Trading fees

SWX SWISS EXCHANGE
VIRT-X

New trading fees tailored to products and participants

The SWX Swiss Exchange and virt-x will introduce modular trading fees in the second quarter of 2008. The new fees are clearly structured and offer participants greater flexibility while cutting their trading costs by a further CHF 40 million. The new trading fee structure represents the third reduction in charges in as many years at SWX and virt-x: fees for blue-chip share trading were waived entirely in the last quarter of 2006 and fees were cut generally by 15% at the beginning of 2007.

The new fee model is part of the "Trading for the Future" programme. As user-owned, user-governed organisations, the exchanges are able to further enhance the efficiency and appeal of the Swiss financial centre with this initiative. Meanwhile, participants will continue to profit from market-leading, needs-based services.

The key benefits at a glance

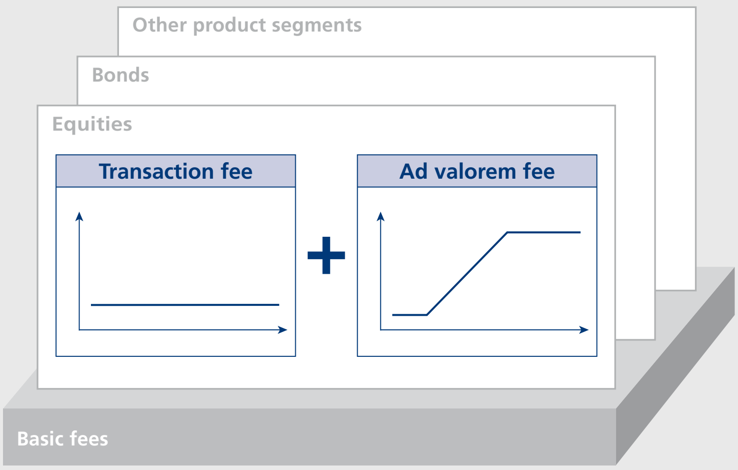
- The further reduction in trading fees means additional attractive cost savings for participants.
- Trading fees will now be tailored to the specific characteristics of the individual product segments and therefore better reflect participants' differing needs.
- The new poster/aggressor model creates a targeted incentive to enter prices in order books, promotes liquidity and thereby boosts the appeal of the two exchanges as trading venues.
- Generous discount bands reward participants who generate high trading volume for their loyalty to the two exchanges. Discount bands are an incentive not to spread order flow across several stock markets. The concentration of liquidity this creates is of particular benefit to smaller participants.
- The fee model has been restructured to take into account the tougher compliance standards applicable in today's financial industry.
- With low trading fees and fixed ceilings, SWX and virt-x are making an important contribution towards heightened market efficiency and thereby enhancing the attractiveness of the Swiss financial centre.

Why has the fee model been revised?

- Increasingly intense competition demands a more efficient fee model geared to the particular characteristics of the individual product segments.
- Participants who generate a high level of trading volume should be rewarded for their loyalty to SWX and virt-x.
- More stringent compliance standards in the financial industry demand a thorough re-working of the fee structure.
- International standards (MiFID, European Code of Conduct for Clearing and Settlement) set additional tough standards in terms of transparency.

Main changes with the new tariff structure

- The new fee scheme charges different ad valorem fees for poster and aggressor trades, and thereby supports liquidity generation in the order book. It also corrects the preferential fees that were previously charged on nostro trades compared to agency trades.
- The new fees are transparent and offer both attractive discount bands and consistently lower charges. The revised discount models reflect financial industry compliance standards and are MiFID-compliant.
- The new fees are geared to the particular characteristics of individual product segments and thus replace the inflexible single fee charged under the old fee regime.
- The level of the fees levied by SWX and virt-x reflects the added value rendered to the trading participant. Off order book trades that are reported to the respective exchanges cost less than on order book transactions because the latter involve greater value creation on the part of SWX and virt-x.
- All fees are subject to upper and lower limits (caps and floors, respectively). Thus SWX and virt-x are waiving the high level of revenues they could earn on certain stock market transactions. In return, they will charge a minimum fee for all transactions, because small trades also place a burden on the system.



The new trading fees comprise a fixed transaction fee and an ad valorem fee for each product group.

Binding in this regard are the provisions of the given fee-related Directives.

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