

## Media release

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10.4.2008

### **Elma Electronic AG and SWX Swiss Exchange reach an agreement**

**The SWX Swiss Exchange has reached an agreement with Elma Electronic AG in connection with violations of the time limit for disclosing management transactions pursuant to Art. 74a of the Listing Rules. Under the terms of the agreement, Elma Electronic AG undertakes to train the persons responsible for reporting management transactions. The company will also provide the members of the Board of Directors and Executive Board with regular information and instruction about their obligations in relation to the disclosure of management transactions. The company will make a report thereof for the attention of SWX.**

Under Art. 74a of the Listing Rules, issuers must ensure that persons subject to the reporting requirement (members of the board of directors and the management board) report all transactions to the issuer on the second Exchange day after the transaction date at the latest. Subsequently, the issuer has to submit the reports to the SWX within the deadlines laid down in Art. 74a paras. 3 and 4 of the Listing Rules.

The purpose of the disclosure of management transactions is to provide market participants as rapidly as possible with information on transactions executed by the management of listed companies.

Owing to its wrong application of margin note 20 of the Directive on the Disclosure of Management Transactions (MTD), Elma Electronic AG failed to comply with the deadlines laid down in Art. 74a paras. 3 and 4 of the Listing Rules when reporting sales of shares that immediately followed the exercise of staff share options ("exercise and sell" transactions) to the SWX.

Margin note 20 MTD grants an exception from the reporting obligation in respect of the allotment of staff share options, provided the allotment has a basis in the employment contract or is part of a remuneration package, and the subject of the reporting obligation does not have any choice in the matter. However, this exception does not cover the sale of shares acquired through the exercise of those options.

Elma Electronic AG's incorrect application of the corresponding rule resulted in the late reporting of more than 20 exercise and sell transactions made between 30 November 2006 and 12 November 2007 by a total of seven executive members of the Board of Directors / members of the Executive Board.

The sums involved in those transactions ranged from CHF 1,240 to CHF 240,000, and in several cases exceeded the CHF 100,000 per calendar month threshold. As such, some of those transactions should have been submitted to the SWX within four trading days as individual notifications for publication. In those cases in which the threshold was not exceeded, non-publishable omnibus notifications should have been submitted by the fourth trading day after the end of the calendar month. However, the SWX did not receive any notification until 19 November 2007.

Furthermore, several months late in some cases, Elma Electronic AG corrected a number of unpublished omnibus notifications to published individual notifications because the CHF 100,000 threshold was exceeded for each subject and each calendar month.

Under the terms of the agreement, Elma Electronic AG has undertaken to train those persons responsible for the reporting of management transactions. Furthermore, for a period of at least three years it will provide the members of the Board of Directors and the Executive Board with annual information and instruction about their obligations in relation to the disclosure of management transactions. Finally, the SWX and Elma Electronic AG agreed that the company will document the fulfilment of its obligations and subsequently submit these documents to the SWX.

The SWX Rules of Procedure permit investigations to be concluded with an agreement, if this would allow the public to be informed more rapidly or more fully than would be the case with sanction proceedings concluded in the regular manner. The agreement considers several factors including, for example, any proactive measures on the part of the company to investigate and rectify the infringement of rules, or whether it might have discovered the infringement itself and brought it to the attention of the SWX, as was the case in this instance.

Information on provisions regarding the disclosure of management transactions is available at:  
[http://www.swx.com/admission/being\\_public/management\\_transactions\\_en.html](http://www.swx.com/admission/being_public/management_transactions_en.html)

Published management transactions are available on the SWX website at:  
[http://www.swx.com/admission/being\\_public/mtrans/publication\\_en.html](http://www.swx.com/admission/being_public/mtrans/publication_en.html)

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#### **SWX Swiss Exchange**

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