

VIA CFTC PORTAL

May 21, 2024

Mr. Christopher Kirkpatrick
Commodity Futures Trading Commission
1155 21st Street NW
Three Lafayette Centre
Washington, DC 20581

LCH Limited Self-Certification: Benchmark Reform – CAD CDOR Conversion

Dear Mr. Kirkpatrick,

Pursuant to Commodity Futures Trading Commission (“CFTC”) Regulation §40.6(a), LCH Limited (“LCH”), a derivatives clearing organization registered with the CFTC, is submitting for self-certification revisions to its rules related to the CAD Canadian Dollar Offered Rate (“CDOR”) conversion for benchmark reform (the “Proposed Rule Change”).

Part I: Explanation and Analysis

On May 16, 2022, Refinitiv Benchmark Services (UK) Limited (“RBSL”), CDOR’s regulated benchmark administrator, announced the cessation of the publication of all tenors of CDOR after June 28, 2024. At the same time, the Ontario Securities Commission and the Quebec Autorité des Marchés Financiers issued decisions authorizing RBSL to cease the publication of CDOR, and the International Swaps and Derivatives Association (“ISDA”) confirmed that such announcement constituted an index cessation event under the ISDA IBOR Fallbacks Supplement and Fallback Protocol.

Following the success of previous conversion events, LCH will be running a conversion approach for Clearing Member contracts linked to CAD CDOR into the Canadian Overnight Repo Rate Average (“CORRA”) ahead of the cessation date and not allowing the fallbacks to become operational in the context of LCH-cleared swaps. As part of this initiative, LCH is revising its rules to provide for the retirement of CDOR.

To facilitate the conversion of swaps referencing CDOR to CORRA, currently scheduled to take place on Saturday, June 8, 2024, LCH is revising its rules to provide for the retirement of CDOR. Specifically, LCH is revising Section 2C (SwapClear Clearing Service) of the LCH Procedures and Section 2.1 (SwapClear) of the LCH FCM Procedures (jointly, the “Procedures”). LCH also will be removing eligibility for certain cleared swaps referencing CAD CDOR concurrently and will reflect such changes in the LCH Product Specific Contract Terms and Eligibility Manual and FCM Product Specific Contract Terms and Eligibility Manual.

In most respects, LCH’s conversion processes align with and rely on the fallback methodologies published by ISDA through Supplement 70 to the 2006 ISDA Definitions and the equivalent provisions in the 2021 ISDA Definitions (jointly the “ISDA Fallbacks”), which have been incorporated in all

SwapClear Contracts (including for the purposes of this self-certification, FCM SwapClear Contracts) prior to the conversion date.

Furthermore, LCH is making changes to the structure of its rules to enable it to publish a notice to clearing members regarding a conversion event, rather than including a new rulebook annex for each such event. Specifically, LCH is revising Regulation 1 (Definitions), Regulation 44 (Alteration of Regulations and the Procedures), Regulation 60B (Changes to Certain Interest Rates in the SwapClear Service) and Regulation 60C (LIBOR and EONIA Conversion Provisions) of the General Regulations of LCH Limited, and Regulation 1 (Definitions), Regulation 36 (Alteration of FCM Regulations and the FCM Procedures), Regulation 48A (Changes to Certain Interest Rates in the SwapClear Service) and Regulation 48B (LIBOR and EONIA Conversion Provisions) of the FCM Regulations of LCH Limited (jointly, the “Regulations”).

Part II: Description of the Rule Changes

Procedures:

The following is a summary of the revisions to be made to the Procedures.

CAD CDOR SwapClear Contracts

On the conversion date (June 8, 2024), LCH will amend CAD CDOR Contracts such that the floating rate reference to CAD CDOR will instead refer to CORRA and will calculate the value of the converted SwapClear Contracts both prior to and following the conversion. A compensation payment will be called or paid on an account-by-account basis (House or Client) to compensate for this change in value.

In order to effect the conversion process, and due to certain systems limitations that restrict cleared contracts from having different Floating Rate Options for different periods of that contract, LCH will be required to make a number of operational bookings within the SwapClear system. These will not result in the registration of a new SwapClear Contract, unless a post conversion process, such as compression, is successfully effected with respect to those operational bookings.

CAD CDOR SwapClear Contracts will no longer be eligible for clearing from the relevant conversion date.

Product Specific Contract Terms and Eligibility Criteria Manual:

In connection with the changes described above, LCH will be removing eligibility for certain cleared swaps at the same time, namely:

- CAD-CDOR vs Fixed IRS;
- CAD-CDOR VNS;
- CAD-CDOR ZCS;
- CAD-CDOR/CDOR basis swaps; and
- CAD-CDOR/CORRA basis swaps.

Regulations:

LCH is amending the structure of its rules to enable it to publish a notice to clearing members regarding a conversion event, rather than including a new rulebook annex for each such event. To effect this change, LCH will amend the definition of “Rate Change Notice” to mean a written notice delivered by LCH via one or more member circulars setting forth the terms of changes LCH may make to certain interest rates and benchmarks in the SwapClear service in connection with the transition from interbank offered rates to alternative, overnight risk-free rates.

LCH will also remove the defined term “Rate Change Annex” and associated references. This term will no longer apply, as LCH will publish a Rate Change Notice to clearing members describing changes to certain interest rates and benchmarks in the SwapClear service, rather than add a new rulebook annex.

Finally, LCH is making clarifying changes with respect to its liability in connection with the Regulations, the Procedures, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by LCH. LCH will also make other clarifying and conforming changes to the Regulations following the changes described herein.

The changes to the rules are included as **Appendices I – VI** in blackline form. Also attached as **Appendix VII** is the Rate Change Notice for the Conversion from CAD-CDOR to CAD-CORRA-OIS Compound. The changes to the rules will be effective not earlier than June 7, 2024.

Part III: Core Principles Compliance

LCH reviewed the Proposed Rule Change against the requirements of the Core Principles and finds it will continue to comply with all requirements and standards set forth therein. Specifically, this rule change has potential relevance to Core Principle C (Participant and Product Eligibility) and Core Principle L (Public Information).

The changes described in this filing ensure that LCH meets the objectives of Core Principle C, including that LCH have appropriate requirements for determining the eligibility of agreements, contracts, or transactions submitted for clearing, taking into account LCH’s ability to manage the risks associated with such agreements, contracts, or transactions. The changes described in this filing provide for LCH’s ability to amend, maintain, and risk manage SwapClear contracts referencing CAD CDOR during the benchmark reform process. Core Principle C also requires LCH to have rules providing that all swaps with the same terms and conditions established under LCH’s rules are economically equivalent and may be offset with each other. These rule changes provide for the maintenance of such economic equivalence throughout the conversion.

LCH considered its product eligibility requirements, specifically those related to the maintenance of product terms and conditions, and determined that the changes discussed in this filing will not impact LCH’s compliance with Core Principle C. As a result, LCH believes these changes are consistent with the requirements of Core Principle C on Participant and Product Eligibility under CFTC regulation §39.12.

The changes described in this filing also ensure that LCH meets the objectives of Core Principle L, including that, in addition to the specified requirements of §39.21, LCH make available any information



that is relevant to participation in the clearing and settlement activities of LCH. LCH considered its public information requirements and believes including rules related to these contract conversions in its publicly available Regulations and Procedures maintains its compliance with Core Principle L. As a result, LCH believes these changes are consistent with the requirements of Core Principle L on Public Information under CFTC regulation §39.21.

Part IV: Public Information

LCH has posted a notice of pending certification with the CFTC and a copy of the submission on LCH's website at: <https://www.lch.com/resources/rulebooks/proposed-rule-changes>.

Part V: Opposing Views

There were no opposing views expressed to LCH by governing board or committee members, members of LCH or market participants that were not incorporated into this proposal.

Certification

LCH hereby certifies to the CFTC, pursuant to the procedures set forth in CFTC Regulation §40.6, that the attached submission complies with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Should you have any questions, please contact me at ryan.hajen@lseg.com.

Yours sincerely,

Ryan Hajen

Ryan Hajen
Senior Compliance Manager
LCH Limited



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TRADE

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Appendix I

Section 2C (SwapClear Clearing Service) of the LCH Procedures
Changed Pages

LCH LIMITED
PROCEDURES SECTION 2C
SWAPCLEAR CLEARING SERVICE

1.11 Intra-Day Margin Call: Collateral Management

The methods for covering intra-day margin calls are set out in Section 1.11 of Procedure 4 (*Margin and Collateral*).

1.12 Price Alignment Interest (PAI) and Price Alignment Amount Rate

The calculation of PAI and Price Alignment Amount shall use the applicable interest rate specified and published on the Clearing House's website.

The Clearing House shall not change the interest rates used for the calculation of PAI and Price Alignment Amount in respect of USD, EUR, GBP, JPY and CHF without the consent of all SwapClear Clearing Members holding open SwapClear Contracts in such currencies.

Notwithstanding the foregoing, in the event the interest rate source used for the calculation of PAI or Price Alignment Amount for USD, EUR, GBP, JPY or CHF (i) is unavailable (including where such rate ceases, or will cease, to be provided by its administrators), (ii) is not sufficiently robust, (iii) is not fit for purpose or (iv) has materially changed, in each case as determined in the Clearing House's sole discretion, the Clearing House may use an alternative interest rate without the consent of such SwapClear Clearing Members.

If the Clearing House chooses an alternative interest rate for the purposes of calculating PAI and Price Alignment Amount pursuant to Section 1.12, it shall notify all SwapClear Clearing Members in writing ~~by delivering a Rate Change Notice~~.

1.13 Defaulting SCM Client

1.13.1 If at any time an early termination date (howsoever described) occurs in respect of one or more of the transactions between a SwapClear Clearing Member and a SwapClear Clearing Client (a "**Defaulting SCM Client**") in respect of which such SwapClear Clearing Member (i) is a party to Related SwapClear Contracts and (ii) at the time of such early termination date, is not a Defaulting SCM, that SwapClear Clearing Member may instruct the Clearing House to transfer:

- (a) the relevant Related SwapClear Contracts and/or New Contracts from its Client Account to its Proprietary Account or the Proprietary Account of another SwapClear Clearing Member or FCM Clearing Member; or
- (b) a SwapClear Contract from its Proprietary Account or the Proprietary Account of another SwapClear Clearing Member or FCM Clearing Member to its Client Account relating to the Defaulting SCM Client,

provided that the following conditions precedent are met (in addition to any generally applicable provisions of the Rulebook): neither the SwapClear Clearing Member nor any SwapClear Clearing Member or FCM Clearing Member to or from which the SwapClear Contracts are being transferred pursuant to this Section 1.13.1 is a Defaulter.

and in accordance with such other conditions or provisions as the Clearing House may from time to time provide or require generally or in relation to any specific request.

1.34 Actions in Respect of an FCM Client Default

Following an FCM Client Default (as defined in the FCM Regulations) and in connection with a request from an FCM Clearing Member to the Clearing House to transfer one or more FCM SwapClear Contracts (including those submitted for registration pursuant to Section 2.1.13(c) of the FCM Procedures) from (i) a Defaulting FCM Client's FCM Client Sub-Account or (ii) an FCM Clearing Member's Proprietary Account to the Proprietary Account of a SwapClear Clearing Member, such SwapClear Clearing Member shall transfer (or make available) required margin into its Proprietary Account.

2. PORTFOLIO MARGINING SERVICE

2.1 Introduction

~~The Portfolio Margining Service is an optional service which provides Joint Rates Service Clearing Members portfolio margining functionality in respect of pairs of accounts which are held in the SwapClear and Listed Interest Rates Services by transferring Eligible Listed Interest Rates Contracts between accounts in each Service.~~

~~A Joint Rates Service Clearing Member must opt in to the Portfolio Margining Service in accordance with the procedure set out in paragraph 2.2 below and meet the PM Eligibility Criteria (as defined below) in order to benefit from the portfolio margining functionality provided by the service. However it should be noted that, regardless of whether or not a Joint Rates Service Clearing Member opts in, the SwapClear Service and Listed Interest Rates Service share a common default fund. Accordingly, the risk profile of participating in either one of such Services may be impacted by other Clearing Members participating in the other such Service whether or not as a Portfolio Margining Clearing Member. In particular, the resources of a Clearing Member that is a member of the SwapClear Service and the Listed Interest Rates Service will be made available to cover the Clearing House's losses in a different manner to those of a Clearing Member that is only a member of one of those Services, regardless of whether that Clearing Member opts in to the Portfolio Margining Service. SwapClear Clearing Members should therefore familiarise themselves with the provisions of the Rulebook (including, but not limited to, the Default Rules).~~

2.2 Opt In Procedure

2.2.1 Portfolio Margining Clearing Member Status

~~A Joint Rates Service Clearing Member wishing to opt in to the Portfolio Margining Service in respect of a pair of its accounts – one in the SwapClear Service (the "SwapClear Nominated Account") and the other account in a Listed Interest Rates Service (the "Listed Interest Rates Nominated Account" and together the "Nominated Accounts") – must submit a written request to the Clearing House, using the appropriate form which can be obtained from the Clearing House's Membership team (a "Portfolio~~

~~**Margining Request**~~). For the avoidance of doubt, the Joint Rates Service Clearing Member must submit a further Portfolio Margining Request when it wishes the Portfolio Margining Service to apply in respect of additional Nominated Accounts.

~~2.2.2 Assessment of the Portfolio Margining Request~~

Upon receipt of a Portfolio Margining Request, the Clearing House will assess whether (i) the eligibility criteria set out at paragraph 2.3 below (the "**PM Eligibility Criteria**") are met and (ii) the Nominated Accounts meet the eligibility criteria set out in paragraph 2.4 below (hereinafter Nominated Accounts which meet such eligibility criteria will be referred to as either a "**SwapClear Eligible Account**" or a "**Listed Interest Rates Eligible Account**", as applicable, and, together, the "**Eligible Accounts**").

The Joint Rates Service Clearing Member will provide such information to the Clearing House as the Clearing House may, in its absolute discretion, request, including such information as is required to enable the Clearing House to make the necessary assessments in respect of a Portfolio Margining Request.

~~2.2.3 Activation of the Portfolio Margining Service in respect of the Nominated Accounts~~

Following a determination by the Clearing House that the (i) relevant PM Eligibility Criteria are met and (ii) the Nominated Accounts constitute Eligible Accounts, the Clearing House shall:

- ~~(i) notify the Joint Rates Service Clearing Member that it is a Portfolio Margining Clearing Member; and~~
- ~~(ii) activate the Portfolio Margining Arrangements in respect of the Nominated Accounts.~~

The Clearing House will endeavour to activate the Portfolio Margining Arrangements within 5 business days following the determination by the Clearing House that (i) the relevant PM Eligibility Criteria are met and (ii) the Nominated Accounts constitute Eligible Accounts, but owes no duty or obligation to the Portfolio Margining Clearing Member to do so.

Furthermore, notwithstanding the foregoing, the Clearing House may, in its sole discretion, refuse to provide the Portfolio Margining Service (i) to a Joint Rates Service Clearing Member (whether opted in or not) or (ii) in respect of the Nominated Accounts, where it considers it appropriate to do so.

~~2.2.4 Opt-Out Procedure~~

In the event that a Portfolio Margining Clearing Member wishes to terminate the Portfolio Margining Service in respect of certain Nominated Accounts, it may do so by giving written notice to the Clearing House. The Portfolio Margining Clearing Member shall identify clearly the Nominated Accounts to which the termination is intended to apply.

