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Securities Law in Switzerland

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This guide is intended only to provide a general overview of the matters covered. It is based upon the laws in Switzerland as at the time of print. However, the information contained in this guide is not comprehensive and does not purport to be professional advice.

1. Description of the Securities Markets

Over-the-Counter Markets and Regulated Markets

Switzerland's securities market can be divided into over-the-counter (OTC) markets and regulated markets.

The OTC markets enable their participants, usually large firms as end-users, and banks as well as securities firms and insurance companies as dealers, to trade individually tailored finance products, often to hedge the market risks that the end-users are facing. With the enactment of the Swiss Financial Market Infrastructure Act the regulatory environment for OTC transactions is likely to change (cf. below, Section 4).

The regulated market of Switzerland consists mainly of the SIX Swiss Exchange, which operates a fully electronic exchange in Zurich. In addition to the SIX Swiss Exchange, there is one other (domestic) exchange, the BX Berne eXchange, where only a limited number of securities of mainly regional companies are traded. Given the comparably small size of the BX Berne eXchange, this chapter deals only with the SIX Swiss Exchange and its regulations. (For more information on the BX Berne eXchange, see www.berne-x.com).

Market Standards

At the SIX Swiss Exchange, the trading activities are divided into the following standards:

- Main Standard, for the trading of equity securities;
- Domestic Standard, for companies that – pursuant to their investor base, corporate history, capitalization or spread of investments – do not qualify, or have not yet qualified, for listing on another SIX Swiss Exchange standard. This standard is intended and designed for companies with a local range of operation or a restricted circle of investors, whether personally or geographically, such as family-owned enterprises;
- Standard for Investment Companies, for companies that invest their funds in order to realize proceeds or capital gains but do not perform specific entrepreneurial activities (since 1 January 2007, investment companies that are not listed or whose circle of investors is not restricted to qualified investors are governed by the provisions set forth in the Swiss Federal Act on Collective Investment Schemes of 23 June 2006; see Section 13B below). These companies are very similar to collective investment schemes;
- Standard for Real Estate Companies, for companies that earn two-thirds or more of their income from real estate activities and whose portfolio is invested at a level of at least two-thirds in real estate property;
- Standard for Collective Investment Schemes, for domestic or foreign collective investment schemes;
- Standard for Depository Receipts, for global depository receipts (i.e. tradable certificates issued instead of deposited equity securities);
- Standard for Bonds, for bonds (including convertible bonds and warrants);
- Standard for Derivatives, for any financial instruments the value of which is determined by reference to an underlying title, index or alike; and
- Standard for Exchange Traded Products, for collateralized, non-interest-paying debt securities (debentures), which are issued as securities, and are sold and redeemed in the same structure and denominations on a continuous basis.

In addition, the SIX Swiss Exchange has established the SIX Swiss Exchange Sponsored Segment. This trading segment allows SIX Swiss Exchange participants (the so-called Sponsoring Securities Dealers) to trade, but not to list, equity securities of Swiss or foreign issuers that have a primary listing on a stock exchange other than, but recognized by, the SIX Swiss Exchange. The purpose of this segment is to enable the trading of equity securities without first having to complete the entire listing procedure.

EUREX

Since 1998, the SIX Swiss Exchange had operated jointly with Deutsche Börse AG the derivative exchange EUREX. In view of the intended (but never completed) merger transaction between Deutsche Börse AG and the New York Stock Exchange, the SIX Swiss Exchange sold its shares in EUREX to Deutsche Börse AG.

SIX Structured Products (formerly, Scoach Schweiz AG)

Another joint venture between SIX Group Ltd. and Deutsche Börse AG had been Scoach, the exchange for derivatives and structured products. Scoach operated two trading facilities, one in Zurich for Switzerland, and one in Frankfurt for Germany and other EU countries. Effective 1 July 2013 SIX Group Ltd. and Deutsche Börse AG terminated their joint venture subsequent to which Scoach Schweiz AG became a subsidiary of SIX Swiss Exchange AG and was renamed to SIX Structured Products.

2. The Listing/Market Authority

The SIX Swiss Exchange

The Swiss listing and market authority is the SIX Swiss Exchange. The SIX Swiss Exchange is authorized, based on the respective regulations, to decide upon the application for listings of issuers and to monitor trading activities. This authority reflects the principle of self-regulation pursuant to which the admission of securities as well as the organization and supervision of the market are left, to a great extent, to the exchanges.

Regulatory Board

Within the SIX Swiss Exchange, the competent authority to decide upon listing applications is the Regulatory Board. Decisions of the Regulatory Board may be appealed to the Appeals Board of the SIX Swiss Exchange and, ultimately, to the Board of Arbitration of the SIX Swiss Exchange.

Address

The SIX Swiss Exchange and its regulatory bodies can be contacted at:

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P.O. Box
CH-8021 Zurich
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www.six-swiss-exchange.com

3. Regulatory Authorities

Swiss Financial Market Supervisory Authority

The regulatory authority in the area of financial markets is the Swiss Financial Market Supervisory Authority (FINMA), which is in particular responsible for supervising banks, insurance companies, stock exchanges, securities dealers and collective investment schemes. Besides its supervisory function, the FINMA issues regulations and ordinances in the fields mentioned above and acts as an appellate body with regard to decisions rendered by different inferior bodies such as the Swiss Takeover Board.

Disclosure Office and Swiss Takeover Board

On a level below the FINMA are the Disclosure Office of the SIX Swiss Exchange and the Swiss Takeover Board:

- the major tasks of the Disclosure Office are to receive notifications of shareholdings, grant exemptions or relief from the reporting requirements, and render preliminary decisions on whether a duty to notify exists. All notifications are electronically collected in a database. The Disclosure Office has to be notified by the relevant shareholder and the company if shareholdings reach, exceed or drop below the thresholds of 3, 5, 10, 15, 20, 25, 33 1/3, 50 or 66 2/3 % of the voting rights in such company; and
- the Swiss Takeover Board supervises public takeover offers and issues rules and decrees on that topic, especially in the fields of voluntary and mandatory offers as well as buyback offers (for details, see Section 21 below).

Decisions of the Disclosure Office and the Swiss Takeover Board may be appealed to the FINMA. Finally, decisions rendered by the FINMA may, if the relevant conditions are met, be appealed to the Swiss Federal Administrative Court.

