

## Media Release

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### SIX Exchange Regulation

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### **The SIX Swiss Exchange Sanction Commission penalises Zwahlen & Mayr S.A.**

**On 24 July 2009, the Sanction Commission imposed a CHF 10,000 fine against Zwahlen & Mayr S.A. for its failure to enforce that members of the Management Committee and of the Board of Directors, trading in equity securities of Zwahlen & Mayr S.A., notify it within the period set by the Listing Rules.**

The Sanction Commission noted that Zwahlen & Mayr S.A. (Zwahlen & Mayr) breached the provisions of the Listing Rules (LR) imposing obligations on issuers in relation to disclose their managers' transactions.

In the case at hand, the Sanction Commission found that Zwahlen & Mayr had not declared transactions which had been executed, by way of a complex legal structure involving several companies and a trust, by two members of its Board of Directors. The economic beneficiary of this structure is an Italian family to which the two Board members belonged. The Sanction Commission points out that this family's indirect control of the company Zwahlen & Mayr had already been established by the Takeover Board.

The Sanction Commission explained that it was "undeniable" that these Board members had "exercised a decisive influence on the decision to execute the transactions".

Before admitting the violation of the Listing Rules, Zwahlen & Mayr had asserted that the members of the Management Committee and of the Board of Directors had been informed of their obligations both orally and by email. However, the Sanction Commission notes that "it is evident from the case that the employees of Zwahlen & Mayr assigned with the enforcement of the duty to notify were not familiar with the provisions applying to indirect holdings by managers".

In its rendition the Sanction Commission has also taken into account the imposition of earlier sanctions against Zwahlen & Mayr, by reason of which "the stock exchange might expect Zwahlen & Mayr to actually do all in its power to

become familiar with, and strictly apply, the standards required by the Listing Rules”.

No complaint against this decision has been filed with the SIX Swiss Exchange Court of Arbitration.

Any transactions on the part of the members of the Board of Directors, or of the Management Committee, of an issuer over and above the CHF 100,000 threshold in the course of a calendar month must be notified by the issuer to SIX Exchange Regulation within two trading days of the announcement being received. Such announcements shall then be published on the SIX Exchange Regulation website. No more than four trading days may elapse between the point in time the relevant binding transaction is concluded and that on which the information is transmitted to SIX Exchange Regulation.

Disclosure of management transactions improves information flow to investors, thereby promoting market transparency and the equal treatment of market participants. It also discourages insider trading and so helps maintain the integrity of the capital market.

Information on provisions regarding the disclosure of management transactions is available at:

[http://www.six-exchange-regulation.com/duties/management\\_transactions\\_en.html](http://www.six-exchange-regulation.com/duties/management_transactions_en.html)

Management Transactions that have been published may be viewed at the following website address:

[http://www.six-exchange-regulation.com/duties/management\\_transactions/notifications\\_en.html](http://www.six-exchange-regulation.com/duties/management_transactions/notifications_en.html)

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### **SIX Exchange Regulation**

SIX Exchange Regulation performs the functions assigned under Swiss federal law and enforces and monitors compliance with the rules laid down by the Regulatory Board. SIX Exchange Regulation imposes sanctions in so far as it is authorised to do so by the regulations, or submits sanction requests to SIX Swiss Exchange's Sanction Commission.

SIX Exchange Regulation's independence from SIX Swiss Exchange's operating business is guaranteed by its direct subordination to the Chairman of the Board of Directors of SIX Group. SIX Exchange Regulation consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement monitoring trading.

**Sanction Commission**

The Sanction Commission can impose sanctions on natural and legal persons who/which are subject to the General Conditions of SIX Swiss Exchange, the Listing Rules and the Additional Rules. It is composed of between five and eleven members. The Chairman of the Sanction Commission and half of its members are elected by the Regulatory Board, with the remaining members appointed by the Board of Directors of SIX Group Ltd.