~~The termination shall become effective on the date on which the Clearing House confirms to the relevant Portfolio Margining Clearing Member that the Portfolio Margining Service has been terminated in respect of the relevant Nominated Accounts. In this regard, the Clearing House will endeavour to terminate the Portfolio Margining Arrangements within 5 business days following receipt of written notice from the Portfolio Margining Clearing Member, but owes no duty or obligation to the relevant SwapClear Clearing Member to do so.~~

~~In order to prevent abuse of the Portfolio Margining Service, following the termination of the Portfolio Margining Service in respect of certain Nominated Accounts, a Portfolio Margining Clearing Member will not be entitled to submit a Portfolio Margining Request in respect of the same Nominated Accounts for a period of 30 calendar days following termination of the Portfolio Margining Service in respect of such Nominated Accounts.~~

~~2.3 PM Eligibility Criteria~~

~~2.3.1 Joint Rates Service Clearing Member~~

~~The SwapClear Clearing Member must also be a Listed Interest Rates Clearing Member (i.e., a Joint Rates Service Clearing Member).~~

~~2.3.2 Client Consent~~

~~Where the Nominated Accounts are Client Accounts, the Joint Rates Service Clearing Member must confirm to the Clearing House (in the form of a written representation) that the relevant Clearing Client(s) have provided their consent to the operation of the Portfolio Margining Arrangements in respect of the relevant Client Accounts.~~

~~2.3.3 Recent Termination~~

~~Portfolio Margining Arrangements in respect of the Nominated Accounts have not, in the last 30 calendar days, been terminated in accordance with paragraph 2.2.5 above.~~

~~2.4 Eligible Accounts~~

~~2.4.1 Proprietary and Client Accounts~~

~~In order to be eligible for the Portfolio Margining Service, each of the Nominated Accounts must be either:~~

- ~~(i) Proprietary Accounts which each reference the same legal entity; or~~
- ~~(ii) Client Accounts which reference the same legal entity as the underlying Clearing Client(s) and meet the criteria set out in paragraph 2.4.2 below.~~

~~It is not possible to apply the Portfolio Margining Arrangements across a Proprietary Account and a Client Account.~~

~~2.4.2 Additional Eligibility Criteria in respect of Client Accounts~~

~~The Nominated Accounts must fall into one of the following pairings:~~

- ~~(i) Individual Segregated Accounts held on behalf of the same Individual Segregated Account Clearing Client;~~
- ~~(ii) the relevant Omnibus Gross Segregated Sub Accounts each of which is held on behalf of the same Omnibus Gross Segregated Clearing Client;~~
- ~~(iii) an Individual Segregated Account held on behalf of an Individual Segregated Account Clearing Client and the relevant Omnibus Gross Segregated Sub Account held on behalf of that Clearing Client;~~
- ~~(iv) a Custodial Segregated Account held on behalf of a Custodial Segregated Client and an Individual Segregated Account held on behalf of that Clearing Client; or~~
- ~~(v) a Custodial Segregated Account held on behalf of a Custodial Segregated Client and the relevant Omnibus Gross Segregated Sub Account held on behalf of that Clearing Client.~~

~~2.5 Portfolio Margining Arrangements~~

~~2.5.1 Portfolio Margining Calculation Tool~~

~~The Clearing House has developed a risk management tool which identifies portfolio margining opportunities as between SwapClear Contracts held in accounts in a SwapClear Eligible Account and Eligible Listed Interest Rates Contracts held in the paired Listed Interest Rates Eligible Account (the "Portfolio Margining Calculation Tool"). Portfolio Margining Clearing Members will receive certain information in relation to the operation of the Portfolio Margining Service, as described in more detail in paragraph 2.6 below.~~

~~A list of Eligible Listed Interest Rates Contracts is set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time.~~

~~2.5.2 Portfolio Margining Process~~

~~2.5.2.1 At a predetermined time following the close of the relevant Listed Interest Rates Service on each business day, the Clearing House will run the Portfolio Margining Calculation Tool. The Portfolio Margining Calculation Tool will identify, in respect of each pair of Eligible Accounts, any off setting positions between SwapClear Contracts and Eligible Listed Interest Rates Contracts including any eligible Listed~~

~~Interest Rate Contracts that are Portfolio Margined Contracts (the "Identified Off-Setting Listed Interest Rates Contracts").~~

~~2.5.2.2 The Portfolio Margining Calculation Tool is a risk management tool which is not designed to provide Portfolio Margining Clearing Members with optimal margining treatment or reduce margin calls. Accordingly, the Clearing House makes no representations or assurances as to the impact of the Portfolio Margining Calculation Tool on the Portfolio Margining Clearing Member's margin calls. The Clearing House accepts no liability in respect of the operation of the Portfolio Margining Service of the Portfolio Margining Calculation Tool. The provision and operation of the Portfolio Margining Calculation Tool is subject to Regulation 52.~~

~~2.5.3 Transfer of Identified Off-Setting Listed Interest Rates Contracts~~

~~Once identified in accordance with paragraph 2.5.2.1 above:~~

- ~~(i) any Identified Off-Setting Listed Interest Rates Contracts which are not Portfolio Margined Contracts will be transferred from the relevant Listed Interest Rates Eligible Account to the paired SwapClear Eligible Account, at which point they will become Portfolio Margined Contracts;~~
- ~~(ii) any Portfolio Margined Contracts that are not identified as Identified Off-Setting Listed Interest Rates Contracts as part of the relevant cycle, will be transferred from the relevant SwapClear Eligible Account to the paired Listed Interest Rates Nominated Account, at which point they will cease to be Portfolio Margined Contracts; and~~
- ~~(iii) the Clearing House's records will evidence the time of the transfers referred to in (i) and (ii) above.~~

~~2.5.4 Treatment of Portfolio Margined Contracts in the SwapClear Eligible Account~~

~~2.5.4.1 General~~

~~Portfolio Margined Contracts will continue to be treated as Listed Interest Rate Contracts. For the avoidance of doubt, the payment of variation margin in respect of Portfolio Margined Contracts shall continue to represent a daily settlement amount as opposed to a collateralisation amount.~~

~~2.5.4.2 Compression~~

~~For the avoidance of doubt, Portfolio Margined Contracts are not eligible for compression runs.~~

~~2.5.4.3 Transfer~~

~~Portfolio Margined Contracts and associated off-setting SwapClear Contracts are not eligible for transfer. A Joint Rates Service Clearing Member that wishes to transfer a Portfolio Margined Contract and associated off-setting~~

~~SwapClear Contract must reverse the Portfolio Margining Process for such Contracts prior to, and as a precondition to, the transfer of such Contracts.~~

2.6 Portfolio Margining Reports

~~The Clearing House will provide each Portfolio Margining Clearing Member with details of the transfers referred to in paragraph 2.5.3(i) and (ii) above once each business day.~~

SCHEDULE 1
CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN THE
DEFAULT MANAGEMENT GROUP

1. Definitions

- ~~1.1 "Confidential Material" means data (including but not limited to portfolio data) and documents, which are not in the public domain and which are disclosed to the SCM, its associated companies and advisers, or to which the SCM, its associated companies and advisers obtains or otherwise has access as a result of participation in the Rates Service DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the SCM).~~
- ~~1.2 "DMG Member" means an individual appointed by a Nominating SCM.~~
- ~~1.3 "Nominating SCM" means a SwapClear Member who, through their obligations under the Rates Service DMP, makes available a representative to serve on the DMG.~~
- ~~1.4 "Permitted Purpose" means proper fulfilment by the SCM of its duties under the Rates Service DMP and includes, after the completion of the Auction, the use by the SCM, its associated companies and advisers (to be determined by it at its discretion) of any data or documents related to portfolios successfully won through the Auction for the purposes of its own ongoing portfolio management and to enable it to comply with ongoing legal or regulatory requirements.~~
- ~~1.5 References denoting the masculine (including "his" and "he") shall be construed as the feminine if the DMG Member is female.~~
- ~~1.6 All other terms have the meaning ascribed to them in the Default Rules (including the Rates Service DMP Annex).~~

Confidentiality and Non-Disclosure: General Obligations of the SCM

2. Confidentiality

- ~~2.1 The SCM agrees that, in consideration of being given Confidential Material, it will keep all such Confidential Material in the strictest confidence, adhere to the provisions of this Agreement in respect thereof and, subject to Section 2.3, will not disclose it to any person without the prior written permission of the Managing Director, Risk of the Clearing House or a Director of Risk Management of the Clearing House, providing always that the SCM shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if:~~
- ~~2.1.1 it comes into the public domain other than through a breach by the SCM of this Agreement; or~~
- ~~2.1.2 the SCM is expressly obliged to do so by order of a court of competent jurisdiction upon the application of a third party, or as a result of any request to disclose such part or parts of the Confidential Material in connection with any inquiry or other request by a regulatory authority or self-regulatory authority asserting jurisdiction over the SCM.~~

- ~~2.2~~ The SCM further agrees that it will not use any Confidential Material for any purpose other than the Permitted Purpose. In this regard the SCM expressly acknowledges and agrees that the Confidential Material may contain commercially sensitive information which if used inappropriately or otherwise than in accordance with this Agreement might result in the gaining of an unfair commercial advantage by the SCM over other members of the Clearing House SwapClear Service.
- ~~2.3~~ Subject to paragraph 2.4, the SCM may disclose any Confidential Material to any of its employees, representatives, associated companies and advisers on a "strictly need to know" basis, in the event that any such person needs that Confidential Material for the Permitted Purpose (and to that extent only).
- ~~2.4~~ The SCM agrees to establish and adhere to adequate procedures (including, without limitation, the establishment of appropriate Chinese walls) to ensure that any employee or representative to whom any Confidential Material is disclosed shall not use any part or all of that Confidential Material for any proprietary purpose outside the scope of the Permitted Purpose.
- ~~2.5~~ This paragraph and the duties hereunder shall survive the termination of this Agreement and, in relation to any Confidential Material, shall expire on the second anniversary of the date the Confidential Material was first provided to the SCM.

3. Secrecy

- ~~3.1~~ Except in accordance with the terms of this Schedule, the SCM agrees that it shall treat as strictly confidential and shall not disclose or allow to be divulged to any person:
- ~~3.1.1 Confidential Material;~~
- ~~3.1.2~~ the fact that it has received any Confidential Material;
- ~~3.1.3~~ the existence of any discussions or negotiations between the parties in this matter;
- ~~3.1.4~~ details of the Permitted Purpose and any of the proposals, terms, conditions, facts or other matters relating to any of the forgoing. Subject only to the SCM being relieved of such an obligation because of the circumstances covered in paragraphs 2.1.1 and 2.1.2.

4. Property

~~The parties acknowledge that the property in the Confidential Material (or any part of it) shall not pass to the SCM or any SCM, and the property in the media on which it is conveyed to the receiving party shall not pass to the SCM or any SCM unless expressly so agreed by the Clearing House in writing.~~

5. Return of Confidential Material

~~Upon request by the Clearing House, and in any event upon fulfilment of the Permitted Purpose, the SCM shall promptly return to the Clearing House by a secure method of transportation all or any part of the Confidential Material and all copies thereof in its possession or control or that of its employees or representatives,~~

~~including all other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so **provided that** the SCM is permitted to retain copies of any Confidential Material which it requires as part of its portfolio management or otherwise for legal or regulatory reasons.~~

~~6. No Representations or Warranties; No Conflict of Interest~~

~~6.1 Subject to references made in paragraph 7, the Confidential Material is disclosed by the Clearing House without any representation or warranty whatsoever as to its accuracy or completeness or otherwise.~~

~~6.2 The Clearing House acknowledges and agrees that, subject to compliance with the terms of this Schedule by the SCM and any of its employees or representatives to whom Confidential Material is provided in accordance with this Schedule, the SCM's participation in the Rates Service DMP shall not prevent the SCM from carrying out any transaction, or otherwise providing investment services in respect of, investments that the SCM may subsequently learn are the subject of Confidential Material and, furthermore, the Clearing House agrees that it shall not be able to assert that the SCM has a conflict of interest in doing so nor shall the Clearing House have a claim or action in respect of the foregoing against the SCM or any of its directors, employees or other representatives.~~

~~7. Liability~~

~~7.1 Subject to Regulation 52 (*Exclusion of Liability*), the parties agree and acknowledge that neither the Clearing House nor any of its employees or representatives shall have any liability whatsoever to the SCM or any of employees or representatives, for any loss or damage of whatsoever kind howsoever arising directly or indirectly out of or in connection with the disclosed Confidential Material or its use.~~

~~7.2 The Clearing House accepts liability for any personal injury or death caused by the negligence of the Clearing House and any fraud or wilful default on the part of the Clearing House, for any actions that it may take on the basis of advice given to it by the DMG, and for the accuracy of the information (confidential material as defined in the Schedule to this Agreement) that it distributes to the SCM in connection with the Rates Service DMP.~~

~~7.3 Under no circumstances shall the Clearing House have any liability to the SCM for (a) any consequential loss or other indirect loss of whatsoever kind or (b) loss of anticipated profit (whether direct or indirect).~~

~~8. Remedies~~

~~Without affecting any other rights or remedies that the Clearing House may have, the SCM acknowledges that the Clearing House may be irreparably harmed by any breach of the terms of this Agreement and that damages alone may not necessarily be an adequate remedy. Accordingly, the Clearing House will be entitled to the remedies of injunction, specific performance and other equitable relief, or any combination of~~

these remedies, for any threatened or actual breach of its terms, and not proof of special damages will be necessary to enforce this Agreement.

9. Conflict of Interest

The SCM shall procure that, in the event that a DMG Member takes the view that a possible conflict of interest may arise with regard to any matter forming part of the business of the DMG, he shall promptly report his view to the Chairman of the DMG, who shall act accordingly, taking the advice of other DMG Members as appropriate.

10. Confidentiality

~~10.1 Subject to paragraph 10.3 below, the SCM shall procure that the DMG Member shall keep all Confidential Material strictly confidential to himself and will not disclose it to any person who is not a DMG Member (including, for the avoidance of doubt, the SCM who recommended his appointment to the DMG ("the Nominating SCM") or his employer (if different) or any other employee, adviser, officer or fellow worker of that SCM or his employer) without the prior written permission of the Managing Director, Risk of the Clearing House or his properly authorised delegate, providing always that the DMG Member shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if it comes into the public domain in the circumstances covered in paragraphs 2.1.1 and 2.1.2.~~

~~10.2 Subject to paragraph 10.3 below, the SCM shall procure that the DMG Member shall not use any Confidential Material for any purpose other than the proper fulfilment of his duties as a DMG Member.~~

~~10.3 The parties acknowledge that, in the event that a Default Notice is issued by the Clearing House in respect of any SwapClear Clearing Member, the DMG Member may be required by the Nominating SCM and/or his employer (if different) to provide certain services to the Clearing House in the management of the default. In such event, and only in such event, the parties acknowledge that the DMG Member shall be entitled to disclose any part or parts of the Confidential Material as may be agreed by the Clearing House, in such manner and form and in accordance with such procedures as may be prescribed by the Clearing House and/or the DMG with regard to the management of that default.~~

~~10.4 Upon request by the Clearing House, and in any event upon termination of the membership of the DMG Member of the DMG, the SCM shall procure that the DMG Member shall promptly return to the Clearing House by a secure method of transportation all or any part of the Confidential Material and all copies thereof in his possession or control, including all abstracts, notes, drawings and other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so, **provided that** the DMG Member is permitted to retain a copy thereof to comply with applicable legal or regulatory requirements.~~

11. Warranty and Representation

~~11.1 The SCM represents and warrants that it will procure that:~~

~~11.1.1~~ the Nominating SCM and the DMG Member's employer (if different) are aware of the obligations of confidentiality arising out of this Agreement; and

~~11.1.2~~ nothing in this Agreement will cause the DMG Member to breach any duty or obligation (whether arising pursuant to contract or otherwise) which he owes to the Nominating SCM or to his employer, if different, or any other contract counterparty of the DMG Member.

12. Antitrust

~~12.1~~ The SCM acknowledges that the DMG comprises representatives of competing companies and that antitrust law prohibits the sharing of competitively sensitive information as between competitors. The SCM shall procure that its DMG Member has been made aware of the relevant obligations under antitrust laws prior to attending any meetings or calls of the DMG.

~~12.2~~ The SCM shall procure that the DMG Member does not share any competitively sensitive information relating to the SCM with any other members of the DMG. In particular, the DMG Member should not:

~~12.2.1~~ enter into general business discussions about the SCM's business or ventures in which it has an interest, except where strictly necessary for the purposes of the DMG;

~~12.2.2~~ disclose or enter into discussions relating to the SCM's spreads, margins, commissions (paid or received), fee schedules, pricing policies, current or future margins, trading volumes or the SCM's customers;

~~12.2.3~~ disclose or enter into discussions relating to the SCM's future plans (such as new products or changes to trading arrangements, prospective clients, business opportunities or product development plans), strategic plans, or expansion plans; or

~~12.2.4~~ disclose or enter into discussions relating to prices, commissions paid or payable to, or any other terms and conditions of arrangements between the SCM and other clearing houses, suppliers, brokers or other intermediaries.

~~12.3~~ At the beginning of each meeting, the Chairman of the DMG will remind the participants of their obligations under antitrust law.

~~12.4~~ **The Clearing House** will circulate to DMG Members an agenda in advance of all meetings of the DMG. All meetings of the DMG must proceed strictly in accordance with the agenda and will be recorded in minutes circulated **by the Clearing House**.

~~12.5~~ Participants must notify the Clearing House to the extent the minutes do not reflect the relevant meeting.

~~12.6~~ If any disclosure or discussions that may be contrary to antitrust law are initiated, the Chairman of the DMG should immediately cease such disclosure or discussions and, if specific participants have raised concerns, allow them to record these concerns in the minutes.

13. Confidentiality and Non-Disclosure: General Obligations of the Clearing House

~~The Clearing House will treat all Confidential Material in the terms envisaged in this Schedule, confining use to the Rates Service DMP, restricting its availability on a "strictly need to know basis", and exercising every duty of care required of it as a Recognised Clearing House and as a Derivatives Clearing Organization.~~

14. Third Party Rights

~~A person who is not a party to this Annex shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.~~

~~SCHEDULE 2 RATE CHANGE ANNEXES~~

~~SWAPCLEAR SCM SERVICE – RATE CHANGE ANNEX – SECURED OVERNIGHT FINANCING RATE (SOFR)~~

~~1. SCOPE AND INTERPRETATION~~

- ~~(a) This Annex constitutes a “Rate Change Annex” as defined in and pursuant to the Regulations and supplements and forms part of the Rulebook.~~
- ~~(b) This Annex relates to the change in the rate from the Fed Funds Rate to the Secured Overnight Financing Rate provided by the Federal Reserve Bank of New York, as administrator (or a successor administrator) (SOFR) for the purposes of (i) calculating PAI, (ii) calculating the Price Alignment Amount, and (iii) constituting the relevant underlying benchmark for the instruments used to construct the Clearing House’s zero coupon yield curves under 1.7.2 of Section 2C of the Procedures to calculate the net present value, each in relation to the Impacted SwapClear Contracts.~~
- ~~(c) The terms of this Annex shall apply to all Impacted SwapClear Contracts (as set out in the Rate Change Notice relating to SOFR) that are registered with the Clearing House as set out below. For the avoidance of doubt, (i) no other SwapClear Contract shall be subject to, or affected by, the terms of this Annex and each SwapClear Contract shall remain in full force and effect, and (ii) the SwapClear Contract Terms shall not be amended by the terms of this Annex.~~
- ~~(d) Capitalized terms used but not otherwise defined in this Annex have the meaning given to them in the Regulations. The term "business day" has the meaning given to it in the Regulations.~~
- ~~(e) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~2. DEFINITIONS~~

~~For the purposes of this Annex:~~

~~**Auction Adjustment per Unit** means, in relation to a Maturity Bucket, an amount in USD equal to (i) the aggregate of all Auction Winner Amounts for that Maturity Bucket divided by (ii) the total notional amount of Discounting Risk Swaps in that Maturity Bucket which have been liquidated pursuant to the Cash Settlement Schedule.~~

~~**Auction Date** means, in relation to a Rate Change Notice relating to SOFR, the date specified as such by the Clearing House in such Rate Change Notice, being the date on which the auctions referred to herein and the Cash Settlement Supplement shall be held and certain amounts payable hereunder shall be calculated.~~