4. Principal Laws Regulating the Securities Markets

Statutory Provisions

The principal laws regulating the Swiss securities market are the Stock Exchange and Securities Trading Act of 24 March 1995 (SESTA) and its implementing ordinances, i.e., the Stock Exchange and Securities Trading Ordinance of 2 December 1996 (SESTO), the Ordinance of the Swiss Financial Market Supervisory Authority on Stock Exchanges and Securities Trading of 25 October 2008 (SESTO-FINMA), and the Ordinance of the Swiss Takeover Board on Public Takeover Offers of 21 August 2008 (TOB-Ordinance). The intention of the SESTA is to protect individual investors and to ensure the smooth operation of the market place. To achieve this purpose, the SESTA and its implementing ordinances regulate stock exchanges, securities dealers, the disclosure of shareholdings and public takeover offers.

In the context of a current legislation project, the Swiss legislator is preparing two new draft laws that will have an impact on Switzerland's securities market: on the one hand, the Financial Services Act, which is mainly intended to increase the level of investor protection and to align the laws of Switzerland to MiFID II, and, on the other hand, the Financial Market Infrastructure Act, intended to deal with the risks inherent to over-the-counter derivative transactions and to implement new standards developed by international bodies for important financial market infrastructure institutions (such as central counterparties and central securities depositories). Since these draft laws are at a very early stage of the legislation process only, they shall not be dealt with in more detail in this handbook.

Listing Rules

Companies that are listed on the SIX Swiss Exchange must also comply with the various regulations issued by the SIX Swiss Exchange, such as, in particular, the Listing Rules of the SIX Swiss Exchange, including, if applicable, the Additional Rules for the Listing of (i) Bonds and (ii) Derivatives, and (iii) Exchange Traded Products, as well as the directives and circular letters of the SIX Swiss Exchange.

The different types of securities, in particular bearer shares, registered shares and bonds, as well as the prerequisites for issue prospectuses and certain rights of bond-holders of Swiss domiciled companies are set forth in the Swiss Code of Obligations of 30 March 1911 (CO).

Intermediated Securities Act

On 1 January 2010 the Swiss Federal Act on Intermediated Securities (FISA) entered into force. The FISA provides for regulations on the creation and custody of certificated and uncertificated intermediated securities, and their transfer.

Intermediated securities are claim rights or membership rights of fungible nature vis-à-vis an issuer which are credited to a securities account (instead of issuing printed certificates or alike) and with respect to which the account owner may dispose of in accordance with the provisions of the FISA.

5. Participants in the Securities Markets: Requirements for Licensing

Licensing Obligation

Pursuant to Article 10(1) Sesta, whoever intends to carry out activities of a securities dealer is required to obtain a license from the FINMA. According to Article 2(d) Sesta, 'securities dealer' means any person who buys and sells securities, in a professional capacity, on the secondary market, either for its own account with the intent of reselling them within a short period of time or for the account of third parties, or makes public offers of securities on the primary market, or creates derivatives and offers them to the public. 'Securities' are defined (Article 2(a) Sesta) as:

- standardized certificates that are suitable for mass trading;
- rights not represented by a certificate with similar functions (intermediated securities); and
- derivatives.

Other than in the EU/EEA Member States under the rules of the Markets in Financial Instruments Directive (EC Directive 2004/39) of 21 April 2004 (MiFID), asset managers and investment advisers were not required to apply for authorization with the FINMA. In the context of the recent amendments to the Swiss Federal Act on Collective Investment Schemes, which were intended to align Switzerland's regulatory playing field to the regulatory level in the European Union, in particular the Alternative Investment Fund Managers Directive dated 8 June 2011 (EC Directive 2011/61) (AIFMD)), asset managers of collective investment schemes (except for certain limited exceptions) are today required to apply for a license with the FINMA.

Requirements

The FINMA grants the securities dealer a license if:

- the organization and internal rules of the applicant comply with the Sesta;
- the minimum capital of the applicant amounts to CHF 1.5m;
- the applicant and its senior staff have sufficient professional knowledge in the area of securities trading; and
- the applicant, its senior staff and its principal shareholders are not engaged in unlawful or otherwise improper business.

In order to receive such a license, the applicant has to submit an application to the FINMA, wherein evidence must be provided that the above-mentioned requirements are complied with.

As a matter of fact, most securities dealers are not only licensed as securities dealers, but also as banks pursuant to the Banks and Savings Banks Act of 8 November 1934. This means, *inter alia*, that rather than CHF 1.5m, the required minimum capital is CHF 10m. In addition, unlike the Sesta, the Banks and Savings Bank Act requires, as a rule, that supervisory and executive functions be performed by two separated bodies (two-tier board system).

Foreign Securities Dealers

Foreign securities dealers have to obtain a license from the FINMA if they:

- employ persons in Switzerland who, permanently and in a professional capacity, in or from Switzerland:
 - trade in securities, maintain client accounts or otherwise commit the foreign head office (branch); or
 - operate in another way, in particular by passing on client orders to the foreign head office or by representing the foreign head office for advertising or other purposes (representative office); or
- wish to become members of an exchange domiciled in Switzerland.

6. Procedures and Methods for an Application for Listing

General Remarks

The listing procedures and methods, which are basically similar for all standards, are set forth in the SIX Swiss Exchange Listing Rules as well as in other publications of the SIX Swiss Exchange, such as, in particular, the SIX Swiss Exchange Directive on the Procedures for Equity Securities dated 21 April 2008.

In sum, the following applies:

- the listing application must be lodged with the Regulatory Board by the issuer or by a representative recognized by the Regulatory Board in written form. All documents shall be filed either in German, French, Italian or English;
- the application must be submitted at the latest twenty days prior to the intended first day of trading. If a transaction is preceded by a book-building period, the application must be submitted at least twenty days prior to start of the book-building period;
- the application must include a short description of the securities, a request regarding the date of the first trading day and a reference to the enclosed annexes required by the Regulatory Board. If a listing condition is not fulfilled, the application must contain a well-founded request for exemption;
- the application must be accompanied by various declarations and documents in written form, such as a declaration of no material adverse change since publication of the listing prospectus, copies of the prospectus and the listing advertisements, and, in case of equity securities, a declaration by the lead manager that the securities are sufficiently distributed;
- after examination of the listing application, the Regulatory Board either approves or rejects the application. The applicant may also request a preliminary decision from the Regulatory Board, which will remain valid until the final decision of the Regulatory Board is issued; and
- debt securities and derivatives intended for listing may, upon request of the issuer, be admitted provisionally to trading. The admission to provisional trading automatically expires if the application for listing is not filed within two months.

