proof to Eurex Zurich Ltd that they have granted a service authorization (postal authorization) to an authorized party domiciled in Switzerland to ensure that the delivery records can be dispatched with legal effect within Switzerland.

3.7 Fees

SecLend fees are exclusively based on concluded transactions (effected trades). These fees apply regardless of size or term of the effected trade. Please find the latest fees and conditions regarding SecLend in the relevant valid SecLend product specification.

3.8 Participation in the COSI segment

In cooperation with SIX Swiss Exchange Ltd and SIX SIS Ltd, Eurex Zurich Ltd offers the service COSI (Collateral Secured Instruments; www.eurexseclend.com) for collateralization of certificates. This service is at the disposal of issuers, resp. collateral providers with a license as a Swiss bank or securities trader. The legal head office of the participant must be located in Switzerland. The following contracts and documents are part of Eurex Zurich Ltd to participate in the collateralization market / COSI:

- General Terms and Conditions
- Collateralization market trade regulations
- Collateralization market product specification
- Participation contract for the participation in OTC trading of funding and financing products and issues of securities on Eurex Zurich Ltd
- Participant setup form
- User registration or deregistration form

In addition to compliance with the legal framework of Eurex Zurich Ltd, the participant must also sign contracts with SIX Swiss Exchange and SIX SIS.

By participating in the collateralization market / COSI at Eurex Zurich Ltd, the participant is equally entitled to participate in the SecLend market.

Eurex Zurich Ltd's annual participation fee for the collateralization market / COSI amounts to EUR 10'000.00. Eurex Zurich Ltd charges no transaction fees to the collateral provider.

Interested parties are invited to get in touch directly with the listed contact persons.

3.9 Check list

The following documents need to be completed:

No.	Documents	Completed on:	Eurex
1	Eurex Zurich Ltd participation contract		X
2	Participant setup form		X
3	User registration or deregistration form		X

Contact person

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4. Conditions of participation SIX SIS

Unlike regular OTC transactions, trade of contracts in the SecLend market takes place on one single, centralized and fully electronic trading platform providing an easy overview of the availability of securities in the market as well as its pricing models. When a trade is achieved, SIX SIS generates the respective delivery of the securities and the collateral in the form of securities or money.

The lending transaction is opened by a simultaneous exchange (delivery versus delivery, DVD) of collateral for loan securities. SIX SIS subsequently manages the mutual claims and obligations and ensures that value adjustments (mark-to-market) are performed on the exchanged positions through margin calls and returns. Furthermore, SIX SIS calculates the lending fee/interest and charges it to the counterparty at the end of the month.

Needless to say that SIX SIS also ensures an extensive reporting, in line with market practice, as this is increasingly required by the regulators.

In short, SIX SIS service as Triparty SecLend provider entirely covers all needs that can arise as a result of lending transactions.

COSI service

The COSI segment is a combination of uncertified securities and collateral. This service consists of the holding of a pledge on behalf of SIX Swiss Exchange for the investor who buys the COSI product.

As part of the COSI service, certificates are collateralized with the involvement of the market delivery platform SecLend of Eurex Zurich Ltd. In an initial step, the issuer creates the certificates and transfers them to SIX Swiss Exchange for collateralization.

Collateralization is based on a COSI loan agreed between the collateral provider and SIX Swiss Exchange via Eurex SecLend in conjunction with a collateral agreement. SIX Swiss Exchange undertakes to lend the collateral provider based on a COSI loan the certificates which it has assumed from the issuer for the time being in a fiduciary capacity, and the collateral provider undertakes to collateralize the current value of the collateral secured certificates.

4.1 Participation in the SecLend service of SIX SIS

The prerequisites for participating in SIX SIS SecLend are the following:

The claimant must be subject to a financial market supervisory authority in its domicile country.

Every SecLend participant must dispose of a securities custody account as well as the corresponding cash accounts at SIX SIS, i.e. it needs to be a direct participant of SIX SIS.

The claimant must ensure the technical connection to the SecLend service of SIX SIS.

4.1.1 Documents to be submitted by the client

The following documents need to be sent to SIX SIS for general participation:

- Latest annual report
- List of signatories
- Extract from the commercial register, original copy, certified by a notary and not more than 12 months old

4.2 Contractual material:

The following contractual documents must be signed to participate in SIX SIS' SecLend services (including the COSI segment):

CROSS-CHECK WITH CHAPTER 4.8 (see N. 1-3)

- General Terms and Conditions (only if new client)
- Service agreement (only if new client)
- Multilateral agreement for SecLend transactions and/or existing bilateral contracts between two trading parties (such as OSLA, GMSLA etc.), if they are compatible with the services provided by Eurex and SIX SIS, otherwise the subsidiary legal basis of the multilateral agreement applies.
- Contract concerning the settlement of SecLend transactions with SIX SIS (SecLend Tri-party Agreement).
- webMAX license agreement (if available)
- Credit contracts and pledge agreement (if available)

4.3 Communication with SIX SIS/SECOM

A communication interface with SIX SIS can be established either by means of a C/C link (computer/computer connection) as a proprietary development in accordance with the relevant business partner specifications (please refer to www.six-sis.com > Private > SECOM > Business Partner Specifications) or by means of a software company. SIX SIS also provides an interface via webMAX to its clients.

4.4 Training

SIX SIS offers both a theory and a practice coaching. Please find the latest course programme, fees and information on registration on the website of SIX SIS at www.six-sis.com > Private > Training & Coaching.

4.5 Acceptance test

Both the interface to the client and the functionalities are subject to previous testing. SIX SIS provides a corresponding test environment. Only after successful tests, the SecLend market of SIX SIS will be switched to the productive environment.

4.6 Collection of master data

On the basis of the previously agreed activation setup, the client is set up in the test and the productive environment of the systems of SIX SIS including a Business Partner ID, a securities custody account, a margin threshold, booking instructions, reporting etc.

4.7 Fees

Please find the relevant fees of the latest version on the website of SIX SIS at www.six-sis.com > Private > MarketGuide > General Information > Pricing SIX SIS (for other fees see MarketGuide > General Information > Fees).

4.8 Check list

No.	Documents	Completed on:	SIX SIS
1	Latest annual report		X
2	List of signatories		X
3	Extract from the commercial register		X
4	General Terms and Conditions (only if new client)		X
5	Service agreement (only if new client)		X
6	Multilateral Master Agreement for SecLend Transactions		X
7	Agreement on the Settlement of SecLend Transactions with SIX SIS.		X
8	webMAX contract (except in the case of C/C link)		X
9	Credit contracts and pledge agreement (if available)		X

Contact person

For more information, please get in touch via email: seclend@isis.sisclear.com
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