~~**Auction Winner** means, in relation to the Net Auction Contract Pair in respect of a Maturity Bucket, each Cash Settlement Participant (as defined in the Cash Settlement Schedule) that has submitted the winning price for such Net Auction Contract Pair, as determined by the Clearing House in accordance with the Cash Settlement Supplement.~~

~~**Auction Winner Amount** means, in relation to the Net Auction Contract Pair for a Maturity Bucket and an Auction Winner, an amount in USD equal to the product of: (i) that Auction Winner's Winning Bid Quantity; (ii) the difference between that Auction Winner's Winning Bid Price and the Mid Price; and (iii) the SOFR Basis Point Cash Value per Million, each for that Maturity Bucket. If the Auction Winner's Winning Bid Price is a price that by reference to the Mid Price is (a) in favor of the Clearing House, the Auction Winner Amount shall be a negative amount or (b) in favor of the Auction Winner, the Auction Winner Amount shall be a positive amount.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account, Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to Section 8 below.~~

~~**Cash Only Client** means a SwapClear Clearing Client that has its positions recorded in a Cash Only Client Position Account.~~

~~**Cash Only Client Position Account** means:~~

~~(i) each Individual Segregated Account registered in the name of a SwapClear Clearing Client that is identified as a Cash Only Client Position Account in a Cash Only Election Notice; and~~

~~(ii) each "position account" within an Omnibus Segregated Account that is identified as a Cash Only Client Position Account in a Cash Only Election Notice, provided that, each "position account" in a net Omnibus Segregated Account shall be a Cash Only Client Position Account if the Clearing House has received a Cash Only Election Notice in relation to at least one "position account" in such net Omnibus Segregated Account. The phrase Omnibus Segregated Account includes both a "net" Omnibus Segregated Account and a "gross" Omnibus Segregated Account.~~

~~**Cash Only Client Position Account Auction Adjustment** means, in relation to a Cash Only Client Position Account and a Maturity Bucket, an amount in USD in favor of the Clearing House or a SwapClear Clearing Member (as applicable) equal to the product of (i) the notional amount of Discounting Risk Swaps for that Maturity Bucket that would, but for the delivery of the Cash Only Election Notice, have been registered in that Cash Only Client Position Account and which have been liquidated pursuant to the Cash Settlement Schedule, and (ii) the Auction Adjustment per Unit for that Maturity Bucket.~~

~~**Cash Only Election Cut Off Date** is the date specified as such by the Clearing House in a **Rate Change Notice** relating to SOFR, being the date by which SwapClear Clearing Members must deliver any Cash Only Election Notices to the Clearing House.~~

~~**Cash Only Election Notice** means a written notice delivered by a SwapClear Clearing Member to the Clearing House in accordance with this Annex identifying each Individual Segregated Account and/or each "position account" within each Omnibus Segregated Account held by that SwapClear Clearing Member in respect of which there has been an election to be treated as a Cash Only Client Position Account(s) in accordance with Section 4 of this Annex.~~

~~**Cash Settlement Schedule** means the schedule hereto which sets out the terms on which the Clearing House shall conduct one or more auctions for purposes of determining certain amounts, curves and spreads and related information relevant to this Annex, as supplemented by any Cash Settlement Supplement published by the Clearing House from time to time. The Cash Settlement Schedule supplements, and forms part of, this Annex.~~

~~**Cash Settlement Supplement** means any document identified as such by the Clearing House which supplements and forms part of the Cash Settlement Schedule and sets out further terms in relation to the auctions.~~

~~**Cash Valuation Change Amount (MXN)** means each amount denominated in MXN and determined in accordance with Section 7.5 of this Annex.~~

~~**Cash Valuation Change Amount (USD)** means each amount denominated in USD and determined in accordance with Section 7.1, Section 7.2 or Section 7.3 of this Annex.~~

~~**De Minimis Participant Account** means, in relation to a Maturity Bucket, any Proprietary Account, Individual Segregated Account, or "position account" within an Omnibus Segregated Account that, as of the Swap Portfolio Calculation Date, would have an allocation of Discounting Risk Swaps in a given Maturity Bucket with a notional amount that is closer to zero than to the integral number set out in the table in paragraph 5.1(e) in relation to that Maturity Bucket.~~

~~**Discounting Risk Auction** has the meaning given to it in the Cash Settlement Schedule.~~

~~**Discounting Risk Swaps** means the SwapClear Contracts determined, identified and notified by the Clearing House in accordance with Section 5 this Annex and entered into and registered between the Clearing House and a SwapClear Clearing Member pursuant to Regulation 60B.~~

~~**FedFunds Discounted Value** means, in relation to an Impacted SwapClear Contract, the net present value, as of the time on the Auction Date determined by the Clearing House, of all future cash flows under that Impacted SwapClear Contract calculated using the Fed Funds Rate as the discounting rate for the purposes of constructing the zero coupon yield curves under 1.7.2 of Section 2C of the Procedures (with the future cash flows calculated in the same manner as for the determination of the SOFR Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such FedFunds Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such FedFunds Discounted Value shall be a negative amount.~~

~~**Maturity Bucket** means, in relation to the Impacted SwapClear Contracts, Discounting Risk Swaps and Net Auction Contract Pairs, a group of such contracts which all have the same maturity, being either two years, five years, ten years, fifteen years, twenty years or thirty years from the date of registration.~~

~~**Mid-Price** has, in relation to the Net Auction Contract Pair for a Maturity Bucket, the meaning given to it in the Cash Settlement Schedule, and shall be expressed in basis points.~~

~~**Mid-Price Auction** has the meaning given to it in the Cash Settlement Schedule.~~

~~**MXN Impacted SwapClear Contracts** has the meaning given to it in Section 7 of this Annex.~~

~~**Net Auction Contract Pair** has the meaning given to it in the Cash Settlement Schedule.~~

1.35 Rate Change Notices

~~**SOFR Basis Point Cash Value per Million** means, in relation to the Net Auction Contract Pair for a Maturity Bucket, an amount in USD equal to the change (expressed as a positive if a gain and a negative if a loss) in value of such Net Auction Contract Pair with a notional amount of USD one million as a result of adding a one basis point spread to the SOFR leg, as determined by the Clearing House in its sole discretion.~~

~~**SOFR Discounted Value** means, in relation to an Impacted SwapClear Contract, the net present value, as of the time on the Auction Date determined by the Clearing House, of all future cash flows under that Impacted SwapClear Contract using the SOFR Discounting Curve for the purposes of such calculation (with the future cash flows calculated in the same manner as for the determination of the FedFunds Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such SOFR Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such SOFR Discounted Value shall be a negative amount.~~

~~**SOFR Discounting Curve** means the SOFR pricing curve constructed by the Clearing House in accordance with Section 4 of the Cash Settlement Schedule.~~

~~**Swap Portfolio Calculation Date** means, in relation to a Rate Change Notice relating to SOFR, the date specified as such by the Clearing House in such Rate Change Notice relating to SOFR, being the date on which the Clearing House shall determine the portfolios of Discounting Risk Swaps in relation to all Impacted SwapClear Contracts registered with the Clearing House on such date.~~

~~**Winning Bid Price** means, in relation to the Net Auction Contract Pair for a Maturity Bucket and an Auction Winner, the price payable to, or by, that Auction Winner to the Clearing House, expressed as a positive or negative spread in basis points on the SOFR leg of the Net Auction Contract Pair for that Maturity Bucket and determined through a modified Dutch auction as further set out in the Cash Settlement Supplement(s). For the avoidance of doubt: (a) if the Clearing House is the receiver of SOFR under the Net Auction Contract Pair, and (1) the spread is a positive amount, the Winning Bid Price shall be a positive amount; or (2) the spread is a negative amount, the Winning Bid Price shall be a negative amount; and (b) if the Clearing House is the receiver of the Fed Funds Rate under the Net Auction Contract Pair, and (1) the spread is a positive amount, the Winning Bid Price shall be a negative amount; or (2) the spread is a negative amount, the Winning Bid Price shall be a positive amount.~~

~~**Winning Bid Quantity** means, in relation to an Auction Winner and a Net Auction Contract Pair for a Maturity Bucket, the notional amount (expressed in units of USD one million) of the Discounting Risk Swap related to such Net Auction Contract Pair (or the part thereof) which will be determined by the Clearing House pursuant to the Cash Settlement Supplement and registered in the Proprietary Account of the Auction Winner.~~

~~3. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~(a) In connection with the change from the Fed Funds Rate to SOFR described in Section 1(b) above, pursuant to and in accordance with the Clearing House's powers under Regulation 60B of the Regulations, this Annex sets out the method by which the Clearing House will:~~

~~Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN) and Cash Compensation Contracts~~

~~(i) for each Proprietary Account, each Individual Segregated Account and each "position account" within each Omnibus Segregated Account, calculate the following amounts, in each case, if any:~~

~~(A) Cash Valuation Change Amount (USD); and~~

~~(B) Cash Valuation Change Amount (MXN);~~

each of which are "Rate Change Payments" for the purpose of Regulation 60B.

- ~~(ii) determine and register, pursuant to Regulation 60B, certain Cash Compensation Contracts in each Proprietary Account, Individual Segregated Account and each "position account" within each Omnibus Segregated Account in accordance with Section 8 of this Annex in order to effect the payment of each Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN), Cash Only Client Position Auction Adjustment, and Auction Winner Amount, in each case, if any;~~

Discounting Risk Swaps and Auction Winner Amounts

- ~~(iii) subject to (b) below, for (x) each Proprietary Account and (y) each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account which is not a Cash Only Client Position Account, determine how certain Discounting Risk Swaps shall be identified in accordance with Section 5, registered and entered into between the Clearing House and each SwapClear Clearing Member pursuant to Regulation 60B and the terms of those Discounting Risk Swaps;~~

- ~~(iv) subject to (b) below, for each Cash Only Client Position Account, calculate the related Cash Only Client Position Account Auction Adjustments (which shall also each be a "Rate Change Payment" for the purpose of Regulation 60B); and~~

- ~~(v) for each Auction Winner, calculate the Auction Winner Amount (which shall also be a "Rate Change Payment" for the purpose of Regulation 60B).~~

- ~~(b) Any account that is a De Minimis Participant Account in relation to a Maturity Bucket shall not have any Discounting Risk Swaps in that Maturity Bucket determined or registered in its name and shall not be obliged to pay, or entitled to receive, any Cash Only Client Position Account Auction Adjustments. Any Cash Only Election Notice received in relation to an Individual Segregated Account or "position account" within an Omnibus Segregated Account that is a De Minimis Participant Account as of the Auction Date shall be invalid and shall have no effect whatsoever (and, for the avoidance of doubt, the Discounting Risk Swaps that would otherwise be registered in any De Minimis Participant Account shall not count towards the Net Auction Contract Pair for any Maturity Bucket).~~

4. CLEARING MEMBER DEALINGS WITH CLIENTS AND CLIENT CASH ONLY ELECTIONS

Client Cash Only Elections

- ~~(a) In relation to its SwapClear Client Clearing Business, a SwapClear Clearing Member shall provide each SwapClear Clearing Client with an election not to have Discounting Risk Swaps registered on that SwapClear Clearing Client's behalf in relation to Impacted SwapClear Contracts registered in the relevant Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, and instead, subject to Section 4(d) below, to assume a right, or an obligation to pay or be paid an amount equal to the Cash Only Client Position Account Auction Adjustment in respect of the relevant Individual Segregated Account or "position account", as determined pursuant to this Annex (except in the circumstances provided for in the Cash Settlement Schedule, where the election not to have Discounting Risk Swaps registered may be overridden).~~

- ~~(b) A SwapClear Clearing Member shall be entitled to deliver Cash Only Election Notices to the Clearing House at any time up to, and including, the Cash Only Election Cut Off Date. All~~

~~Cash Only Election Notices must be delivered to the Clearing House via the SwapClear Portal.~~

- ~~(c) No SwapClear Clearing Member shall be entitled to deliver a Cash Only Election Notice in respect of its Proprietary Accounts and any such notice shall be invalid and shall have no effect whatsoever.~~
- ~~(d) The Clearing House reserves the right to reject any Cash Only Election Notice received by the Clearing House after the time on the Cash Only Election Cut Off Date determined by the Clearing House. A SwapClear Clearing Member shall only be entitled to deliver a Cash Only Election Notice in respect of all, but not some only, of the SwapClear Contracts registered in the name of a SwapClear Clearing Client in a single Individual Segregated Account or a single "position account" within an Omnibus Segregated Account. In relation to an Omnibus Segregated Account, the SwapClear Clearing Member shall be entitled to deliver a separate Cash Only Election Notice in relation to each "position account" within that Omnibus Segregated Account, provided however that, in relation to a net Omnibus Account, if the SwapClear Clearing Member has delivered a Cash Only Election Notice in respect of any "position account", all "position accounts" therein shall be Cash Only Client Position Accounts.~~
- ~~(e) The delivery by a SwapClear Clearing Member of a Cash Only Election Notice shall be deemed, as of the time on the Cash Only Election Cut Off Date determined by the Clearing House, to be an irrevocable instruction of that SwapClear Clearing Member (for itself and acting on behalf of the relevant SwapClear Clearing Client(s) for whom the Individual Segregated Account or any "position account" within an Omnibus Segregated Account which such Cash Only Election Notice affects is held) to the Clearing House to determine the Cash Valuation Change Amount (USD), the Cash Valuation Change Amount (MXN) and each Cash Only Client Position Account Auction Adjustment in accordance with Section 7.3, Section 7.4 and Section 7.5 of this Annex and to register the related Cash Compensation Contracts in the relevant Individual Segregated Account or "position account" within an Omnibus Segregated Account in accordance with this Annex.~~
- ~~(f) If a SwapClear Clearing Member does not deliver a Cash Only Election Notice in respect of an Individual Segregated Account or "position account" within an Omnibus Segregated Account held for a SwapClear Clearing Client then that shall be deemed, as of the time on the Cash Only Election Cut Off Date determined by the Clearing House, to be an irrevocable instruction of that SwapClear Clearing Member (for itself and acting on behalf of that SwapClear Clearing Client) to the Clearing House to (i) determine the Cash Valuation Change Amount (USD) and the Cash Valuation Change Amount (MXN) in accordance with Section 7.2 and Section 7.5 of this Annex and to register the related Cash Compensation Contract in the relevant Individual Segregated Account or "position account" within an Omnibus Segregated Account in accordance with this Annex, and (ii) determine the Discounting Risk Swaps to be allocated to such Individual Account or "position account" within an Omnibus Segregated Account in accordance with this Annex and to register such Discounting Risk Swaps in such account.~~
- ~~(g) By not delivering a Cash Only Election Notice, in relation to an Individual Segregated Account or "position account" within an Omnibus Segregated Account, each SwapClear Clearing Member represents and warrants to the Clearing House on the Cash Only Election Cut Off Date that (i) it has used reasonable endeavors to obtain instructions from each SwapClear Clearing Client in relation to the exercise of an election not to receive Discounting Risk Swaps in relation to such account or "position account" and (ii) it has not received~~

instructions from any SwapClear Clearing Client to deliver a Cash Only Election Notice in respect of such account or "position account".

Clearing Member Obligations

~~(h) Each SwapClear Clearing Member (and in the case of (h)(vi) below, each SwapClear Clearing Member and the Clearing House):~~

~~(i) agrees to use reasonable endeavors to provide its SwapClear Clearing Clients with (i) information on the change in the rate from the Fed Funds Rate to SOFR pursuant to the terms of Regulation 60B and this Annex, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be registered in that SwapClear Clearing Client's Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to the terms of this Annex, (iii) information on the Discounting Risk Swaps which may be allocated to that SwapClear Clearing Client's Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to the terms of this Annex, and (iv) other information (indicative or otherwise) in relation to each SwapClear Clearing Client's "position account" that the Clearing House has notified Clearing Members must be provided to SwapClear Clearing Clients.. Such information shall include the terms of this Annex and any information which it has received from, or is made available by, the Clearing House in connection with this Annex, including any risk disclosure statements relating to the matters herein;~~

~~(ii) agrees that it, and each applicable SwapClear Clearing Client, shall be bound by the terms of any Cash Compensation Contracts and Discounting Risk Swaps registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~

~~(iii) represents and warrants to the Clearing House as at the Cash Only Election Cut-off Date that each Cash Only Client in relation to which it has delivered a Cash Only Election Notice (A) has instructed the SwapClear Clearing Member to deliver the Cash Only Election Notice on its behalf, and (B) has expressly agreed (i) that by electing for its Individual Segregated Account or "position account" within an Omnibus Segregated Account to be a Cash Only Client Position Account under this Annex it shall not, other than if (X) the Cash Settlement Schedule provides that one or more Discounting Risk Auctions have failed, or (Y) some of the Discounting Risk Swaps are not successfully auctioned and liquidated in accordance with the Cash Settlement Schedule, be party to any Discounting Risk Swaps (ii) that it shall be obliged to pay or entitled to receive the Cash Valuation Change Amount (USD), the Cash Valuation Change Amount (MXN) and, provided the Cash Only Client Position Account is not a De Minimis Participant Account, each Cash Only Client Position Account Auction Adjustment determined in accordance with Section 7.3, Section 7.4 and Section 7.5 of this Annex, and (iii) that the Cash Only Client Position Account Auction Adjustment may not be economically equivalent to being party to any such Discounting Risk Swaps or liquidating, closing out, selling or replacing the Discounting Risk Swaps in the relevant market;~~

~~(iv) acknowledges that the Cash Valuation Change Amounts, the Auction Winner Amounts, each Cash Only Client Position Account Auction Adjustment, and the spread in relation to the Discounting Risk Swaps shall be determined by reference to the~~

~~Discounting Risk Auctions and the Mid-Price Auctions, and agrees to be bound by the results of such auctions and the terms of the Cash Settlement Schedule and the Cash Settlement Supplement;~~

~~(v) agrees to perform all obligations and exercise all rights under this Annex, the Cash Settlement Schedule, the Cash Settlement Supplement, the Cash Compensation Contracts and the Discounting Risk Swaps in accordance with Applicable Law; and~~

(c) Pursuant to and in accordance with Regulation 60C, from time to time the Clearing House may, in connection with the transition from interbank offered rates to alternative, overnight risk-free rates, amend the floating rate and calculation of the floating amounts under any SwapClear Contract, regardless of any fallbacks that may otherwise apply in relation to the floating rate or calculation of the floating amount pursuant to the SwapClear Contract Terms of such SwapClear Contract. In order to specify the detailed terms of, and give effect to any particular exercise of the foregoing, the Clearing House shall deliver, via one or more member circulars, a Rate Change Notice to all SwapClear Clearing Members.