7. Procedures and Methods for an Application for Listing: Foreign Issuers

General Remarks

As a rule, foreign issuers have to meet the same requirements as domestic issuers. There are, however, some specific provisions for foreign issuers set forth, in particular, in the SIX Swiss Exchange Listing Rules and in the SIX Swiss Exchange Directive on the Listing of Foreign Companies.

Such specific rules distinguish between 'primary listings' and 'secondary listings'. The term 'primary listing' refers to companies that are not yet listed on another exchange when they apply for listing on the SIX Swiss Exchange. On the other hand, 'secondary listing' refers to companies that are already listed on another exchange with equivalent listing rules or that will be listed on such an exchange on the same day as they will be listed on the SIX Swiss Exchange (a 'dual listing').

Primary Listing

The specific rules for primary listings can be summarized as follows:

- the issuer must demonstrate that it has not been refused a listing in its home country under legislation on investor protection;
- the issuer must name in the listing prospectus the publications in which the announcements required under the law of its home country will appear; and
- the issuer must declare that it recognizes the Swiss courts as being the competent authorities for claims in connection with the listing.

Secondary Listing

As regards secondary listings, *inter alia*, the following specific rules apply:

- the listing requirements are deemed to be met if the shares of the issuer are listed in its home country or a third country on an exchange where equivalent listing rules apply. The member exchanges of the Federation of European Stock Exchanges (FESE) and the World Federation of Exchanges (WFE) meet such requirements;
- the free float is considered as sufficient if the capitalization of the shares circulating in Switzerland amounts to at least CHF 10m or if the applicant otherwise demonstrates that there is a genuine market in the shares;
- subject to some additional technical information, the SIX Swiss Exchange recognizes the prospectus approved by the competent authority of the primary exchange if the issuer applies for listing of the same shares within six months of listing on the primary exchange; and
- if the listing on the SIX Swiss Exchange does not take place at the same time or in connection with a transaction on the primary exchange, the issuer has to submit a brief prospectus for the secondary listing on the SIX Swiss Exchange. The brief prospectus must include some information on the shares and a 'no material adverse change' declaration.

Important Common Issues

With respect to both primary and secondary listings, the following is of importance:

- the corporate documents of the foreign issuer, such as its articles of association, as well as the securities to be listed have to comply with the law of the home country of the issuer rather than with Swiss law;
- the foreign issuer must ensure that it is in the position to make all payments, such as dividends, as well as to carry out all administrative acts, including receipt and procession of declarations, within Switzerland;
- the foreign issuer does not have to comply with Swiss accounting standards if its foreign accounting standards are deemed to be equivalent with Swiss standards; and
- the Regulatory Board may, in its own discretion, grant other exemptions to foreign issuers if appropriate.

8. Listing Requirements

General Remarks

Unless the specific rules for the other market standards contain diverging or supplementary provisions, which might be substantial, the listing requirements for the Main Standard apply to the other standards as well.

Within the listing requirements, the SIX Swiss Exchange Listing Rules distinguish between requirements for the issuer and requirements for the securities

Requirements for the Issuer

Overview

The most important listing requirements for the issuer are shown in Chart 1 below.

Accounting History

As regards the minimum accounting history, the Regulatory Board may grant an exemption if it appears desirable in the interest of the issuer or the investors, and if the investors possess the information required to make a well-founded assessment of the issuer and the securities to be admitted. Details are dealt with in the SIX Swiss Exchange Directive on Exemptions Regarding the Duration of Existence of the Issuer (Track Record). If the issuer is a state, a municipality or any other public sector body, the listing requirements for the issuer must be fulfilled by analogy.

Guarantor

Finally, the requirements applicable to the issuer of bonds and derivatives may be deviated from if, in lieu of the issuer, a third party (guarantor) fulfilling the listing requirements provides a guarantee commitment with respect to the obligations associated with the securities. In such event, the listing prospectus must also contain information about the guarantor.

Requirements for the Securities

Equity Securities

The most important listing requirements for equity securities are shown in Chart 2 below.

Debt Securities

As regards debt securities, the nominal value must amount to at least CHF 20m.

Derivatives

The minimum capitalization of derivatives is CHF 1m. Additional provisions regarding requirements for securities deal with new issues, negotiability, denominations, printing, permanent global certificates, intermediated securities, clearing, paying agents, collective investment schemes, and convertible debt securities.

Chart 1

	Main Standard	Domestic Standard	Investment Companies	Real Estate Companies	Collective Investment Schemes	Exchange Traded Products	Global Depository Receipts	Bonds	Derivatives
Minimum accounting history (Track record)	3 Y	2 Y	n/a	n/a	n/a	3 Y*	3 Y	3 Y**	3 Y***
Capital resources (Equity)	CHF 25m	CHF 2.5m	CHF 25m	CHF 25m	fund assets value of CHF 100m	CHF 25m*	CHF 25m	CHF 25m**	CHF 25m***

* Provided that no exemptions were granted in accordance with Article 4(1) of the Directive on the Procedures for Exchange Traded Products.

** Not applicable with regard to asset-backed securities and may be waived if, instead of the issuer, a third party that fulfils those requirements (guarantor) provides a guarantee commitment in respect of the obligations associated with the securities.

*** Requirement may be waived if, instead of the issuer, a third party that fulfils those requirements (guarantor) provides a guarantee commitment in respect of the obligations associated with the derivatives.

Chart 2

	Main Standard	Domestic Standard	Investment Companies	Real Estate Companies	Collective Investment Schemes	Exchange Traded Products*	Global Depository Receipts	Bonds	Derivatives *
Minimum capitalization	CHF 25m	CHF 5m	CHF 25m	CHF 25m	CHF 25m**	CHF 1m	CHF 25m	CHF 20m	CHF 1m
Minimum distribution	25 %	20%	25 %	25 %	25%**	n/a	25 %	n/a	n/a

* Only specific underlying assets admissible.

** Does not apply if the relevant SIX Exchange participant undertakes to create a market for the collective investment scheme in question (market maker).

9. Continuing Requirements for Listed Companies

Overview

Unless the specific rules for the other standards contain diverging or supplementary provisions, which might be substantial, the continuing requirements for the Main Standard apply to the other standards as well.

The continuing requirements are divided into two categories: periodical reports and further information duties.