~~(vi) agrees (in the case of the Clearing House) and acknowledges (in the case of the SwapClear Clearing Member) that each Cash Compensation Contract and Discounting Risk Swap is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value and discounting risk impact of the change from the Fed Funds Rate to SOFR and effecting the payment of amounts owed to, or payable by, the Auction Winner.~~

~~5. DETERMINING THE PORTFOLIO OF DISCOUNTING RISK SWAPS~~

~~5.1 On the Swap Portfolio Calculation Date, the Clearing House shall allocate Impacted SwapClear Contracts into different Maturity Buckets based on the tenor of the discounting risk associated with such Impacted SwapClear Contracts. Any Impacted SwapClear Contract that has discounting risk with a tenor that falls between two different Maturity Buckets shall be allocated to the nearest two Maturity Buckets in the Clearing House's sole and absolute discretion. Separately in respect of the Impacted SwapClear Contracts allocated to each Maturity Bucket in each Proprietary Account, Individual Segregated Account and "position account" within each Omnibus Segregated Account, the Clearing House shall determine a portfolio of Discounting Risk Swaps which is designed to, in the Clearing House's sole and absolute discretion and to the extent practicable, replicate the Fed Funds Rate discounting risk profile in relation to such SwapClear Contracts as of the Swap Portfolio Calculation Date. For the avoidance of doubt, the determination by the Clearing House pursuant to this paragraph may be different from a SwapClear Clearing Member's or SwapClear Clearing Client's models or methodologies. Each pair of Discounting Risk Swaps will:~~

~~(a) have a maturity of two years, five years, ten years, fifteen years, twenty years or thirty years from the date of registration;~~

~~(d) when registered, comprise a pair of SwapClear Contracts whereby The General Terms of a Rate Change Notice:~~

- ~~(i) under the first SwapClear Contract, the Clearing House or the SwapClear Clearing Member (Party X) will receive Fed Funds and pay to the other party (Party Y) fixed amounts, which shall be determined by reference to the fixed rate (determined by the Clearing House in accordance with its usual processes) that would be payable on the fixed leg of a SwapClear Contract at the time on the Swap Portfolio Calculation Date determined by the Clearing House, where the floating rate is the Fed Funds Rate and the maturity date corresponds to the applicable maturity referred to in (a) above; and~~
- ~~(ii) under the second SwapClear Contract, Party X will pay SOFR and receive from Party Y a fixed amount, which shall be a fixed rate, determined by subtracting the spread equal to the Mid-Price determined pursuant to the Cash Settlement Schedule from the fixed rate referred to in (i) above, provided that if the process referred to in the Cash Settlement Schedule fails to provide the Mid-Price for the relevant Maturity Bucket, the Clearing House shall determine the spread for that Maturity Bucket using its customary methodology and applying it to observable market data points and applying linear interpolation where the Clearing House considers appropriate; and~~
- ~~(c) have a notional amount that is determined by the Clearing House, in its sole and absolute discretion, where such notional amount shall be rounded to the nearest integral number set out in the following table:~~

Maturity Bucket	2Y	5Y	10Y	15Y	20Y	30Y
Amount in USD to which the notional amount will be rounded to	5,000,000	2,500,000	1,250,000	500,000	500,000	500,000

~~5.2 The Clearing House shall separately determine the portfolio of Discounting Risk Swaps in respect of each of the following (excluding, in relation to a Maturity Bucket, any De Minimis Participant Accounts in relation to that Maturity Bucket) as of the Swap Portfolio Calculation Date:~~

- ~~(a) the Impacted SwapClear Contracts then registered in each SwapClear Clearing Member's Proprietary Account;~~
- ~~(b) the Impacted SwapClear Contracts then registered in each Individual Segregated Account held for any SwapClear Clearing Client; and~~
- ~~(c) the Impacted SwapClear Contracts then registered in a "position account" in the name of each SwapClear Clearing Client within each Omnibus Segregated Account~~

~~5.3 The Clearing House shall promptly notify each SwapClear Clearing Member of each portfolio of Discounting Risk Swaps it has determined pursuant to this Section 5 in respect of each account or "position account" held by each SwapClear Clearing Member as set out above.~~

~~5.4 Without prejudice to the above, at any time prior to the Swap Portfolio Calculation Date, the Clearing House may publish indicative portfolios of the Discounting Risk Swaps in relation to the Impacted SwapClear Contracts then registered in the name of a SwapClear Clearing Member for information only.~~

~~6. THE AUCTIONS~~

~~6.1 On the Auction Date the Clearing House shall conduct one or more Discounting Risk Auctions and Mid-Price Auctions and each such auction shall be conducted in respect of both LCH's SCM service and LCH's FCM service. The initial terms of the Discounting Risk Auctions and the Mid-Price Auctions shall be as set out in the Cash Settlement Schedule and the Clearing House shall supplement such terms to provide further detail on the operation of the auctions through publication of one or more Cash Settlement Supplements, provided however that, the Clearing House shall not be entitled to materially alter the nature of the obligations of any SwapClear Clearing Member under this Rate Change Annex via any Cash Settlement Supplement. Each Cash Settlement Supplement shall be deemed to supplement, and form part of, the Cash Settlement Schedule and the Clearing House shall be entitled to supplement, modify, amend, replace or withdraw the Cash Settlement Schedule or Cash Settlement Supplements (in whole or in part) from time to time in its sole discretion through such method as the Clearing House shall determine is appropriate.~~

~~6.2 Each SwapClear Clearing Member that is an Expected Cash Settlement Participant (as defined in the Cash Settlement Schedule) agrees that it shall use all reasonable efforts to submit pricing in accordance with the Cash Settlement Schedule for the Net Auction Contract Pair in each Maturity Bucket.~~

~~7. THE CASH VALUATION CHANGE AMOUNTS AND THE CASH ONLY CLIENT POSITION ACCOUNT AUCTION ADJUSTMENTS~~

~~*All Impacted SwapClear Contracts other than THE Interest Rate Swaps denominated in MXN*~~

~~The following provisions are applicable in relation to all Impacted SwapClear Contracts other than Impacted SwapClear Contracts that are THE interest rate swaps denominated in MXN. With respect to the calculations to be performed under Section 7.1 to 7.3 (inclusive) below, for the purposes of determining the Cash Valuation Change Amount (USD) in relation to non-deliverable interest rate swaps the Clearing House shall first convert into USD the value of the discounted future cash flows which are not denominated in USD by applying the relevant rate of exchange as determined by the Clearing House in accordance with its usual procedures. Each of the calculations performed under Sections 7.1 to 7.3 (inclusive) below shall include any non-deliverable interest rate swaps registered in the relevant account or "position account" as of the time on the Auction Date determined by the Clearing House.~~

~~*Proprietary Accounts*~~

~~7.1 Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date, the Clearing House shall calculate the Cash Valuation Change Amount (USD) in respect of each Proprietary Account as follows:~~

- ~~(a) the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to each Impacted SwapClear Contract registered in each Proprietary Account as of the time on the Auction Date determined by the Clearing House;~~
- ~~(b) if the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in a Proprietary Account exceeds the aggregate FedFunds Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the Clearing House in relation to such Proprietary Account; and~~
- ~~(c) if the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in a Proprietary Account is less than the aggregate FedFunds Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account.~~

~~*Client Accounts (excluding Cash Only Client Position Accounts)*~~

~~7.2 The following only applies in relation to each Individual Segregated Account or "position account" within each Omnibus Segregated Account that is not a Cash Only Client Position Account. Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall determine the Cash Valuation Change Amount (USD) in respect of the Impacted SwapClear Contracts registered in each Individual Segregated Account or "position account" within each Omnibus Segregated Account that is not a Cash Only Client Position Account as follows:~~

- ~~(a) the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in such account as of the time on the Auction Date determined by the Clearing House;~~
- ~~(b) if the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in such account exceeds the aggregate FedFunds Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the excess and shall be an amount in favor of the Clearing House in relation to such account; and~~
- ~~(c) if the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in such account is less than the aggregate FedFunds Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the SwapClear Clearing Member in relation to such account.~~

Cash-Only-Client-Position-Accounts

~~7.3 The following applies only in relation to Cash-Only-Client-Position-Accounts. Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall determine the Cash Valuation Change Amount (USD) in respect of the Impacted SwapClear Contracts registered in a Cash-Only-Client-Position-Account as follows:~~

- ~~(a) the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in such account as of the end of the time determined by the Clearing House;~~
- ~~(b) if the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in such account exceeds the aggregate FedFunds Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the Clearing House in relation to such account;~~
- ~~(c) if the aggregate SOFR Discounted Value in relation to all Impacted SwapClear Contracts registered in such account is less than the aggregate FedFunds Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the SwapClear Clearing Member in whose name such Cash-Only-Client-Position-Account is held; and~~

~~7.4 Immediately following the conclusion of the Discounting Risk Auctions on the Auction Date, provided that the Discounting Risk Auction for the relevant Maturity Bucket occurs in accordance with the Cash Settlement Schedule, the Clearing House shall calculate, in respect of each Cash-Only-Client-Position-Account the aggregate Cash-Only-Client-Position-Account Auction Adjustment in relation to each Maturity Bucket.~~

Impacted SwapClear Contracts which are THE Interest Rate Swaps denominated in MXN

~~7.5 Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall determine the Cash Valuation Change Amount (MXN) separately in respect of each Impacted SwapClear Contracts that is a THE interest rate swap denominated in MXN (MXN Impacted SwapClear Contracts) registered in each Proprietary Account, Individual Segregated Account and "position account" within an Omnibus Segregated Account, as follows:~~

- ~~(a) first, for the purposes of determining the Cash Valuation Change Amount (MXN) in relation to the MXN Impacted SwapClear Contracts, the value of the discounted future cash flows thereunder shall be multiplied by the relevant USD/MXN rates of exchange determined by the Clearing House in accordance with the Clearing House's usual procedures;~~
- ~~(b) second, the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to all MXN Impacted SwapClear~~

~~Contracts registered in such account as of the time on the Auction Date determined by the Clearing House;~~

~~(c) if the aggregate SOFR Discounted Value in relation to all such MXN Impacted SwapClear Contracts registered in such account exceeds the aggregate FedFunds Discounted Value in relation to all such MXN Impacted SwapClear Contracts then the Cash Valuation Change Amount (MXN) shall be an amount in MXN equal to the absolute value of the difference and shall be an amount in favor of the Clearing House in relation to such account; and~~

~~(d) if the aggregate SOFR Discounted Value in relation to all MXN Impacted SwapClear Contracts registered in such account is less than the aggregate FedFunds Discounted Value in relation to all such MXN Impacted SwapClear Contracts then the Cash Valuation Change Amount (MXN) shall be an amount in MXN equal to the absolute value of the difference and shall be an amount in favor of the SwapClear Clearing Member in whose name such Cash Only Client Position Account is held.~~

8. REGISTRATION OF CASH COMPENSATION CONTRACTS

~~8.1 On the basis of the calculations set forth in Section 7 above, the Clearing House shall determine, as applicable, the Cash Valuation Change Amount (USD), the Cash Valuation Change Amount (MXN), the Cash Only Client Position Account Auction Adjustments and the Auction Winner Amount in respect of each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account and each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay such amounts to the other pursuant to the terms of the related Cash Compensation Contracts.~~

~~8.2 The Clearing House shall, pursuant to Regulation 60B, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to each of the following amounts (to the extent such amounts are applicable to such account or "position account"):~~

~~(a) Cash Valuation Change Amounts (USD);~~

~~(b) Cash Valuation Change Amounts (MXN);~~

~~(c) Cash Only Client Position Account Auction Adjustments; and~~

~~(d) Auction Winner Amounts.~~

~~8.3 Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN), Cash Only Client Position Account Auction Adjustments or Auction Winner Amount (as applicable) to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of USD1 (or, in the case of the Cash Compensation Swap relating to the Cash Valuation Change Amount (MXN), MXN1), a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the Auction Date, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other an amount equal to the Cash Valuation Change Amount (USD), Cash~~

~~Valuation Change Amount (MXN), Cash Only Client Position Account Auction Adjustments or Auction Winner Amount (as applicable) in relation to the relevant account or "position account", with such amounts determined in accordance with Section 7 of this Annex. However, neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN), Cash Only Client Position Account Auction Adjustment or Auction Winner Amount (as applicable) to which such Cash Compensation Contract relates.~~

~~8.4 Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 8, which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the Impacted SwapClear Contracts.~~

~~9. REGISTRATION OF DISCOUNTING RISK SWAPS~~

~~9.1 Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall notify all SwapClear Clearing Members of the Discounting Risk Swaps that will be registered in the accounts in accordance with this Annex. If the Clearing House exercises its powers pursuant to Section 4(b) of the Cash Settlement Schedule, then, as soon as practicable following such exercise, it shall notify all SwapClear Clearing Members of the Discounting Risk Swaps that will be registered in their Proprietary Accounts, Individual Segregated Accounts and "position accounts" within each Omnibus Segregated Account and it shall register such Discounting Risk Swaps in such accounts without regard to any Cash Only Election Notice.~~

~~9.2 Except as provided in Section 9.3 below, on the first "business day" immediately following the Auction Date the Clearing House shall:~~

- ~~(a) in relation to each Auction Winner, register the related Discounting Risk Swaps (or portion thereof) in the Proprietary Account of the Auction Winner and each Auction Winner and the Clearing House shall become party to such Discounting Risk Swaps;~~
- ~~(b) in relation to each Proprietary Account other than De Minimis Participant Accounts, register the Discounting Risk Swaps determined pursuant to Section 5.2(a) in each SwapClear Clearing Member's Proprietary Account; and~~
- ~~(c) in relation to each Individual Segregated Account and "position account" within each Omnibus Segregated Account other than Cash Only Client Position Accounts and De Minimis Participant Accounts, register the Discounting Risk Swaps determined pursuant to Section 5.2(b), and (c) in relation to such SwapClear Clearing Client in the relevant account.~~

~~9.3 Each SwapClear Clearing Member agrees to be bound by each Discounting Risk Swap registered pursuant to this Section 9, which shall, when registered, constitute SwapClear Contracts between the Clearing House and the relevant SwapClear Clearing Member that have arisen by reason of the application of the Regulations to the Impacted SwapClear Contracts.~~

10. DETERMINATIONS BINDING

~~Subject to Section 13, all determinations and calculations made by the Clearing House pursuant to this Annex and the Cash Settlement Schedule shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

11. RECORDS

~~The Clearing House shall update its books and records to reflect the Discounting Risk Swaps, Cash Compensation Contracts, Cash Valuation Change Amounts (USD), Cash Valuation Change Amounts (MXN), Auction Winner Amounts and Cash Only Client Position Account Auction Adjustments resulting from the operation of this Annex and the Cash Settlement Schedule. The obligation to pay, or the right to receive, any amounts determined under this Annex may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements.~~

12. MISCELLANEOUS

- ~~(a) The obligations of the Clearing House to each SwapClear Clearing Member shall be to perform its obligations as principal to such SwapClear Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 13.~~
- ~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Procedures to change the rate used for the purposes of (i) calculating PAI, (ii) calculating the Price Alignment Amount, and (iii) constructing the Clearing House's zero coupon yield curves under 1.7.2 of Section 2C of the Procedures from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~
- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook. The benefit of the performance by the Clearing House of its obligations under this Annex is conferred upon SwapClear Clearing Members only, as principal, and a person who is not a party to the Rulebook has no right under Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term of this Annex.~~

13. LIMITATION OF LIABILITY

~~13.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:~~

- ~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~
- ~~(b) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

- ~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex; or~~
- ~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~13.2 Without prejudice to the generality of Regulation 52 and clause 14.1 above, each SwapClear Clearing Member further agrees:~~

- ~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~
- ~~(b) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~13.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Annex or any SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~13.4 For the avoidance of doubt, notwithstanding anything herein or in the Cash Settlement Supplement or Cash Settlement Schedule, neither the Clearing House nor any other~~

~~member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

CASH SETTLEMENT SCHEDULE

This Cash Settlement Schedule sets forth certain provisions relating to the Discounting Risk Auctions and the Mid-Price Auctions and the cash settlement process in relation to both the SOFR Rate Change Annex for the SCM service and the SOFR Rate Change Annex for the FCM Service and may be supplemented from time to time by one or more Cash Settlement Supplements.

2. AUCTIONED CONTRACTS

The Clearing House shall determine a single Net Auction Contract Pair (as defined below) separately for each Maturity Bucket as follows:

- (a) first, the Clearing House shall determine the portfolio of Discounting Risk Swaps for each Maturity Bucket that would, but for the Cash Only Election Notices, have been registered in each of the Cash Only Client Position Accounts in accordance with the SOFR Rate Change Annex for the SCM service and the SOFR Rate Change Annex for the FCM service; and
- (b) second, the Clearing House shall aggregate and net all of the risks and cash flows for the above Discounting Risk Swaps for each Maturity Bucket to determine a single pair of Discounting Risk Swaps for each Maturity Bucket, and each such pair of Discounting Risk Swaps shall be the **Net Auction Contract Pair** for that Maturity Bucket.