Periodical Reports

Financial Reporting

All issuers are required to publish an annual report, including the audited financial statements and the auditor's report. The annual report must be published and submitted to the SIX Exchange Regulation within four (4) months as of the balance sheet date (Article 10[1] of the SIX Swiss Exchange Directive on Financial Reporting dated 21 April 2011 [DFR]). The annual report must be submitted to the SIX Exchange Regulation no later than the day of publication.

In addition, issuers of equity securities must publish semi-annual financial statements. The publication must take place within three (3) months as of the balance sheet date. Again, the financial statements must be submitted to the SIX Exchange Regulation no later than the day of publication. The publication of quarterly financial statements is not a mandatory requirement; however, if an issuer publishes quarterly financial statements, they must be established in compliance with the principles applied to the semi-annual statements.

Other than the annual financial statements, interim financial statements must neither be audited nor reviewed.

Annual and interim financial statements must be drawn up in accordance with financial reporting standards recognized by the Regulatory Board (mainly IFRS, for certain regulatory standards or classes of issuers, US GAAP and Swiss GAAP FER are recognized as alternative standards) as specified in Chart 3.

The financial statements must be submitted to the SIX Swiss Exchange in electronic form. In addition, issuers must make the published annual reports available in electronic form on their websites for five years after their publication and, at the same time, notify SIX Exchange Regulation the corresponding link so that SIX Exchange Regulation can publish the report on its own website.

Other Periodical Reporting Requirements

Additional reporting obligations of issuers are in particular set forth in the Circular Letter No. 1 (Reporting Obligations regarding the Maintenance of Listing) to which the following annexes are enclosed:

- Annex 1: Equity Securities;
- Annex 2: Bonds and Conversion Rights;
- Annex 3: Derivatives;
- Annex 4: Investment Funds;
- Annex 5: Other Collective Investment Schemes.

For Exchange Traded Products, the SIX Additional Rules on the Listing of Exchange Traded Products provide for a list alike the annexes mentioned above wherein different reporting obligations for such products are itemized.

These annexes provide for detailed rules on the reportable facts, the applicable time limits, the requirements for the content of the report, the form in which a report must be submitted (as official notice, by post, or by e-mail) and whether and in what form the SIX Swiss Exchange will publish the report.

Each report must clearly identify the issuer and the securities involved as well as the name of the responsible individual who has submitted the report (including telephone number and e-mail address).

If the dissemination of a reportable fact is to be made via an “Official Notice”, then the issuer must forward the text of the “Official Notice” to SIX Exchange Regulation at the earliest possible date electronically (kotierung@six-group.com), but no later than 11:00 a.m. CET on the trading day immediately prior to the desired date of publication if no other regulation applies.

The SIX Swiss Exchange publishes the Official Notices via (i) the “Newsboard” of the SIX Swiss Exchange Trading System, (ii) e-mail messages to interested recipients, and (iii) the internet (www.six-group.com) under ‘Official Notices’.

Some reports may also be submitted as online forms (please see www.six-exchange-regulation.com, under the title ‘reporting forms’).

Chart 3

	Main Standard	Domestic Standard*	Investment Companies	Real Estate Companies	Collective Investment Schemes	Exchange Traded Products**	Global Depository Receipts	Bonds**	Derivatives **
IFRS	X	X	X	X	Special legal provisions	X	X	X	X
US GAAP	X	X	X	n/a	Special legal provisions	X	X	X	X
Swiss GAAP FER	n/a	X	n/a	X	Special legal provisions	X	n/a	X	X

* Banks and securities dealers that are incorporated in Switzerland and listed in the Domestic Standard may apply the accounting standard stipulated in the Bank Act.

** Issuers that have listed only debt securities in accordance with the Additional Rules for the Listing of Bonds, the Additional Rules for the Listing of Derivatives or the Additional Rules for the Listing of Exchange Traded Products may also use the same banking related accounting standards as the issuers in the Main Standard.

Obligation to Disclose Potentially Price-Sensitive Facts (Ad-hoc Publicity)

Issuers must inform the market of any price-sensitive facts which have materialized in their sphere of activity. Price-sensitive facts are facts which are capable of triggering a significant change in the market price of the relevant security, i.e., a price change that is considerably greater than the usual price fluctuations (SIX Swiss Exchange Directive on Ad-hoc Publicity dated 29 October 2008). Examples of such price-sensitive facts are capital increases, mergers and acquisitions, or modifications in the profit and gross revenue forecasts. Whether or not a fact has the potential to trigger a significant price change must be decided on a case-by-case basis.

As a rule, the disclosure obligation arises as soon as the issuer becomes aware of the main elements of the price sensitive fact. Accordingly, for example, if the annual or interim results have a significant potential for impacting the price of a given security, they must be published regardless of previously determined publication dates.

Exceptionally, the disclosure of a price-sensitive fact may be postponed, namely if

- the fact is based on a plan or decision of the issuer, and
- the dissemination of the fact might prejudice the legitimate interests of the issuer.

During such postponement the issuer is obliged to ensure complete confidentiality. In the event of a leak, the issuer must inform the market immediately.

Planned mergers or acquisitions are the most common examples where such postponement may be justified. If a leak occurs during trading hours, SIX Swiss Exchange must be notified immediately by phone.

The disclosure must be made so as to ensure the equal treatment of all market participants. It is, therefore, advisable to communicate notices containing potentially price sensitive information (so-called ad-hoc notices) as broadly as possible. At the least, such notices must be distributed to

- SIX Swiss Exchange Regulation (adhoc@six-group.com);
- at least two electronic information systems widely used by professional market participants, such as Bloomberg or Reuters;
- at least two Swiss newspapers of national importance; and
- all interested parties upon request.

The issuer must provide a service on its website that allows interested parties to receive, via e-mail distribution, free and timely notification of potentially price sensitive facts. When an ad-hoc notice is distributed, it must simultaneously be made available on the issuer's website and remain available online for a period of two years. The relevant links must be communicated to SIX Exchange Regulation in order for the latter being able to publish them on its website.

Whenever possible, ad-hoc notices should be published ninety minutes before the start of trading or after the close of trading, i.e. before 7:30 a.m. or after 5:30 p.m. CET. If publication during trading hours or less than ninety minutes before the start of trading is unavoidable, the notice intended for publication must be sent to SIX Exchange Regulation (adhoc@six-group.com) at least ninety minutes before the envisaged time of publication.