Each Net Auction Contract Pair shall comprise (i) a Discounting Risk Swap pursuant to which, the Clearing House or the SwapClear Clearing Member (**Party X**) will receive Fed Funds and pay to the other party (**Party Y**) fixed amounts, which shall be determined by reference to the fixed rate (determined by the Clearing House in accordance with its usual processes) that would be payable on the fixed leg of a SwapClear Contract at the time on the Swap Portfolio Calculation Date determined by the Clearing House, where the floating rate is the Fed Funds Rate and the maturity date corresponds to the relevant Maturity Bucket and (ii) a Discounting Risk Swap pursuant to which Party X pay SOFR and receive from Party Y a fixed amount, which shall be a fixed rate, determined by subtracting the spread equal to the Mid-Price determined pursuant to this Cash Settlement Schedule from the fixed rate referred to in (a) above, provided that if the process referred to in this Cash Settlement Schedule fails to provide the Mid-Price for the relevant Maturity Bucket, the Clearing House shall determine the spread for that Maturity Bucket using its customary methodology and applying it to observable market data points and applying linear interpolation where the Clearing House considers appropriate.

For the avoidance of doubt, the above determinations are made solely for the purposes of determining the Net Discounting Risk Swaps that shall be subject to the Discounting Risk Auctions and, prior to the registration of the Discounting Risk Swaps resulting from the from the Discounting Risk Auctions, no SwapClear Contracts shall be registered in any SwapClear Clearing Member's accounts.

For these purposes:

Cash Settlement Participants means those SwapClear Clearing Members and FCM Clearing Members (if any) who have notified the Clearing House via the SwapClear Portal by the cut-off time specified by the Clearing House in the Rate Change Notice related to SOFR that they shall participate in the Discounting Risk Auctions and Mid-Price Auctions. For the avoidance of doubt, only one SwapClear Clearing Member per group of affiliated SwapClear Clearing Members shall be entitled to submit pricing and such SwapClear Clearing Member shall be bound by the terms of such pricing and the terms of this Cash Settlement Schedule, the Cash Settlement Supplement and the applicable Rate Change Annex for SOFR.

~~**Discounting Risk Auction** means each auction that is not a Mid-Price Auction and that is held by the Clearing House for the purposes of liquidating certain Discounting Risk Swaps described in Section 1 of this Schedule and determining certain spreads, curves, amounts and related information.~~

~~**Expected Cash Settlement Participant** means each SwapClear Clearing Member and FCM Clearing Member (if any) that belongs to a group which, during January, February and March 2020, had more than USD1 trillion in gross notional amount of new SwapClear Contracts and/or FCM SwapClear Contracts that are Impacted SwapClear Contracts or Impacted FCM SwapClear Contracts registered in the Proprietary Accounts of all SwapClear Clearing Members or FCM Clearing Members in that group.~~

~~**Mid-Price Auction** means each auction that is not a Discounting Risk Auction and that is held by the Clearing House for the purpose of determining the Mid-Price in relation to a Maturity Bucket pursuant to Section 3 of this Schedule.~~

3. PRICE SUBMISSIONS

~~(a) The manner in which each Cash Settlement Participant must submit pricing in relation to each Discounting Risk Auction and each Mid-Price Auction shall be further set out by the Clearing House in a Cash Settlement Supplement.~~

~~(b) Each time a Cash Settlement Participant submits pricing in relation to each Discounting Risk Auction and each Mid-Price Auction (as applicable) it shall be deemed to represent and warrant that it has all necessary internal approvals and risk permissions in place to submit such pricing, and pay any amounts and be bound to any Crossed Mid-Price Setting Transactions (as defined below) in connection with such Mid-Price Auction and any SwapClear Contracts and/or SwapClear FCM Contracts registered in its Proprietary Account in connection with such Discounting Risk Auction.~~

~~(c) Each price submitted by a Cash Settlement Participant in connection with a Discounting Risk Auction constitutes an offer to the Clearing House to enter into the Net Auction Contract Pair related to that Discounting Risk Auction and shall be treated for all purposes as an irrevocable firm, executable price. Each price submitted by a Cash Settlement Participant in connection with a Mid-Price Auction constitutes an offer to the other Cash Settlement Participants to enter into a Mid-Price Setting Transaction (as defined below) related to that Mid-Price Auction and shall be treated for all purposes as an irrevocable firm, executable price.~~

~~(d) Subject to paragraph (e) below, the Clearing House may only reject a bid or offer submitted in a Discounting Risk Auction or Mid-Price Auction if it considers, in its sole and absolute discretion, that such bid or offer has been submitted as a result of a manifest error. If the Clearing House makes such a determination it shall first contact the Cash Settlement Participant who submitted such pricing and provide such Cash Settlement Participant with the opportunity to withdraw and/or correct such manifest error before the relevant Discounting Risk Auction or Mid-Price Auction (as applicable) is concluded. If such pricing is not corrected or withdrawn the Clearing House shall disregard such pricing for all purposes.~~

~~(e) For the purposes of the Discounting Risk Auctions, the Clearing House shall not take into account any bid or offer that is submitted for a Maturity Bucket if the number of basis points between such bid or offer, on the one hand, and the Mid-Price, on the other hand, is greater than the Bid/Offer Limit for that Maturity Bucket. The **Bid/Offer Limit** shall be expressed as a number of basis points and shall be published by the Clearing House prior to the Auction~~

~~Date. The Bid/Offer Limit shall be within a range published by the Clearing House prior to the Cash Only Election Cut Off Date.~~

~~4. DETERMINING THE MID-PRICE AND CONSTRUCTING THE SOFR PRICING CURVE~~

- ~~(a) For the purpose of determining the Mid Price in relation to a Maturity Bucket, on the Auction Date and prior to the commencement of the Discounting Risk Auctions, the Clearing House shall require, and each Cash Settlement Participant shall, in respect of each Maturity Bucket provide to the Clearing House, two way pricing (bids and offers) to enter into a Fed Funds Rate—SOFR basis swap with a maturity equal to the maturity for that Maturity Bucket and a notional amount to be determined by the Clearing House in its sole and absolute discretion and notified to the Cash Settlement Participants on, or prior to, the Auction Date (the "Mid-Price Setting Transaction"). For the avoidance of doubt, no Discounting Risk Swaps or Net Auction Contract Pairs in relation to a Maturity Bucket shall be auctioned, liquidated or sold pursuant to this process and no SwapClear Contract or FCM SwapClear Contract shall be registered as a direct result of any prices submitted by a Cash Settlement Participant pursuant to this Section 3.~~
- ~~(b) Each SwapClear Clearing Member that is an Expected Cash Settlement Participant agrees that it shall use all reasonable efforts to submit pricing in accordance with this Cash Settlement Schedule for the Mid-Price Setting Transaction in each Maturity Bucket.~~
- ~~(c) Solely for the purposes of determining the Mid-Price in relation to a Maturity Bucket the Clearing House shall take the following steps separately in relation to all bids and offers submitted for the Mid-Price Setting Transaction for that Maturity Bucket:~~
- ~~(i) first, it shall order the bid prices in descending order (i.e. starting with the highest bid) and order the offer prices in ascending order (i.e. starting with the lowest offer);~~
 - ~~(ii) second, it shall remove any crossing bids and offers (i.e. if any ranked, ordered, individual bid price exceeds any ranked, ordered, individual offer price (a "Crossed Bid" and a "Crossed Offer," respectively) both such bid and offer prices shall be removed);~~
 - ~~(iii) third, it shall determine the top quartile of the bid prices and the top quartile of the offer prices (rounding up to determine a quarter) and remove the remaining bid and offer prices;~~
 - ~~(iv) fourth, it shall calculate the average of the remaining bid prices and the average of the remaining offer prices; and~~
 - ~~(v) fifth, it shall sum the averages determined under step (iv) and divide the result by two, and the result shall be the "Mid-Price" for that Maturity Bucket.~~

~~If the process referred to immediately above fails to provide the Mid-Price for the relevant Maturity Bucket, the Clearing House shall determine the Mid-Price for that Maturity Bucket using its customary methodology and applying it to observable market data points and applying linear interpolation where the Clearing House considers appropriate, and this shall be the "Mid-Price" for that Maturity Bucket. For the avoidance of doubt, the above steps shall not apply to determine the identity of the Auction Winner in relation to a Maturity Bucket and shall only be applicable to determine the Mid-Price in relation to that Maturity Bucket~~

- ~~(d) Once the above steps have been completed, the Clearing House shall construct a SOFR curve by~~
- ~~(i) in relation to tenors for which there is a corresponding Maturity Bucket, adding each Mid-Price calculated with respect to that Maturity Bucket in accordance with the foregoing methodology to the corresponding tenor on the Clearing House's zero coupon yield curve for the Fed Funds Rate as of the Auction Date, and~~
 - ~~(ii) in relation to tenors for which there is not a corresponding Maturity Bucket (or for which the process referred to in this Section 3 fails to provide the Mid-Price), using observable market data points and applying linear interpolation where the Clearing House considers appropriate.~~
- ~~(e) On the Auction Date the Clearing House shall notify each Cash Settlement Participant that has submitted a Crossed Bid or Crossed Offer. A Cash Settlement Participant that has submitted a Crossed Bid shall be obliged to enter into a Mid-Price Setting Transaction with another Cash Settlement Participant that has submitted a Crossed Offer and a Cash Settlement Participant that has submitted a Crossed Offer shall be obliged to enter into a Mid-Price Setting Transaction with another Cash Settlement Participant that has submitted a Crossed Bid (each, a "**Crossed Mid-Price Setting Transaction**"), in each case no later than the time on the Auction Date determined by the Clearing House. The Clearing House shall determine the spread in relation to each Crossed Mid-Price Setting Transaction by taking the average of all of the Crossed Bids and Crossed Offers. The process for determining the parties to each Crossed Mid-Price Setting Transaction and the spread in relation to each Crossed Mid-Price Setting Transaction shall be further defined in the Cash Settlement Supplement. Upon the Clearing House's request, each Cash Settlement Participant that is required to enter into a Crossed Mid-Price Setting Transaction pursuant to this paragraph (e) shall provide evidence that it has entered into such Crossed Mid-Price Setting Transaction (and such evidence may include the Cash Settlement Participant identifying a transaction cleared with the Clearing House that corresponds to such Crossed Mid-Price Setting Transaction).~~

5. FURTHER POWERS AND INFORMATION

- ~~(a) In the event that no prices are received in relation to a Discounting Risk Auction for a Maturity Bucket by the end of the relevant bidding window identified in the Cash Settlement Supplement, or the Clearing House otherwise determines, in its sole and absolute discretion, that it would be appropriate to do so, the Clearing House may:~~
- ~~(i) hold one or more further auctions on the Auction Date or subsequent days;~~
 - ~~(ii) split the portfolio of Net Auction Contract Pairs into different groups or notional amounts; and/or~~
 - ~~(iii) take any other steps that it considers appropriate in order to obtain bids or offers in relation to the Net Auction Contract Pairs in such Maturity Bucket,~~
- ~~(b) and it shall make any consequential adjustments to the terms of the Rate Change Notice(s) relating to SOFR as it considers appropriate, and the terms of this Annex (including the "**Auction Date**") shall be construed accordingly.~~
- ~~(c) If, having taken the steps above in connection with a Discounting Risk Auction, where applicable, no prices are received in relation to one or more of the Maturity Buckets then the Clearing House will determine that no further auctions shall take place with respect to the relevant Maturity Bucket(s) and all Cash Only Clients shall have Discounting Risk Swaps for such relevant Maturity Bucket(s) registered in the relevant Individual Segregated Account, "position account" within an Omnibus Segregated Account or FCM Client Sub-Accounts (as~~

applicable) notwithstanding any Cash Only Election Notices previously delivered in respect of such SwapClear Clearing Clients or FCM Clients.

~~(d) If, in relation to a Maturity Bucket, the Clearing House is unable to auction and liquidate the full notional amount of the Discounting Risk Swaps that are the subject of the auction for that Maturity Bucket (including, without limitation, because the aggregate notional amount for which bids are received in relation to that Maturity Bucket is less than the entire notional amount of such Discounting Risk Swaps) (the **Non-Auctioned Swaps**), the Clearing House shall, notwithstanding any Cash Only Election Notices previously delivered, allocate the Non-Auctioned Swaps to each Cash Only Client Position Account, with each Cash Only Client Position Account being allocated a share of the Non-Auctioned Swaps pro rata to that Cash Only Client Position Account's share of the total notional amount of Discounting Risk Swaps for that Maturity Bucket that would, but for the delivery of the Cash Only Election Notices, have been registered in each of the Cash Only Client Position Accounts.~~

6. LIMITATION OF LIABILITY

6.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any claim against the Clearing House or any member of the LCH Group; arising or that may arise in connection with:~~

~~(i) any determination, calculation, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with the Cash Settlement Schedule; or~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, the Cash Settlement Schedule;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

6.2 Without prejudice to the generality of Regulation 52 and clause 5.1 above, each SwapClear Clearing Member further agrees:

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under the Cash Settlement Schedule, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~6.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under the Cash Settlement Schedule, save for the express contractual duties set forth in the Cash Settlement Schedule; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with the Cash Settlement Schedule; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with the Cash Settlement Schedule or any SwapClear Contract registered as a result of the matters specified in the Cash Settlement Schedule; (iv) shall be under any requirement to consult with, or individually notify, a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under the Cash Settlement Schedule; or (v) has made any representation, express or implied, in relation to the Cash Settlement Schedule, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to the Cash Settlement Schedule.~~

~~6.4 For the avoidance of doubt, notwithstanding anything herein, in the applicable Rate Change Annex for SOFR or Cash Settlement Supplement, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

~~**SWAPCLEAR SCM SERVICE – RATE CHANGE ANNEX – EURO SHORT TERM RATE (€STR)**~~

~~**1. SCOPE AND INTERPRETATION**~~

~~(a) This Annex constitutes a “Rate Change Annex” as defined in the Regulations and supplements and forms part of the Rulebook.~~

~~(b) This Annex relates to the change in the rate from the Euro OverNight Index Average (EONIA) to the Euro Short Term Rate (€STR) for the purposes of (i) calculating PAI, (ii) calculating the Price Alignment Amount, and (iii) constituting the relevant underlying benchmark for the instruments used to construct the Clearing House's zero coupon yield curves under 1.7.2 of Section 2C of the Procedures to calculate the net present value, each in relation to Impacted SwapClear Contracts.~~

~~(c) The terms of this Annex shall apply to all Impacted SwapClear Contracts of the type set out in the Rate Change Notice relating to €STR as set out below. For the avoidance of doubt, (i) no other SwapClear Contract shall be subject to, or affected by, the terms of this Annex and each SwapClear Contract shall remain in full force and effect, and (ii) the SwapClear Contract Terms shall not be amended by the terms of this Annex.~~

~~(d) Capitalized terms used but not otherwise defined in this Annex have the meaning given to them in the Regulations. The term "business day" has the meaning given to it in the Regulations.~~

~~(e) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~2. DEFINITIONS~~

~~For the purposes of this Annex:~~

~~**Cash Compensation Amount** means, in relation to the Impacted SwapClear Contracts in a Proprietary Account, an Individual Segregated Account, or a "position account" within an Omnibus Segregated Account, the amount determined in accordance with Section 4 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account, Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to Section 4 below.~~

~~**EONIA Discounted Value** means, in relation to an Impacted SwapClear Contract, the net present value, as of the time on the €STR Calculation Date determined by the Clearing House, of all future cash flows under that Impacted SwapClear Contract calculated using EONIA as the discounting rate for the purpose of constructing the zero coupon yield curves under 1.7.2 of Section 2C of the Procedures (with the future cash flows calculated in the same manner as for the determination of the €STR Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such EONIA Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such EONIA Discounted Value shall be a negative amount.~~

~~**€STR Calculation Date** means in relation to a Rate Change Notice relating to €STR the date specified as such by the Clearing House and specified in the Rate Change Notice relating to €STR, being the date on which the Clearing House shall calculate the amounts and values specified in Section 4 below.~~

~~**€STR Discounted Value** means, in relation to an Impacted SwapClear Contract, the net present value as of the time on the €STR Calculation Date determined by the Clearing House, of all future cash flows under that Impacted SwapClear Contract calculated using €STR as the discounting rate for the purpose of constructing the zero coupon yield curves under 1.7.2 of Section 2C of the Procedures (with the future cash flows calculated in the same manner as for the determination of the EONIA Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such €STR Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such €STR Discounted Value shall be a negative amount.~~

~~3. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to Regulation 60B of the Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are "Rate Change Payments" for purposes of Regulation 60B), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~4. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CHANGE TO €STR~~

~~(a) Immediately following the €STR Calculation Date the Clearing House shall calculate:~~

~~(i) the aggregate EONIA Discounted Value and the aggregate €STR Discounted Value in relation to all Impacted SwapClear Contracts registered in each Proprietary Account as of the time on the €STR Calculation Date determined by the Clearing House;~~

~~(ii) the aggregate EONIA Discounted Value and the aggregate €STR Discounted Value in relation to all Impacted SwapClear Contracts registered in each Individual Segregated Account as of the time on the €STR Calculation Date determined by the Clearing House; and~~

~~(iii) the aggregate EONIA Discounted Value and the aggregate €STR Discounted Value in relation to all Impacted SwapClear Contracts registered in each "position account" within each Omnibus Segregated Account as of the time on the €STR Calculation Date determined by the Clearing House.~~

~~(b) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Impacted SwapClear Contracts in each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~

~~(i) the aggregate €STR Discounted Value in relation to all such Impacted SwapClear Contracts exceeds the aggregate EONIA Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Compensation Amount in relation to such Impacted SwapClear Contracts shall be equal to the absolute value of the difference, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and~~

~~(ii) the aggregate €STR Discounted Value in relation to all such Impacted SwapClear Contracts is less than the aggregate EONIA Discounted Value in relation to all such Impacted SwapClear Contracts then the Cash Compensation Amount in relation to such Impacted SwapClear Contracts shall be equal to the absolute value of the difference, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).~~

~~(c) The Clearing House shall, pursuant to Regulation 60B, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to the Cash Compensation Amount (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay the Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of EUR1, a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the €STR Calculation Date, and an obligation on the Clearing House or the~~

~~SwapClear Clearing Member (as applicable) to pay to the other an amount equal to the Cash Compensation Amount related to the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to Section 4(b) above, with a positive Cash Compensation Amount representing an amount payable by the Clearing House to the SwapClear Clearing Member and a negative Cash Compensation Amount representing an amount payable to the Clearing House by the SwapClear Clearing Member. However, Neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~

- ~~(d) Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 4, which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the Impacted SwapClear Contracts.~~
- ~~(e) Each SwapClear Clearing Member agrees (and in the case of (e)(iv) below, each SwapClear Clearing Member and the Clearing House agrees):~~
- ~~(i) to use reasonable endeavors to provide each of its SwapClear Clearing Clients with (i) information on the change in the rate from EONIA to €STR pursuant to the terms of Regulation 60B and this Annex, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that SwapClear Clearing Client's Individual Segregated Account, or "position account" within such Omnibus Segregated Account pursuant to the terms of this Annex, and (iii) other information (indicative or otherwise) in relation to each SwapClear Clearing Client's "position account. Such information shall include the terms of this Annex and any information which it has received from, or is made available by, the Clearing House in connection with this Annex;~~
 - ~~(ii) that it, and each of SwapClear Clearing Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~
 - ~~(iii) to perform all obligations and exercise all rights under this Annex in accordance with Applicable Law; and~~
 - ~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of the change from EONIA to €STR.~~

5. DETERMINATIONS BINDING

~~Subject to Section 8, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

6. RECORDS

~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in~~

~~such manner as the Clearing House determines is necessary to meet its operational requirements.~~

7. MISCELLANEOUS

- ~~(a) The obligations of the Clearing House to each SwapClear Clearing Member shall be to perform its obligations as principal to such SwapClear Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 8.~~
- ~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Procedures to change the rate used for the purposes of (i) calculating PAI, (ii) calculating the Price Alignment Amount, and (iii) constructing the Clearing House's zero coupon yield curves under 1.7.2 of Section 2C of the Procedures from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~
- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook. The benefit of the performance by the Clearing House of its obligations under this Annex is conferred upon SwapClear Members only, as principal, and a person who is not a party to the Rulebook has no right under Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term of this Annex.~~

8. LIMITATION OF LIABILITY

~~8.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

- ~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex; or~~
- ~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~8.2 Without prejudice to the generality of Regulation 52 and clause 8.1 above, each SwapClear Clearing Member further agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~8.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Annex or any SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~8.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

SCHEDULE 3
SWAPCLEAR SCM SERVICE – FLOATING RATE CONVERSION ANNEX –
EURO OVERNIGHT INDEX AVERAGE (EONIA)

1. SCOPE AND INTERPRETATION

~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the Regulations and supplements and forms part of the Rulebook.~~

~~(i)~~ ~~(b)~~ The terms of ~~this Annex~~ a Rate Change Notice shall apply to all open SwapClear Contracts that (i) ~~specify and~~ designate the In-Scope Floating Rate Option specified in that Rate Change Notice as the floating rate or use ~~an~~ that In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House ~~at~~ as of the time on the Conversion Cut-Off Date ~~determined by the Clearing House~~ specified in the relevant Rate Change Notice (each such SwapClear Contract, an **EONIA Impacted Contract**). For the avoidance of doubt, (A) no other SwapClear Contract shall be subject to, or affected by, the terms of ~~this Annex~~ that Rate Change Notice and all SwapClear Contracts shall remain in full force and effect ~~as amended pursuant to the Floating Rate Conversion Annexes~~, and (B) other than as expressly set out in ~~this Annex~~ the Rate Change Notice, the SwapClear Contract Terms of any Impacted Contract shall not be amended, supplemented or modified by the terms of ~~this Annex~~ the Rate Change Notice.

~~(ii)~~ ~~(c)~~ Capitalised terms used but not otherwise defined ~~herein in this section 1.35~~ have the meaning given to them in the Regulations or the ISDA Definitions as applicable. The term "business day" has the meaning given to it in the Regulations.

~~(iii)~~ ~~(d)~~ The terms of ~~this Annex~~ any Rate Change Notice relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.

1. DEFINITIONS

~~1.1 For the purposes of this Annex:~~

~~**Amended EONIA Contract** means each EONIA Contract after giving effect to the amendments made pursuant to Section 3 of this Annex.~~

~~**Cash Compensation Amount** means, in relation to the EONIA Contracts in a Proprietary Account, an Individual Segregated Account, or a "position account" within an Omnibus Segregated Account, the amount determined in accordance with Section 5 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account, Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to Section 5 below.~~

~~**Conversion Cut-Off Date** means the business day immediately prior to the Conversion Date.~~

~~**Conversion Date** means October 16, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**EONIA Contract** has the meaning given to the term in Section 1(b) hereto.~~

~~**EONIA Value** means, in relation to an EONIA Contract, the net present value, determined by the Clearing House by reference to the Clearing House's zero coupon yield curves as of the time specified in Section 1.7.2 of these Procedures on the Conversion Date, of all future cash flows under that EONIA Contract on the basis that such EONIA Contract is an Unamended EONIA Contract. If the net present value represents an asset or positive value for the Clearing House, such EONIA Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such EONIA Value shall be a negative amount.~~

~~**€STR Value** means, in relation to an EONIA Contract, the net present value, determined by the Clearing House by reference to the Clearing House's zero coupon yield curves as of the time specified in Section 1.7.2 of these Procedures on the Conversion Date, of all future cash flows under that EONIA Contract on the basis that such EONIA Contract is an Amended EONIA Contract. If the net present value represents an asset or positive value for the Clearing House, such €STR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such €STR Value shall be a negative amount.~~

~~**EUR EONIA OIS COMPOUND** has the meaning given to it in the ISDA 2000 Definitions or ISDA 2006 Definitions (as applicable)~~

~~**EUR EONIA OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**EUR EuroSTR COMPOUND** has the meaning given to it in the ISDA 2000 Definitions or ISDA 2006 Definitions (as applicable).~~

~~**EUR EuroSTR OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**In-Scope Floating Rate Option** means EUR EONIA OIS COMPOUND or EUR EONIA OIS Compound.~~

~~**ISDA Definitions** means the ISDA 2000 Definitions, the ISDA 2006 Definitions and the ISDA 2021 Definitions, each as published by the International Swaps and Derivatives Association, Inc.~~

~~**Unamended EONIA Contract** means each EONIA Contract prior to giving effect to the amendments made pursuant to Section 3 below.~~

~~1. AMENDMENT TO EONIA CONTRACTS~~

1.1

~~(a) Pursuant to Regulation 60C of the Regulations, with effect from, and including, the Conversion Date, each EONIA Contract shall be amended so that each reference to EONIA shall instead be deemed to be a reference to the Euro Short Term Rate (€STR) (without any spread) and each reference to an In-Scope Floating Rate Option shall instead be a reference to EUR EuroSTR COMPOUND or EUR EuroSTR OIS Compound (as applicable), depending on the ISDA Definitions incorporated into the relevant EONIA Contract.~~

~~(b) No other term of any EONIA Contract shall be amended under this Annex.~~

~~1. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~(iv) (a) Pursuant to Regulation 60C of the Regulations, this Annex section 1.35 and each Rate Change Notice sets out the method for (i) calculating the Cash Compensation Amounts (which are "Conversion Rate Change Payments" for purposes of Regulation 60C), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~2. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CHANGE TO €STR~~

~~(v) The provisions of this section 1.35, as brought into effect by a Rate Change Notice, shall constitute enforceable rights and obligations of the relevant parties under the Rulebook and relevant SwapClear Contracts.~~

~~(e) (a) On the Conversion Date the Clearing House shall calculate Amendments to Impacted Contracts:~~

~~(i) Pursuant to Regulation 60C of the Regulations, with effect from, and including, the Conversion Date specified in the relevant Rate Change Notice each Impacted Contract under that Rate Change Notice shall be amended as follows:~~

~~(i) the aggregate EONIA Value and the aggregate €STR Value in relation to all EONIA Contracts registered in each Proprietary Account as of the time on the Conversion Cut-Off Date determined by the Clearing House; and~~

~~(ii) the aggregate EONIA Value and the aggregate €STR Value in relation to EONIA Contracts registered in each Individual Segregated Account as of the time on the Conversion Cut-Off Date determined by the Clearing House.~~

~~(b) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the EONIA Contracts in each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~

- ~~(i) the aggregate €STR Value in relation to all such EONIA Contracts exceeds the aggregate EONIA Value in relation to all such EONIA Contracts then the Cash Compensation Amount in relation to such EONIA Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and~~
- ~~(ii) the aggregate €STR Value in relation to all such EONIA Contracts is less than the aggregate EONIA Value in relation to all such EONIA Contracts then the Cash Compensation Amount in relation to such EONIA Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).~~
- ~~(e) The Clearing House shall, pursuant to Regulation 60C, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to the Cash Compensation Amount (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay the Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of EUR1, a "Termination Date" (as defined in the SwapClear Contract Terms) falling two business days after the Conversion Cut Off Date, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to Section 5(b) above. However, neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~
- ~~(d) Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 5, which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the EONIA Contracts.~~
- ~~(e) Each SwapClear Clearing Member agrees (and in the case of (e)(iv) below, each SwapClear Clearing Member and the Clearing House agrees):~~
- ~~(i) to use reasonable endeavors to provide each of its SwapClear Clearing Clients with (i) information on the change to the EONIA Contracts pursuant to the terms of Regulation 60C and this Annex, (ii) information on the amounts payable pursuant to the terms of the Cash~~

~~Compensation Contracts which may be allocated to that SwapClear Clearing Client's Individual Segregated Account, or "position account" within an Omnibus Segregated Account pursuant to the terms of this Annex, and (iii) other information (indicative or otherwise) in relation to each SwapClear Clearing Client's "position account". Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to SwapClear Clearing Clients;~~

- ~~(i) that it, and each SwapClear Clearing Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~
- ~~(ii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law; and~~
- ~~(iii) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of the changes to the EONIA Contracts pursuant to this Annex.~~

~~3. ELIGIBILITY FROM THE CONVERSION DATE~~

~~Notwithstanding anything to the contrary in the Product Specific Contract Terms and Eligibility Criteria Manual, from and including the Conversion Date the Clearing House shall not accept for clearing or registration any SwapClear Transaction that specifies an In-Scope Floating Rate Option.~~

~~4. DETERMINATIONS BINDING~~

~~Subject to Section 10, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

~~5. RECORDS~~

~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements.~~

~~6. MISCELLANEOUS~~

- ~~(a) The obligations of the Clearing House to each SwapClear Clearing Member shall be to perform its obligations as principal to such SwapClear Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 10.~~

~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Regulations and the Procedures to change the terms of any open SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~

~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook. The benefit of the performance by the Clearing House of its obligations under this Annex is conferred upon SwapClear Clearing Members only, as principal, and a person who is not a party to the Rulebook has no right under Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term of this Annex.~~

7. LIMITATION OF LIABILITY

~~7.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any claim against the Clearing House or any member of the LCH Group; arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex; or~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex; except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~7.2 Without prejudice to the generality of Regulation 52 and Section 10.1 above, each SwapClear Clearing Member further agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(a) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group; arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group;~~

~~7.3 10.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Annex or any SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

SCHEDULE 4
SWAPCLEAR SCM SERVICE—
FLOATING RATE CONVERSION ANNEX—LIBOR (OTHER THAN USD LIBOR)

1. SCOPE AND INTERPRETATION

- (a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the Regulations and supplements and forms part of the Rulebook.
- (b) The terms of this Annex shall apply to all open SwapClear Contracts that (i) specify an In-Scope Floating Rate Option as the floating rate or use an In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the time on the Conversion Cut-Off Date determined by the Clearing House (each such SwapClear Contract, a **LIBOR Contract**). For the avoidance of doubt, (A) no other SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.
- (c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the Regulations. The term “business day” has the meaning given to it in the Regulations.
- (d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.

2. DEFINITIONS

For the purposes of this Annex:

Affected Forward Rate Agreement means each open Forward Rate Agreement that has a “Reset Date” (as defined in the ISDA Definitions) which (i) in the case of a Forward Rate Agreement for which the floating rate is GBP LIBOR-BBA or GBP LIBOR, falls on, or after, the “Index Cessation Effective Date” (as defined in the ISDA Definitions) related to those In-Scope Floating Rate Options; or (ii) in the case of a Forward Rate Agreement for which the floating rate is an In-Scope Floating Rate Option other than GBP LIBOR-BBA or GBP LIBOR, falls on or after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant Forward Rate Agreement.

Amended LIBOR Contract means each LIBOR Contract after giving effect to the amendments made pursuant to Section 3 below and, in respect of the Affected Forward Rate Agreements, the amendments made pursuant to Section 4 below.

Basis Swap Operational Split Date means October 2, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.

Bloomberg Spread means, in relation to an In-Scope Floating Rate Option, the spread relating to that In-Scope Floating Rate Option for a period of the Designated Maturity (as defined in the ISDA Definitions) of that LIBOR Contract provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).

~~**Cash Compensation Amount** means, in relation to all LIBOR Contracts that specify an In-Scope Floating Rate Option as the floating rate or use an In-Scope Floating Rate Option to calculate the floating amount thereunder in a Proprietary Account, an Individual Segregated Account, or a "position account" within an Omnibus Segregated Account, the amount determined in accordance with Section 8 below, or, in relation to Legacy LIBOR Transactions, the amount determined in accordance with Section 11 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account, Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to Section 8 or Section 11 (as applicable) below.~~

~~**Conversion Cut-Off Date** means, with respect to a LIBOR Contract, the business day immediately prior to the Conversion Date applicable to such LIBOR Contract as determined in accordance with the definition of "Conversion Date" below.~~

~~**Conversion Date** means:~~

~~(a) in relation to each LIBOR Contract (including each Affected Forward Rate Agreement) that specifies — CHF LIBOR BBA, — CHF LIBOR, — EUR LIBOR BBA, — EUR LIBOR, JPY LIBOR BBA or JPY LIBOR as the floating rate or uses CHF LIBOR BBA, CHF LIBOR, EUR LIBOR BBA, EUR LIBOR, JPY LIBOR BBA, or JPY LIBOR to calculate the floating amount thereunder, December 4, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate; and~~

~~(b) in relation to each LIBOR Contract (including each Affected Forward Rate Agreement) that specifies GBP LIBOR BBA or GBP LIBOR as the floating rate or uses GBP LIBOR BBA or GBP LIBOR to calculate the floating amount thereunder, December 18, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**CHF-SARON-OIS-COMPOUND** has the meaning given to it in the ISDA 2006 Definitions.~~

~~**CHF-SARON-OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**EUR-EuroSTR-COMPOUND** has the meaning given to it in the ISDA 2006 Definitions.~~

~~**EUR-EuroSTR-OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**Fallback RFR Value** means, in relation to a LIBOR Contract, the net present value, determined by the Clearing House as of the Conversion Date, of all future cash flows under that LIBOR Contract on the basis that such LIBOR Contract is not amended pursuant to this Annex, provided however that, for purposes of determining the Fallback RFR Value of an Affected Forward Rate Agreement, the provisions of Supplement 70 to the ISDA 2006 Definitions (and the equivalent provisions under the ISDA 2021 Definitions) shall not be taken into account. If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.~~

~~**Forward Rate Agreement** means each SwapClear Contract that is recorded as a "forward rate transaction" or "forward rate agreement" in the books and records of the Clearing House and references an In-Scope Floating Rate Option.~~

~~GBP SONIA COMPOUND~~ has the meaning given to it in the ISDA 2006 Definitions.

~~GBP SONIA OIS Compound~~ has the meaning given to it in the ISDA 2021 Definitions.

~~In-Scope Floating Rate Option~~ means:

- ~~(a) CHF LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions);~~
- ~~(b) CHF LIBOR (as defined in the ISDA 2021 Definitions);~~
- ~~(c) EUR LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions);~~
- ~~(d) EUR LIBOR (as defined in the ISDA 2021 Definitions);~~
- ~~(e) GBP LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions);~~
- ~~(f) GBP LIBOR (as defined in the ISDA 2021 Definitions);~~
- ~~(g) JPY LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions); and~~
- ~~(h) JPY LIBOR (as defined in the ISDA 2021 Definitions).~~

~~ISDA Definitions~~ means the ISDA 2000 Definitions, the ISDA 2006 Definitions and the ISDA 2021 Definitions, each as published by the International Swaps and Derivatives Association, Inc. For the avoidance of doubt unless otherwise provided herein, references to the ISDA 2006 Definitions shall mean the ISDA 2006 Definitions including Supplement 70 thereto.

~~JPY TONA OIS COMPOUND~~ has the meaning given to it in the ISDA 2006 Definitions.

~~JPY TONA OIS Compound~~ has the meaning given to it in the ISDA 2021 Definitions.

~~Legacy LIBOR Cut Off Date~~ means September 21, 2021.

~~Legacy LIBOR End Date~~ means December 31, 2024, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.

~~Legacy LIBOR Transaction~~ means a SwapClear Transaction (other than a “forward rate agreement” or “forward rate transaction”) that meets the following conditions:

- ~~(a) it is eligible under the Product Specific Contract Terms and Eligibility Criteria Manual in effect from time to time;~~
- ~~(b) it specifies an In-Scope Floating Rate Option other than EUR LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions) or EUR LIBOR (as defined in the ISDA 2021 Definitions) as the floating rate or uses an In-Scope Floating Rate Option other than EUR LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions) or EUR LIBOR (as defined in the ISDA 2021 Definitions) to calculate the floating amount thereunder;~~
- ~~(c) it is presented to the Clearing House after the Conversion Date applicable to the In-Scope Floating Rate Option specified in the terms of that SwapClear Transaction; and~~

~~(d) if it is presented to the Clearing House after December 31, 2021 either (i) in the case of SwapClear Transactions other than those referred to in (ii) below, the SwapClear Transaction was entered into prior to the Legacy LIBOR Cut-Off Date, or (ii) in the case of a SwapClear Transaction resulting from the exercise of a physically settled swaption, that swaption was entered into prior to the Legacy LIBOR Cut-Off Date.~~

LIBOR Basis Swap means each SwapClear Contract that is recorded as a “basis swap” in the books and records of the Clearing House and references an In-Scope Floating Rate Option.