Management Transactions

The members of the board of directors and the senior management of companies whose equity securities are at least in part listed on the SIX Swiss Exchange are required to report to the issuer certain transactions concerning:

- (a) equity securities of, or similar shares in, the issuer;
- (b) conversion, purchase or sale rights that provide for or permit actual delivery of rights as per (a), or conversion, purchase or sale rights from the issuer; and
- (c) any other financial instruments that provide for or permit a cash settlement and other contracts for difference whose performance depends (in an extent of more than 1/3) on rights described in (a) and (b);
- (d) provided these transactions have a direct or indirect impact on the wealth of such persons (unless the respective director or manager was unable to influence the transaction).

Where such transactions are carried out by related parties (legal entities and natural persons), or partnerships, or institutions acting on a fiduciary basis, under the significant influence of a person who is subject to the reporting obligation, the transaction must also be reported.

The issuer must notify the SIX Swiss Exchange of such transactions. These reports will be published on the website of the SIX Swiss Exchange. Effective 1 April 2011 pre-trading plans must be reported as well; however, provided the beneficiary is not in a position to influence the execution of the transactions under such plan, only the conclusion of the plan must be reported but not each single transaction.

Different rules apply with respect to transactions that are based on an employment contract or an employee stock option plan or a similar compensation scheme, provided it is not in the discretion and competence of the relevant director or manager whether or not to execute such transaction. With respect to such securities, the reporting duty is limited. Details are set forth in the SIX Swiss Exchange Directive on the Disclosure of Management Transactions dated 12 November 2010 and the related commentary.

Further Duties

Continued Compliance with Specific Listing Requirements

All issuers must continuously comply with, *inter alia*, the following listing requirements during the entire duration of the listing:

- compliance with the applicable law;
- negotiability of the securities;
- clearing and settlement through an official clearing house designated by the SIX Swiss Exchange; and
- maintenance of paying agency functions in Switzerland.

10. Civil and Criminal Liability for Securities Laws Breaches

Civil Liability

According to Articles 752 and 1156 CO, if, upon the issue of shares, bonds, or other securities, statements have been made or disseminated that are incorrect, misleading or do not comply with the legal requirements for issue prospectuses or similar instruments, any person, without limitation, having intentionally or negligently contributed thereto is financially liable to the acquirers of the security for any damage caused thereby ('prospectus liability').

The above provision applies not only to public issues, but also to private placements where issue prospectuses or similar instruments have been used. In either case, only the initial issue of securities, not secondary placements, is covered by the scope of Articles 752 and 1156 CO. It should be pointed out, however, that if the first purchaser of the securities, typically a bank or a consortium of banks, acquires the securities with the intent to place them in the public, such public placement is deemed to be part of the initial issue. In such case, therefore, not only is the bank protected by Articles 752 and 1156 CO, but so is the investor who purchased the shares from the bank.

In addition, in the event of a capital increase, the purchaser of the new shares as well as the purchaser of the existing shares may assert a prospectus liability claim, provided that the existing shares were acquired at the same time as the new shares and belong to the same share category.

Finally, the Swiss Federal Supreme Court ruled in its famous *Biber* decision that even a purchaser acquiring shares after the end of the subscription and offer period may assert prospectus liability claims; however, only if and to the extent the shareholder is able to provide evidence that a sufficiently close nexus existed between the (incorrect or incomplete) information set forth in the prospectus and its decision to buy those shares.

Criminal Liability

The criminal core provisions dealing with securities transactions are Articles 40 and 40a SESTA.

Insider Trading

Pursuant to Article 40 SESTA whosoever as a body or a member of a managing or supervisory body of an issuer or of a company controlling or controlled by him or her, or as a person who due to his or her holding or activity has legitimate access to insider information, is liable to imprisonment of up to three years or a fine if he or she gains a pecuniary advantage for him- or herself or for another with insider information by (i) exploiting it to acquire or sell securities admitted to trading on a stock exchange or an institution which is similar to an exchange in Switzerland or to use financial instruments derived from such securities; (ii) disclosing it to another; or (iii) exploiting it to recommend to another to acquire or sell securities admitted to trading on a stock exchange or an institution which is similar to an exchange in Switzerland or to use financial instruments derived from such securities. If the pecuniary advantage achieved by such behavior exceeds the amount of CHF 1m, the respective perpetrator may be subject to imprisonment of up to five years or a fine.

In addition, persons exploiting insider information they received from an insider and thereby realizing a pecuniary advantage are subject to imprisonment of up to one year or a fine. If insider information was received by other means (i.e. not from an insider), any person exploiting such information and thereby realizing a pecuniary advantage is liable to a fine.

Price Manipulation

Pursuant to Article 40a Sesta whosoever substantially influences the price of securities admitted to trading on a Swiss stock exchange or an institution which is similar to an exchange in Switzerland with the intention of gaining a pecuniary advantage for him- or herself or for another is liable to imprisonment of up to three years or a fine if he or she (i) disseminates false or misleading information against better knowledge; or (ii) effects purchases and sales of such securities directly or indirectly for the benefit of the same person or persons connected for this purpose. If the pecuniary advantage achieved by such behavior exceeds the amount of CHF 1m, the respective perpetrator may be subject to imprisonment of up to five years or a fine.

Other Provisions

Other relevant provisions of the Sesta deal with breach of notification duties (Article 41 Sesta), breach of obligation to make an offer (Article 41a Sesta), breach of duty by the target company (Article 42 Sesta), breach of securities dealer's duties (Article 42a Sesta), and breach of professional secrecy (Article 43 Sesta).

In addition, the Swiss Penal Code of 21 December 1937 provides for provisions relating to securities transactions, i.e. money laundering (Article 305bis PC) and lack of due diligence in handling financial transactions (Article 305ter PC).

Market Conduct Rules

Since 1 May 2013 the Sesta also provides for certain market conduct rules defining forbidden behavior: exploitation of insider information (Article 33e Sesta), and market manipulation (Article 33f Sesta):

- pursuant to Article 33e Sesta whosoever has information which he or she knows or must know is an insider information behaves inadmissibly when he or she (i) exploits it to acquire or sell securities admitted to trading on a stock exchange or an institution which is similar to a stock exchange in Switzerland or to use financial instruments derived from such securities; (ii) discloses it to another; or (iii) exploits it to recommend to another to acquire or sell securities admitted to trading on a stock exchange or an institution which is similar to a stock exchange in Switzerland or to use financial instruments derived from such securities;
- pursuant to Article 33f Sesta a person behaves inadmissibly when he or she (i) publicly disseminates information which he or she knows or must know gives false or misleading signals regarding the supply, demand or price of securities admitted to trading on a stock exchange or an institution which is similar to a stock exchange in Switzerland; or (ii) carries out transactions or purchase or sales orders which he or she knows or must know gives false or misleading signals regarding the supply, demand or price of securities admitted to trading on a stock exchange or an institution which is similar to a stock exchange in Switzerland.