Operational Straddle Period LIBOR Booking means an Operational Outright LIBOR Booking that reflects an In-Scope Floating Rate Option as the floating rate or uses an In-Scope Floating Rate Option to calculate the floating amount and which has a “Reset Date” (as defined in the ISDA Definitions) which:

- ~~(a) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or prior to, the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option; or~~
- ~~(b) in the case of all other In-Scope Floating Rate Options, falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.~~

Relevant Number of Business Days means:

- ~~(a) in relation to CHF LIBOR BBA or CHF LIBOR, two London Banking Days (as defined in the ISDA Definitions);~~
- ~~(b) in relation to EUR LIBOR BBA or EUR LIBOR, two TARGET Settlement Days (as defined in the ISDA Definitions); and~~
- ~~(c) in relation to JPY LIBOR BBA or JPY LIBOR, two London Banking Days (as defined in the ISDA Definitions);~~

RFR Value means, in relation to a LIBOR Contract, the net present value, determined by the Clearing House as of the Conversion Date, of all future cash flows under that LIBOR Contract on the basis that such LIBOR Contract is an Amended LIBOR Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.

Straddle Period LIBOR Contract means a LIBOR Contract that specifies an In-Scope Floating Rate Option as the floating rate or uses an In-Scope Floating Rate Option to calculate the floating amount thereunder and which has a “Reset Date” (as defined in the ISDA Definitions) which:

- ~~(i) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or prior to, the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option; or~~

~~(ii) in the case of all other In-Scope Floating Rate Options, falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.~~

3. AMENDMENTS TO LIBOR CONTRACTS

~~(a) Pursuant to Regulation 60C of the Regulations, with effect from, and including, the Conversion Date each LIBOR Contract other than any Affected Forward Rate Agreement shall be amended in accordance with this Section 3.~~

Floating Rate Option:

~~(b) If:~~

~~(i) the LIBOR Contract references CHF LIBOR BBA or CHF LIBOR (each a **CHF LIBOR Contract**), then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to CHF LIBOR BBA or CHF LIBOR in the SwapClear Contract Terms shall be deemed to be replaced for all purposes with CHF SARON OIS COMPOUND or CHF SARON OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract;~~

~~(ii) the LIBOR Contract references GBP LIBOR BBA or GBP LIBOR (each a **GBP LIBOR Contract**), then, from and including the first Reset Date falling after the Index Cessation Effective Date in relation to such In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms in so far as they relate to such In-Scope Floating Rate Options, including for the avoidance of doubt, any fallbacks in the ISDA Definitions, any references to GBP LIBOR BBA or GBP LIBOR in the SwapClear Contract Terms shall be replaced for all purposes with GBP SONIA COMPOUND or GBP SONIA OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract);~~

~~(iii) the LIBOR Contract references EUR LIBOR BBA or EUR LIBOR (each a **EUR LIBOR Contract**) then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to EUR LIBOR BBA or EUR LIBOR shall be replaced for all purposes with EUR EuroSTR COMPOUND or EUR EuroSTR OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract; and~~

(A) ~~(iv) the LIBOR Contract references JPY LIBOR BBA or JPY LIBOR (each a **JPY LIBOR Contract**), then, from~~**From** and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective

Date (as defined in the ISDA Definitions) in relation to ~~such~~the In-Scope Floating Rate ~~Options~~Option, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate ~~Options~~Option, any references to ~~JPY LIBOR BBA or JPY LIBOR~~the In-Scope Floating Rate Option shall be replaced for all purposes with ~~JPY TONA OIS COMPOUND or JPY TONA OIS Compound~~depending on the ISDA Definitions incorporated into the relevant LIBOR Contract~~the Replacement Floating Rate Option~~.

Bloomberg Spread Adjustment:

- (B) ~~(e)~~ From and including the first Reset Date which ~~(i) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or after, the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to those In-Scope Floating Rate Options, or (ii) in the case of all other In-Scope Floating Rate Options, falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant LIBOR Impacted Contract, the "Floating Rate" under each LIBOR Impacted Contract that specifies that In-Scope Floating Rate Option as the floating rate or uses that In-Scope Floating Rate Option to calculate the floating amount thereunder will, in addition to any "Spread" (as defined in the ISDA Definitions) already existing under the terms of the LIBOR Impacted Contract, include the Bloomberg Spread Adjustment applicable to that In-Scope Floating Rate Option, ~~provided however that, for such purpose the Bloomberg Spread in relation to JPY LIBOR BBA or JPY LIBOR (as applicable) shall be multiplied by 365 divided by 360.~~~~

Payment Date Delay:

~~(d)~~

- ~~(i) in respect of any CHF LIBOR Contract and JPY LIBOR Contract, in each case, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" in relation to that LIBOR Contract and the number of days specified for such purposes shall be two (2) Zurich Business Days in relation to each CHF LIBOR Contract and two (2) Tokyo Business Days in relation to each JPY LIBOR Contract. The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Zurich or Tokyo Business Days (as applicable) after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable;~~

~~(ii) in respect of any EUR LIBOR Contract, “Delayed Payment” (as defined in the ISDA Definitions) shall be “Applicable” in relation to that LIBOR Contract and the number of days specified for such purposes shall be one (1) TARGET Settlement Day (as defined in the ISDA Definitions). The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall one (1) Business Day after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable; and~~

~~(iii) in respect of any GBP LIBOR Contract, “Delayed Payment” (as defined in the ISDA Definitions) shall be “Not Applicable” in relation to that LIBOR Contract. The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall on the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.~~

No Observation Period Shift:

~~(e) For the avoidance of doubt, the Clearing House and the SwapClear Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each “Floating Rate” under each LIBOR Contract shall be calculated over the relevant “Calculation Period” without any shift, adjustment or “observation shift” and all of the provisions relating thereto in the ISDA Definitions and the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited shall not apply to the calculation of the “Floating Rate” under each LIBOR Contract.~~

Consequential Amendments:

~~(f) The Clearing House shall make any consequential amendments to the terms of each LIBOR Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.~~

~~(g) Unless expressly referenced herein, all other terms of each LIBOR Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the “Fixed Rate”, “Day Count Fraction”, “Business Days” and any “Spread” (each as defined in the ISDA Definitions).~~

4. AMENDMENTS TO FORWARD RATE AGREEMENTS

~~(a) Pursuant to Regulation 60C of the Regulations, with effect from, and including, the relevant Conversion Date each Affected Forward Rate Agreement shall be amended so that from, and including, the relevant Conversion Date:~~

Payment Date:

~~(i) the “Payment Date” under such Affected Forward Rate Agreement shall be amended so that the “Payment Date” is the “Termination Date” (each as defined in the ISDA Definitions);~~

Discounting:

~~(ii) “Discounting” (as defined in the ISDA Definitions) shall be “Not Applicable” and the “Discount Rate” (as defined in the ISDA Definitions) shall be deleted in its entirety;~~

*Floating Rate Option:**(iii) if:*

- ~~(A) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a CHF LIBOR Contract, then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In Scope Floating Rate Options, any references to CHF LIBOR BBA or CHF LIBOR in the SwapClear Contract Terms shall be deemed to be replaced for all purposes with CHF SARON OIS COMPOUND or CHF SARON OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract;~~
- ~~(B) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a GBP LIBOR Contract, then, from and including the first Reset Date falling after the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms in so far as they relate to such In Scope Floating Rate Options, including for the avoidance of doubt, any fallbacks in the ISDA Definitions, any references to GBP LIBOR BBA or GBP LIBOR in the SwapClear Contract Terms shall be replaced for all purposes with GBP SONIA COMPOUND or GBP SONIA OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract);~~
- ~~(C) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a EUR LIBOR Contract then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In Scope Floating Rate Options, any references to EUR LIBOR BBA or EUR LIBOR shall be replaced for all purposes with EUR EuroSTR COMPOUND or EUR EuroSTR OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract; and~~
- ~~(D) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a JPY LIBOR Contract then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In Scope Floating Rate Options, any references to JPY LIBOR BBA or JPY LIBOR shall be replaced for all purposes with JPY TONA OIS COMPOUND or JPY TONA OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract;~~

Bloomberg Spread:

(C) ~~(iv) from~~ From and including the first Reset Date which ~~(i) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or after, the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to those In-Scope Floating Rate Options, or (ii) in the case of all other In-Scope Floating Rate Options,~~ falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant ~~LIBOR Contract, the "Floating Rate" under each LIBOR Contract that specifies that In-Scope Floating Rate Option as the floating rate or uses that In-Scope Floating Rate Option to calculate the floating amount thereunder will include the Bloomberg Spread applicable to that In-Scope Floating Rate Option,~~ provided however that, for such purpose the Bloomberg Spread in relation to JPY LIBOR BBA or JPY LIBOR (as applicable) shall be multiplied by 365 divided by 360; Impacted Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" and the number of days for such purposes shall be as specified in the relevant Rate Change Notice as the "Number of Business Days for Payment Delay".

Payment Date Delay:

- ~~(v) in respect of any CHF LIBOR Contract and JPY LIBOR Contract, in each case, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" in relation to that LIBOR Contract and the number of days specified for such purposes shall be two (2) Business Days. The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable;~~
- ~~(vi) in respect of any EUR LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" in relation to that LIBOR Contract and the number of days specified for such purposes shall be one (1) Business Day. The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall one (1) Business Day after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable; and~~
- ~~(vii) in respect of any GBP LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Not Applicable" in relation to that LIBOR Contract. The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall on the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.~~

No Observation Period Shift:

- (D) ~~(b)~~ For the avoidance of doubt, the Clearing House and the SwapClear Clearing Members acknowledge and agree that as a result of the amendment made in paragraph ~~(a)(iii)~~ (b) above, each "Floating Rate" under each LIBOR Impacted Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions ~~and the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited~~ shall not apply to the calculation of the "Floating Rate" under each LIBOR Impacted Contract.

Consequential Amendments:

- (E) ~~(c)~~ The Clearing House shall make any consequential amendments to the terms of each LIBOR Impacted Contract as it deems necessary in connection with, and to give effect to, the amendments ~~in this Section 4~~ set out herein.
- (ii) ~~(d)~~ Unless expressly referenced herein, all other terms of each LIBOR Impacted Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction" ~~and~~ "Business Days" and any "Spread" (each as defined in the ISDA Definitions).
- (f) **Determination of the Cash Compensation Amount and the Cash Compensation Contracts following the Conversion**

To the extent specified as "Applicable" in the relevant Rate Change Notice, the following provisions shall apply in relation to the Impacted Contracts specified in that Rate Change Notice, otherwise they shall not apply in relation to those Impacted Contracts:

5. OPERATIONAL BOOKINGS

- ~~(a) In order to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to this Annex in the SwapClear service, the Clearing House shall record certain bookings in the SwapClear service (each an **Operational Booking**) in the manner described in this Section 5. Any bookings referred to in this Section 5 are solely to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to this Annex and the Clearing House and each SwapClear Clearing Member agree and acknowledge that they shall not result in the registration of any new SwapClear Contracts and shall have no legal effect and are for operational purposes only.~~

Basis Swap Operational Splitting

- ~~(b) On the Basis Swap Operational Split Date, the Clearing House will terminate each booking in relation to each LIBOR Basis Swap and will record two Operational Bookings in respect of each LIBOR Basis Swap (each an **Operational Outright LIBOR Booking**), which will have terms which are each identical to the LIBOR Basis Swap to which they relate, except that:~~

- ~~(i) the first Operational Outright LIBOR Booking shall have a “Floating Rate” (as defined in the ISDA Definitions) equal to the first “Floating Rate” referenced in that LIBOR Basis Swap, a “Fixed Rate” (as defined in the ISDA Definitions) determined by the Clearing House (the **Split Fixed Rate**), and the “Floating Rate Payer” or “Floating Amount Payer” (as defined in the ISDA Definitions) shall be the same as the “Floating Rate Payer” or “Floating Amount Payer” in relation to the first “Floating Rate” under the corresponding LIBOR Basis Swap; and~~
- ~~(ii) the second Operational Outright LIBOR Booking shall have a “Floating Rate” (as defined in the ISDA Definitions) equal to the second “Floating Rate” referenced in that LIBOR Basis Swap, a “Fixed Rate” (as defined in the ISDA Definitions) equal to the Split Fixed Rate, and the “Floating Rate Payer” or “Floating Amount Payer” (as defined in the ISDA Definitions) shall be the same as the “Floating Rate Payer” or “Floating Amount Payer” in relation to the second “Floating Rate” under the corresponding LIBOR Basis Swap.~~
- ~~(e) The Clearing House shall determine the Split Fixed Rate in its sole and absolute discretion and shall make any consequential amendments to each Operational Outright LIBOR Booking that it deems necessary in connection with, and to give effect to, the foregoing.~~
- ~~(d) On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House will terminate each Operational Outright LIBOR Booking that has a “Floating Amount” calculated using that In-Scope Floating Rate Option and shall record an Operational Booking in accordance with (e) below.~~

Main Operational Booking

- ~~(e) On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House shall, in relation to each LIBOR Contract and each Operational Outright LIBOR Booking referencing that In-Scope Floating Rate Option, record an Operational Booking (each an **Operational RFR Booking**) that is on the same terms as the LIBOR Contract or Operational Outright LIBOR Booking (as applicable) to which it relates except that, from the “Effective Date” of the Operational RFR Booking (which shall be prior to the Conversion Date) any “Floating Amounts” reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to Section 3 or Section 4 (as applicable) of this Annex. On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House shall, in relation to each LIBOR Contract referencing that In-Scope Floating Rate Option, terminate the operational booking relating to that LIBOR Contract that was recorded in the SwapClear service immediately prior to the Conversion Date.~~

Operational Overlay Bookings

- ~~(f) In addition to the Operational RFR Bookings referred to in (e) above, with respect to each Straddle Period LIBOR Contract and Operational Straddle Period LIBOR Booking in relation to which the SwapClear Clearing Member would receive a “Floating Amount” calculated using an In-Scope Floating Rate Option under the Straddle Period LIBOR Contract or Operational Straddle Period LIBOR Booking (such amount, the **LIBOR Amount**), on the Conversion Date in relation to the relevant In-Scope Floating Rate Option the Clearing House shall record the following Operational Bookings (each an **Operational Overlay Booking**) in the SwapClear service:~~
- ~~(i) in relation to a Straddle Period LIBOR Contract or any Operational Straddle Period LIBOR Booking that is not of the type specified in (ii) below:~~

- ~~(A) an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the SwapClear Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the **Overlay Fixed Amount**) and (Y) an amount that would be payable to the SwapClear Clearing Member equal to the LIBOR Amount it would be entitled to receive under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking); and~~
- ~~(B) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable by the SwapClear Clearing Member equal to the “Floating Amount” the SwapClear Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking;~~
- ~~(ii) in relation to a Straddle Period LIBOR Contract that is recorded in a Proprietary Account (or any Operational Straddle Period LIBOR Booking that would be recorded in a Proprietary Account) and is either:~~
- ~~(A) a JPY LIBOR Contract or a GBP LIBOR Contract in each case with a fixed notional amount and no “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) a “Floating Amount” that would be payable by the SwapClear Clearing Member equal to the “Floating Amount” it would be entitled to receive as reflected under the Operational RFR Booking and (Y) an amount that would be payable to the SwapClear Clearing Member equal to the LIBOR Amount it would be entitled to receive under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking); or~~
- ~~(B) a GBP LIBOR Contract with a fixed notional amount and a non-zero “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) a “Floating Amount” that would be payable by the SwapClear Clearing Member equal to the “Floating Amount” it would be entitled to receive as reflected under the Operational RFR Booking if the “Spread” applicable to that Operational RFR Booking were equal to zero and (Y) an amount that would be payable to the SwapClear Clearing Member equal to the LIBOR Amount it would be entitled to receive under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking);~~
- ~~(g) In addition to the Operational RFR Bookings referred to in (e) above, with respect to each Straddle Period LIBOR Contract and Operational Straddle Period LIBOR Booking in relation to which the SwapClear Clearing Member would pay the LIBOR Amount, on the Conversion Date in relation to the relevant In Scope Floating Rate Option the Clearing House shall record the following Operational Overlay Bookings in the SwapClear service:~~
- ~~(i) in relation to a Straddle Period LIBOR Contract or any Operational Straddle Period LIBOR Booking that is not of the type specified in (ii) below:~~

- ~~(A) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) an amount that would be payable by the SwapClear Clearing Member equal to the LIBOR Amount it would be obliged to pay under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking); and~~
- ~~(B) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable to the SwapClear Clearing Member equal to the “Floating Amount” that would be payable by the SwapClear Clearing as reflected under the related Operational RFR Booking;~~
- ~~(ii) in relation to a Straddle Period LIBOR Contract that is recorded in a Proprietary Account (or any Operational Straddle Period LIBOR Booking that would be recorded in a Proprietary Account) and is either:~~
- ~~(A) a JPY LIBOR Contract or a GBP LIBOR Contract in each case with a fixed notional amount and no “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) an amount payable by the SwapClear Clearing Member equal to the LIBOR Amount the SwapClear Clearing Member would be obliged to pay under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking) and (Y) a “Floating Amount” payable to the SwapClear Clearing Member equal to the “Floating Amount” the SwapClear Clearing Member would be obliged to pay as reflected under the related Operational RFR Booking; or~~
- ~~(B) a GBP LIBOR Contract with a fixed notional amount and a non-zero “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) an amount payable by the SwapClear Clearing Member equal to the LIBOR Amount the SwapClear Clearing Member would be obliged to pay under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking) and (Y) a “Floating Amount” payable to the SwapClear Clearing Member equal to the “Floating Amount” the SwapClear Clearing Member would be obliged to pay as reflected under the related Operational RFR Booking if the “Spread” applicable to that Operational RFR Booking were equal to zero.~~
- ~~(h) The Operational Overlay Bookings in relation to a Straddle Period LIBOR Contract and Operational Straddle Period LIBOR Booking will terminate as of the time when they are no longer required for the Clearing House’s operational purposes, which is expected to be on the first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.~~

6. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS

If the Clearing House receives an instruction from a SwapClear Clearing Member to take a permitted action with respect to some but not all of the rights and obligations under any Amended LIBOR Contract (including, but not limited to, compression) and such rights and

~~obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with Section 5 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:~~

- ~~(i) pursuant to its powers under Regulation 60C, register one or more new SwapClear Contract(s) in the name of that SwapClear Clearing Member with the same terms as such Operational Booking(s); and~~
- ~~(ii) amend the Amended LIBOR Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.~~

~~7. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to Regulation 60C of the Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are "Conversion Payments" for purposes of Regulation 60C), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~8. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION~~

- ~~(i)~~ ~~(a)~~ On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House shall calculate the following amounts:
 - ~~(A)~~ ~~(i)~~ the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all LIBOR Impacted Contracts that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option registered in each Proprietary Account as of the time on the Conversion Cut-Off Date determined by the Clearing House;
 - ~~(B)~~ ~~(ii)~~ the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all LIBOR Impacted Contracts that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option registered in each Individual Segregated Account as of the time on the Conversion Cut-Off Date determined by the Clearing House; and
 - ~~(C)~~ ~~(iii)~~ the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all LIBOR Impacted Contracts that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option registered in each "position account" within each Omnibus Segregated Account as of the time on the Conversion Cut-Off Date determined by the Clearing House.
- ~~(ii)~~ ~~(b)~~ The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the LIBOR Impacted Contracts referencing an In-Scope Floating Rate Option in each Proprietary

Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:

- (A) ~~(i)~~—the aggregate RFR Value in relation to all such LIBOR Impacted Contracts exceeds the aggregate Fallback RFR Value in relation to all such LIBOR Impacted Contracts then the Cash Compensation Amount in relation to such LIBOR Impacted Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and
- (B) ~~(ii)~~—the aggregate RFR Value in relation to all such LIBOR Impacted Contracts is less than the aggregate Fallback RFR Value in relation to all such LIBOR Impacted Contracts then the Cash Compensation Amount in relation to such LIBOR Impacted Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).
- (iii) ~~(e)~~—The Clearing House shall, pursuant to Regulation 60C, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of 1 unit of the relevant currency of the LIBOR Impacted Contracts to which it relates, a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the Conversion Cut-Off Date, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the LIBOR Impacted Contracts referencing an In-Scope Floating Rate Option in the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to Section 8 paragraph (bii) above. However, neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash

Compensation Amount to which such Cash Compensation Contract relates.