11. Distinction between Public and Private Offers

Public offer

Pursuant to Article 652a(2) CO, which applies to shares and, in connection with Article 1156 CO, also to bonds, any invitation for subscription is 'public' unless addressed to a limited group of persons. Other than in the field of collective investment schemes (see Section 13(b) below), the term 'limited group of persons' is not defined in the CO or its implementing ordinances. In particular, unlike in other jurisdictions, there are no specific exemptions regarding offerings to institutional investors, high net worth individuals, employees, family members, and the like. To our knowledge, save for a more than thirty year old decision of a local court, there are no court decisions that further define the term 'limited group of persons'.

In the legal literature, some authors suggest that, as a rule of thumb, an issue may only be considered as public if more than twenty persons are contacted. Other authors reject such interpretation, proposing that, regardless of how many investors are contacted, any invitation for subscription of the shares of a company with an open number of shareholders (i.e., in particular a listed company) is public. In any event, it is clear that not only issues in view of a public listing, but also issues not intended for a listing, may qualify as 'public' issues.

Prospectus liability

One of the major consequences of this distinction is the legal liability for the prospectus. Basically, only if an offering is considered to be public must the issuer publish a prospectus and therefore become subject to the respective liability rules set forth in the Swiss Code of Obligations and described in Section 9 above.

12. Offering Securities: Prospectus/Disclosure Requirements

Issue Prospectus

If new shares are publicly offered for subscription, the company shall publish an Issue Prospectus containing specific information (Article 652a(1) CO) (see Section 14 below).

Such prospectus does not have to be approved by the Regulatory Board or any other (governmental) authority as Swiss law imposes the responsibility for a true and complete prospectus upon the issuer and relies on the rules on the prospectus liability to ensure that issuers comply with the applicable regulations.

If bonds are submitted for public subscription, the above rules are to be applied by analogy. Moreover, the prospectus must contain detailed information concerning the loan, such as, in particular, the interest terms and terms of repayment, special security provided for the bonds and how the bondholders are represented (Article 1156(2) CO).

Listing Prospectus

If the intent is to list publicly offered shares or bonds on the SIX Swiss Exchange, in addition to the aforementioned fairly simple rules on Issue Prospectuses, the much more detailed provisions of the SIX Swiss Exchange Listing Rules on Listing Prospectuses must be complied with as well (see Section 14 below). In this case, the Issue Prospectus and the Listing Prospectus are typically merged into one document.

13. Quasi Securities: The Offer of Options, Collective (Managed) Investments and Derivatives

Options and Derivatives

The offering of options and other derivatives is regulated by the SESTA and the SESTO, pursuant to which a person who, in a professional capacity, creates derivatives and offers them to the public on the primary market for its own account or for the account of third parties is required to obtain a derivative firm license from the FINMA. Derivatives are defined as financial contracts whose price is derived from (i) assets, such as shares, bonds, commodities or precious metals, or (ii) reference values, such as currencies, interest rates or indices. Further, in order to fall under the scope of the SESTA, the derivatives must be standardized and suitable for mass trading. Such requirement is deemed to be fulfilled if the derivatives are offered to the public or placed with more than twenty customers, with the same structure and denomination, provided that they are not created for individual parties.

Collective Investments

The offering of collective investment schemes is regulated by the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA) and its implementing ordinances, i.e., the Ordinance on Collective Investment Schemes (CISO) and the Ordinance of the FINMA on Collective Investment Schemes, as well as by Circular Letters of the FINMA. Since the enactment of the CISA on 1 January 2007, the structure of Swiss collective investment schemes may be either contractual or corporate, open-ended or closed-ended. Any Swiss collective investment scheme requires authorization by the FINMA; however, certain standardized products are deemed authorized when filed with the FINMA.

The CISA is also applicable to, and requires application for authorization by the FINMA for, foreign collective investment schemes which shall be distributed within Switzerland (unless certain criteria are met that allow exemption from the rules of the CISA).

Structured Products

The offering of structured products, such as capital-protected products, capped return products or certificates, is regulated by the CISA and the CISO. They may be publicly offered to non-qualified investors in or from Switzerland only if (i) they are issued, guaranteed or distributed by a bank, insurance company or securities dealer, and (ii) a simplified prospectus is available for them. However, except for these rather generic rules, the CISA does not regulate structured products.

14. Prospectuses: Form and Content

General Remarks

The general listing prospectus requirements for the Main Standard of the SIX Swiss Exchange are contained in the SIX Swiss Exchange Listing Rules. Such general requirements apply to the other standards as well, except where the rules for the other standards contain diverging or supplementary provisions.

Form of the Prospectus

In general, the listing prospectus has to be established as a single document. In case the issue price and volume are not known at the time the prospectus is filed, the prospectus may be established as a two-part document. Once price and volume are known, the first part of the prospectus must be supplemented accordingly. This procedure is valid only if, *inter alia*, the following requirements are met:

- the first part of the prospectus provides the criteria pursuant to which this information is going to be determined;
- the listing notice includes a reference that the missing data will be provided at the first trading day (including the form of publication) at the latest;
- a legally signed declaration of the issuer is included stating that the missing data will be provided at the first trading day at the latest; and
- the supplement to the first part of the prospectus that is published on the first trading day includes a declaration that the two parts together constitute the final listing prospectus.
- The listing prospectus has to be published in German, French, Italian or English, either: in at least one newspaper with national coverage;
- in the form of a printed version, obtainable free of charge at the issuer's place of incorporation and the place of the financial institution that places or sells the securities; or
- in the form of an electronic publication on the website of the issuer and, if necessary, of the financial institution that places or sells the securities. In this case, the investors have the right to ask for a printed version free of charge.

As regards the structure of the prospectus, important information must be prominently and clearly displayed, in particular, on the first page. In addition, the prospectus must be drawn up in a form that facilitates analysis and comprehension. Subject to such rules and requirements regarding the content of the prospectus (described below), the issuer may use its discretion in selecting, presenting and structuring the information contained therein.

Content of the Prospectus

A distinction must be made between a public offer of securities, which triggers the duty to publish a prospectus in accordance with the provisions set forth in the Swiss Code of Obligations (an 'Issue Prospectus'), and a public offer including the listing of such securities. Such public offering requires the publication of a prospectus complying both with the provisions set forth in the Code of Obligations and those set forth in the SIX Swiss Exchange Listing Rules (a 'Listing Prospectus').

Issue Prospectus

According to the provisions set forth in the Swiss Code of Obligations (Article 652a(1)), the following information has to be provided in the Issue Prospectus:

- the content of the current entry in the commercial register, except the information concerning the persons authorized to represent the company;
- the current amount and composition of the share capital, including information on the number, par value and type of such shares and the preferential rights of each class of shares;
- the provisions set forth in the articles of incorporation regarding an authorized or a conditioned increase of the share capital;
- the number of profit sharing certificates, including the content of the rights connected therewith;
- the latest annual financial statements and the consolidated financial statements, including the auditor's report and, if the balance sheet dates back more than six months, interim financial statements;
- the dividends distributed within the last five years or, if the company was incorporated less than five years ago, all dividends distributed since incorporation; and
- the resolution on the issue of new shares.

Listing Prospectus

Further, if those securities are to be listed on the stock exchange, a Listing Prospectus (which is usually integrated in the Issue Prospectus) has to be issued. The Listing Prospectus must contain, *inter alia*, the following additional information on:

- the issuer, including its annual accounts and auditors' report;
- if applicable, the guarantor;
- the securities; and
- the persons bearing responsibility for the content of the Listing Prospectus.

Annex to SIX Listing Rules

The detailed regulations on the content of the Listing Prospectus are listed in the 'Annex to the SIX Swiss Exchange Listing Rules'. This Annex consists of seven schematic overviews that regulate the content required depending on the various types of securities and issuers, i.e.:

- Scheme A – Equity Securities;
- Scheme B – Investment Companies;
- Scheme C – Real Estate Companies;
- Scheme D – Global Depositary Receipts;
- Scheme E – Bonds;
- Scheme F – Derivatives;
- Scheme G – Exchange Traded Products.

To a large extent, the various schemes correspond to the relevant rules of the EU.

Investment Companies

As regards investment companies, among others, the following additional information must be included in the prospectus:

- a description of the company's business purpose;
- a description of the investment policy and the procedure to change such policy;
- the names of the managing officers or companies, including their professional qualifications, the material terms of their contracts, the duration of their mandates and their remuneration;
- accounting methods for investments that are difficult to assess and information on the liquidation of such investments; and
- disclosure of potential risks and potential conflicts of interest.

Abridgement of the Listing Prospectus

The Listing Prospectus may be abridged, *inter alia*, under the following circumstances:

- if equity securities of the issuer are already listed and the new equity securities are offered to the holders of the securities already listed on the basis of preferential rights;
- if shareholders' or employee options, convertible debt securities or debt securities with warrants are issued by an issuer whose equity securities are already listed; and
- if other debt securities are issued by an issuer whose equity or debt securities are already listed.

Omission of Specific Information

The Regulatory Board may allow the issuer to omit certain information from the Listing Prospectus if, among other things:

- such information is of inferior importance and not necessary to assess the issuer's assets and liabilities and financial situation; or
- the publication of such information would seriously harm the issuer.

15. Prospectuses: Filing Requirements

Filing

The only filing requirement regarding non-listed securities applies to Issue Prospectuses for new shares. Such prospectuses must be filed with the commercial register office, which, however, does not conduct a material review of the prospectus.

Listing Prospectuses for securities to be listed on the SIX Swiss Exchange must be filed with the Regulatory Board of the SIX Swiss Exchange. The Regulatory Board reviews such prospectuses to determine whether they comply with the SIX Swiss Exchange Listing Rules.

The Listing Prospectus has to be published at the latest on the day of the listing.

Update of Prospectus

Further, the issuer is required to keep the prospectus up to date. If there are material changes to the information provided in the prospectus between its publication and the lodging of the listing application, the issuer has to publish this new information in the same way as is foreseen for the prospectus.

16. Offering Securities: Exemptions Available

Private Offerings

This section covers the exemptions available under the SIX Swiss Exchange Listing Rules. (For the exemption for private offerings, please see Section 11 above.)

The SIX Swiss Exchange Listing Rules contain a general 'catch-all' exemption provision and several specific exemption rules.

General Exemption

According to the general exemption provision, the Regulatory Board may grant exemptions with regard to individual provisions of the SIX Swiss Exchange Listing Rules if (i) such exemptions are not contrary to the interests of the public or the exchange, and (ii) the issuer can show that the purpose of the provisions in question is sufficiently fulfilled by alternative measures. In practice, the Regulatory Board is very reluctant to grant exemptions under this general, catch-all provision. Exemptions are, therefore, in most cases, only granted if the relevant conditions of the specific exemption provisions are fulfilled.

Listing Prospectus

The Regulatory Board may grant an exemption from the obligation to publish a Listing Prospectus under the following circumstances:

- if the issuer has already published a prospectus that is in compliance with the SIX Swiss Exchange Listing Rules and if such publication is not more than twelve months old; or
- if the securities to be listed:
 - represent less than 10% of the securities already listed of the same securities class (measured in a period of twelve months);
 - are exchanged for already listed securities of the same class, provided that there is no capital increase in connection with the listing;
 - are converted into or swapped with other securities or issued in connection with the exercise of rights of other securities, provided that the securities are of the same class as those already listed;
 - are offered as a swap offer in the framework of an acquisition if the issuer provides a document deemed by the Regulatory Board as compliant with the Listing Prospectus;
 - are offered, allotted or shall be allotted in connection with a merger if the issuer provides a document deemed by the Regulatory Board as compliant with the Listing Prospectus;
 - are offered, allotted or shall be allotted to existing holders of securities free of charge along with dividends in the form of securities from the same class as the securities for which the dividends are distributed, provided that the securities already listed belong to the same class of securities and the issuer provides a document which shows the amount and class of the securities as well as the reasons for and the details of the offer; or
 - are offered, allotted or shall be allotted by the issuer or an associated company to actual or former members of the board of directors as well as the management or to employees, provided that the securities already listed belong to the same class of securities and the issuer provides a document that shows the amount and class of the securities as well as the reasons for and the details of the offer.

Foreign Issuers

An important specific exemption rule applies to foreign issuers. For details, please see Section 7 above.

17. Offering Securities for Resale and Secondary Trading: Further Requirements and Exemptions

Dealer License

Persons who, in a professional capacity, deal with securities on the secondary market are required to obtain a securities dealer license from the FINMA (see Section 5 above). As a rule, securities dealers must (i) record all orders received and all trades executed on and off exchange in a journal and (ii) report to the SIX Swiss Exchange all transactions conducted in Switzerland concerning securities admitted for trading on a Swiss exchange (Articles 1 *et seq.* SESTO-FINMA).

Secondary Trading

Apart from the requirements for Listing Prospectuses discussed in Section 14 above, there are no prospectus and disclosure requirements concerning the sale of securities in a secondary trading transaction.

18. Continuing Disclosure Requirements and Supplementary/Replacement Prospectuses

Supplementary Prospectus

The only supplementary/replacement prospectus requirement applies if material changes have occurred between the publication of the prospectus and the first trading day.

Other continuing disclosure requirements regarding the prospectus do not exist. With respect to continuing disclosure in general under Swiss law, please see Section 9 above.

19. Special Cases: Employee Share Schemes

No Listing Prospectus

Pursuant to the SIX Swiss Exchange Listing Rules, no Listing Prospectus is required if equity securities are allotted to employees, provided that equity securities of the same class are already listed (see Section 16 above). Such provision does not, however, exempt the issuer from publishing an Issue Prospectus if the allotment qualifies as a public offer as defined by the CO (see Article 652a(2) CO and Section 14 above).

Swiss companies may provide in their articles of incorporation for a so-called conditional share capital in favour of their employees. Under such a mechanism, the share capital of the company is automatically increased if the employees exercise stock options granted to them (cf. Articles 653 *et seq.* CO). Further, the general shareholders' meeting may cancel the advance subscription rights of the shareholders for new shares if such new shares are allotted to employees (Article 652b(2) CO; see also below).

Taxation

There are only very limited tax incentives for employee share schemes.

20. Special Cases: Rights Issues

Advance Subscription Rights

Swiss company law provides that, at the occasion of a capital increase, the existing shareholders are entitled to acquire a portion of the new shares that corresponds to their prior participation (Article 652b(1) CO). This advance subscription right is intended to protect the existing shareholders as their respective interest in the company remains the same before and after the capital increase. Advance subscription rights are usually negotiable so that shareholders who do not wish to participate in a capital increase are in the position to sell their rights to third parties and thereby realize a profit.

Cancellation of Advance Subscription Rights

Under specific circumstances, there is a need to sell or convey new shares to persons other than existing shareholders, most typically in takeover transactions where new shares are used to acquire the target company. For such and similar situations, Article 652b(2) CO provides for the possibility of cancelling the advance subscription rights of the shareholders prior to the capital increase, provided, however, that no one unfairly benefits from or is disadvantaged by such a cancellation. The respective resolution has to be approved by a general shareholders' meeting by a majority of at least two-thirds of the votes represented and the absolute majority of the par value of the shares represented (Article 704(1)(6) CO).

21. Special Cases: Takeovers

Introduction

The SESTA (Articles 22 to 32) and its implementing ordinances (Articles 54 and 55 SESTO; Articles 28 to 45 SESTO-FINMA; TOB-Ordinance *passim*) contain detailed provisions on public takeovers of companies that are incorporated (or deemed to be incorporated) in Switzerland and whose equity securities are, in whole or in part, listed on a Swiss exchange.

Offer: Review and Publication

Pursuant to such provisions, the bidder has to submit for review the public takeover offer to an auditor recognized by the FINMA or a securities dealer, who then gives an opinion on whether the offer conforms to the SESTA and the implementing provisions. Subsequently, the bidder has to publish the offer in both a prospectus and one German-speaking and one French-speaking Swiss newspaper of national coverage, and in at least two electronic media disseminating stock exchange information. On the same day, the prospectus has to be submitted to the Swiss Takeover Board.

Preliminary Announcement

In practice, bidders often make use of the so-called 'preliminary announcement' of the offer. This enables them to accelerate the offer process and thereby put additional pressure on the target company.

After the publication of the offer and a grace period of ten days, the offer has to remain open for at least ten, and a maximum of forty, stock exchange days. This time limit may be reduced by the Takeover Board upon request if (i) the bidder already owns the majority of the target's voting rights prior to the publication of the offer, and (ii) the report of the target company's board of directors is included in the bidder's prospectus.

Supplemental Period

After the expiration of the offer period, the bidder has to declare whether the offer was successful. In case of a successful offer, the bidder has to grant a supplemental period of ten stock exchange days during which additional shareholders may accept the offer under the same terms and conditions existing during the offer period. After the expiration of the additional period, the offer has to be completed within another ten stock exchange days.

Squeeze-Out

Provided a bidder holds ninety-eight percent (98%) or more of the voting rights of the target subsequently to the completion of an offer, he may apply for a court decision cancelling the remaining equity securities of the target. The request must be made within three (3) months after expiration of the offer's acceptance period.

Further Duties

As to the offer itself, the bidder has to make sure that all shareholders belonging to the same category are treated equally and that the information provided is accurate and complete. Further, the offer may be conditional, as long as the fulfilment of the conditions does not depend solely upon the bidder's will, and finally, the offer may be amended if such amendment is favourable for the shareholders.

Target Company

As to the target company, the SESTA and the relevant ordinances contain various regulations on defensive measures and on the duties of the board of directors. For example, the board of directors has to publish a report stating its position on the offer. Further, this report has to contain accurate and complete information to enable the shareholders to make a fully informed decision. Moreover, the board of directors is prohibited, as of the day of the publication of the bid, from adopting resolutions that would significantly alter the assets or liabilities of the target company, except where the general shareholders' meeting, prior to or after the publication of the bid, has authorized the board of directors to implement such measures.

22. Other Matters

Anti-Money Laundering

Securities transactions may be subject to various provisions dealing with money laundering. Such provisions are contained, among others, in the Money Laundering Law of 10 October 1997, the FINMA Money Laundering Ordinance of 8 December 2010, and the Agreement on the Swiss Banks' Code of Conduct with Regard to the Exercise of Due Diligence between the Swiss Bankers Association and the signatory banks of 7 April 2008.

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