- (iv) ~~(d)~~ Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this ~~Section~~ section 1.35, which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the ~~LIBOR~~Impacted Contracts.
- (v) ~~(e)~~ Each Without prejudice to the obligations between each SwapClear Clearing Member and each SwapClear Clearing Clients that otherwise exist in connection with the SwapClear service, each SwapClear Clearing Member agrees (and in the case of ~~(e)~~(ivD) below, each SwapClear Clearing Member and the Clearing House agrees):
- (A) ~~(i)~~ to use reasonable endeavors to provide each of its SwapClear Clearing Clients with (i) information on the change to the ~~LIBOR~~Impacted Contracts pursuant to the terms of Regulation 60C ~~and this Annex, these Procedures and the relevant Rate Change Notice~~, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that SwapClear Clearing Client's Individual Segregated Account, or "position account" within an Omnibus Segregated Account pursuant to the terms of ~~this Annex~~these Procedures and the relevant Rate Change Notice, and (iii) other information (indicative or otherwise) in relation to each SwapClear Clearing Client's "position account". Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with ~~this Annex (or any applicable Floating Rate Conversion Notice(s))~~these Procedures and the relevant Rate Change Notice expressly marked for distribution to SwapClear Clearing Clients;
- (B) ~~(ii)~~ that it, and each of SwapClear Clearing Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to ~~this Annex~~these Procedures and the relevant Rate Change Notice and all payment obligations thereunder (as determined by the Clearing House pursuant to ~~this Annex~~these Procedures and the relevant Rate Change Notice);
- (C) ~~(iii)~~ to perform all obligations and exercise all rights under or pursuant to this ~~Annex~~section 1.35 and the Rate Change Notice in accordance with Applicable Law; and
- (D) ~~(iv)~~ that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this ~~Annex~~section 1.35 and the Rate Change Notice and the obligations thereunder are for the sole purpose of addressing

the value impact of certain of the changes to the LIBOR Impacted Contracts pursuant to this Annex; and section 1.35 and the Rate Change Notice.

(g) Operational Bookings

If specified as “Applicable” in the relevant Rate Change Notice, the following provisions shall apply in relation to the Impacted Contracts specified in that Rate Change Notice, otherwise they shall not apply in relation to those Impacted Contracts:

~~(v) that it will take reasonable steps to ensure that any SwapClear Transaction referencing an In-Scope Floating Rate Option and submitted after December 31, 2021 meets the conditions in the definition of Legacy LIBOR Transaction.~~

~~9. DETERMINATIONS BINDING~~

~~Subject to Section 13, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

~~10. RECORDS~~

~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements. Where the Clearing House determines appropriate, the Clearing House will update its books and records or governance and booking procedures to provide that all Operational Bookings booked pursuant to this Annex do not affect the rights and obligations of SwapClear Clearing Members regardless of anything to the contrary in any reports issued by the Clearing House.~~

~~11. LEGACY LIBOR TRANSACTIONS~~

~~(a) Notwithstanding anything to the contrary in the Product Specific Contract Terms and Eligibility Criteria Manual, from and including the Conversion Date in relation to an In-Scope Floating Rate Option, the Clearing House shall not accept for clearing or registration any SwapClear Transaction that references that In-Scope Floating Rate Option and is not a Legacy LIBOR Transaction.~~

~~(b) A SwapClear Clearing Member may present Legacy LIBOR Transactions for registration at the Clearing House from, and including, the Conversion Date up to, and including, the Legacy LIBOR End Date. No Legacy LIBOR Transactions will be eligible for clearing after the Legacy LIBOR End Date and no SwapClear Clearing Member shall present a Legacy LIBOR Transaction for registration after the Legacy LIBOR End Date.~~

~~(c) If a SwapClear Clearing Member presents a Legacy LIBOR Transaction to the Clearing House after December 31, 2021, that SwapClear Clearing Member shall be deemed to represent and warrant to the Clearing House on the day it presents that Legacy LIBOR Transaction to the Clearing House that:~~

- ~~(i) either (a) the Legacy LIBOR Transaction was entered into prior to the Legacy LIBOR Cut-Off Date, or (b) in the case of a Legacy LIBOR Transaction which results from the exercise of a physically settled swaption, that swaption was entered into prior to the Legacy LIBOR Cut-Off Date; and~~
- ~~(ii) the SwapClear Transaction incorporates either the Fallbacks Supplement pursuant to the ISDA 2020 IBOR Fallbacks Protocol, Supplement 70 to the ISDA 2006 Definitions or the equivalent provisions under the ISDA 2021 Definitions, in each case prior to it being presented to the Clearing House.~~

~~The SwapClear Clearing Member shall immediately notify the Clearing House if it becomes aware that any of the foregoing representations are incorrect, untrue or misleading.~~

- ~~(d) A Legacy LIBOR Transaction will only be registered by the Clearing House on a business day if it is presented to the Clearing House prior to 4 p.m. London time on such business day (or such other cut off time as may be separately communicated by the Clearing House to the SwapClear Clearing Members). If a Legacy LIBOR Transaction is presented after this time, the Clearing House may decline to register the Legacy LIBOR Transaction.~~
- ~~(e) When a Legacy LIBOR Transaction is presented to the Clearing House by a SwapClear Clearing Member the presentation of such Legacy LIBOR Transaction shall constitute an irrevocable instruction from that SwapClear Clearing Member to the Clearing House to (i) register the Legacy LIBOR Transaction (subject to any other rights of the Clearing House, or obligations of the SwapClear Clearing Members in relation to the presentation or submission of SwapClear Transactions and registration of SwapClear Contracts generally pursuant to the Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual) and (ii) immediately at the point of, and as part of, registration amend the Legacy LIBOR Transaction in accordance with Section 3(b) (e) (inclusive) as if such provisions applied to Legacy LIBOR Transactions, *provided however that*, notwithstanding anything to the contrary in Section 3, in relation to Legacy LIBOR Transactions only, the amendments in Section 3(b) (e) shall be made at the point of, and as part of, registration of the Legacy LIBOR Transaction at the Clearing House and any reference in Section 3 to such amendments being made on any other date (including on any future Reset Date or number of days before a future Reset Date) shall be disregarded and shall not apply to Legacy LIBOR Transactions and Section 3 shall be read accordingly in relation to Legacy LIBOR Transactions.~~
- ~~(f) The SwapClear Clearing Member agrees that the Legacy LIBOR Transaction will be amended pursuant to (e) above at the point of, and as part of, registration at the Clearing House and, for the avoidance of doubt, there shall be no Operational Overlay Bookings in relation to Legacy LIBOR Transactions. The Clearing House shall have the right to make any consequential amendments to the terms of each Legacy LIBOR Transaction as it deems necessary in connection with, and to give effect to, the amendments in this Section 11. Unless expressly referenced herein, all other terms of each Legacy LIBOR Transaction shall remain in full force and effect and shall continue to apply, including, but not limited to, the “Fixed Rate”, “Day Count Fraction” “Business Days” and any “Spread” (each as defined in the ISDA Definitions).~~
- ~~(g) On each business day on which one or more Legacy LIBOR Transactions are presented to the Clearing House and accepted by the Clearing House, the Clearing House shall, at the time on such business day determined by the Clearing House, calculate the following amounts in~~

relation to those Legacy LIBOR Transactions that were registered by the Clearing House on that business day:

- ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day, that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option and are registered in each Proprietary Account as of the time on such business day determined by the Clearing House;~~
 - ~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day, that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option, and are registered in each Individual Segregated Account as of the time on such business day determined by the Clearing House; and~~
 - ~~(iii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day, that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option, and are registered in each "position account" within each Omnibus Segregated Account as of the time of such the business day determined by the Clearing House.~~
- ~~(h) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Legacy LIBOR Transactions registered with the Clearing House on that business day referencing an In-Scope Floating Rate Option separately with respect to each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~
- ~~(i) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day exceeds the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and~~
 - ~~(ii) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day is less than the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).~~
- ~~(i) The Clearing House shall, pursuant to Regulation 60C, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to each Cash Compensation Amount calculated under (g) above (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation~~

~~Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of 1 unit of the relevant currency of the LIBOR Contracts to which it relates; a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the date it is registered, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the Legacy LIBOR Transactions referencing an In-Scope Floating Rate Option in the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to (g) above. However, neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~

- ~~(j) Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 11 which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the Legacy LIBOR Transactions.~~
- ~~(k) This Section 11 is without prejudice to any other rights of the Clearing House, or obligations of the SwapClear Clearing Members, in relation to the presentation of SwapClear Transactions and registration of SwapClear Contracts generally pursuant to the Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual.~~

12. MISCELLANEOUS

- ~~(a) The obligations of the Clearing House to each SwapClear Clearing Member shall be to perform its obligations as principal to such SwapClear Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 13.~~
- ~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Regulations and the Procedures to change the terms of any open SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~
- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook. The benefit of the performance by the Clearing House of its obligations under this Annex is conferred upon SwapClear Clearing Members only, as principal, and a person who is not a party to the Rulebook has no right under Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term of this Annex.~~
- ~~(d) Section 5 is provided for SwapClear Clearing Members operational convenience only and the Clearing House is under no obligation to update this Annex in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.~~

13. LIMITATION OF LIABILITY

13.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~(iii) any of the operational bookings made pursuant to Section 5 of this Annex; or~~

~~(iv) the registration of any Legacy LIBOR Transaction or whether a SwapClear Transaction is eligible to be registered as a Legacy LIBOR Transaction;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~13.2 Without prejudice to the generality of Regulation 52 and clause 13.1 above, each SwapClear Clearing Member further agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~13.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing~~

~~Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Annex or any SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

SCHEDULE 5
SWAPCLEAR SCM SERVICE—
FLOATING RATE CONVERSION ANNEX—USD LIBOR

~~1. SCOPE AND INTERPRETATION~~

- ~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the Regulations and supplements and forms part of the Rulebook.~~
- ~~(b) The terms of this Annex shall apply to all open SwapClear Contracts that (i) specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the end of the “business day” in New York on the applicable Conversion Cut-Off Date (each such SwapClear Contract, a **USD LIBOR Contract**). For the avoidance of doubt, (A) no other SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.~~
- ~~(c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the Regulations. The term “business day” has the meaning given to it in the Regulations.~~
- ~~(d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~2. DEFINITIONS~~

For the purposes of this Annex:

~~**Amended USD LIBOR Contract** means each USD LIBOR Contract after giving effect to the amendments made pursuant to Section 3 below.~~

~~**Bloomberg Spread** means, in relation to the In-Scope Floating Rate Option, the spread relating to that In-Scope Floating Rate Option for a period of the Designated Maturity (as defined in the ISDA Definitions) of that **USD LIBOR Contract** provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).~~

~~**Cash Compensation Amount** means, in relation to all USD LIBOR Contracts that specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder in a Proprietary Account, an Individual Segregated Account, or a “position account” within an Omnibus Segregated Account, the amount determined in accordance with Section 7 below, or, in relation to Legacy LIBOR Transactions, the amount determined in accordance with Section 10 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account, Individual Segregated Account or “position account” within an Omnibus Segregated Account pursuant to Section 7 or Section 10 (as applicable) below.~~

~~**Conversion Cut-Off Date** means, with respect to a USD LIBOR Contract, the business day immediately prior to the Conversion Date applicable to such USD LIBOR Contract as determined in accordance with the definition of “Conversion Date” below.~~

Conversion Date means:

- (a) in relation to each Tranche 1 USD LIBOR Contract, April 22, 2023, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate; and
- (b) in relation to each Tranche 2 USD LIBOR Contract, May 20, 2023, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.

Fallback RFR Value means, in relation to a USD LIBOR Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that USD LIBOR Contract on the basis that such USD LIBOR Contract is not amended pursuant to this Annex. If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.

In-Scope Floating Rate Option means USD LIBOR (as defined in the ISDA 2021 Interest Rate Definitions).

ISDA Definitions means the ISDA 2021 Interest Rate Definitions, as published by the International Swaps and Derivatives Association, Inc.

Legacy LIBOR End Date means June 30, 2025, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.

Legacy LIBOR Transaction means a SwapClear Transaction that meets the following conditions:

- (a) it is eligible under the Product Specific Contract Terms and Eligibility Criteria Manual in effect from time to time;
- (b) it specifies the In-Scope Floating Rate Option as the floating rate or uses the In-Scope Floating Rate Option to calculate the floating amount thereunder;
- (c) it is presented to the Clearing House after the applicable Conversion Date; and
- (d) if it is presented to the Clearing House after June 30, 2023 either (i) in the case of SwapClear Transactions other than those referred to in (ii) below, the SwapClear Transaction was entered into prior to the June 30, 2023, or (ii) in the case of a SwapClear Transaction resulting from the exercise of a swaption, that swaption was entered into prior to June 30, 2023.

LIBOR Basis Swap means each SwapClear Contract that is recorded as a “basis swap” in the books and records of the Clearing House and references the In-Scope Floating Rate Option.

Operational Straddle Period USD LIBOR Booking means an Operational Booking which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.

~~**Relevant Number of Business Days** means two London Banking Days (as defined in the ISDA Definitions).~~

~~**RFR Value** means, in relation to a USD LIBOR Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that USD LIBOR Contract on the basis that such USD LIBOR Contract is an Amended USD LIBOR Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.~~

~~**Straddle Period USD LIBOR Contract** means a USD LIBOR Contract which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option specified in that USD LIBOR Contract and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the applicable Conversion Date.~~

~~**Tranche 1 USD LIBOR Contract** means each USD LIBOR Contract that is recorded in the books and records of the Clearing House as either a “FedFunds—USD LIBOR basis swap”, a “variable notional swap” or a “zero coupon swap”, or such other USD LIBOR Contracts as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Tranche 2 USD LIBOR Contract** means each USD LIBOR Contract that is not a Tranche 1 USD LIBOR Contract, or such other USD LIBOR Contracts as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~3. AMENDMENTS TO USD LIBOR CONTRACTS~~

~~(a) Pursuant to Regulation 60C of the Regulations, with effect from, and including, the applicable Conversion Date each USD LIBOR Contract shall be amended in accordance with this Section 3.~~

~~*Floating Rate Option:*~~

~~(b) From and including the first Reset Date falling after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to USD LIBOR in the SwapClear Contract Terms shall be deemed to be replaced for all purposes with USD SOFR OIS Compound.~~

~~*Bloomberg Spread:*~~

~~(c) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract, the “Floating Rate” under each USD LIBOR Contract will, in addition to any “Spread” (as defined in the ISDA Definitions) already existing under the terms of the USD LIBOR Contract, include the Bloomberg Spread applicable to that In-Scope Floating Rate Option.~~

Payment Date Delay:

~~(d) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" and the number of days specified for such purposes shall be two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant USD LIBOR Contract). The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant USD LIBOR Contract) after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.~~

No Observation Period Shift:

~~(e) For the avoidance of doubt, the Clearing House and the SwapClear Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each "Floating Rate" under each USD LIBOR Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions and the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited shall not apply to the calculation of the "Floating Rate" under each USD LIBOR Contract.~~

Amendments to Zero Coupon Swaps:

~~(f) If the USD LIBOR Contract is recorded in the books and records of the Clearing House as a "zero coupon swap" then, in addition to the amendments above, on the applicable Conversion Date:~~

~~(i) the "Effective Date" under such USD LIBOR Contract will be amended so that it is equal to the first "Period End Date" (as defined in the ISDA Definitions) falling after the "Index Cessation Effective Date (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract;~~

~~(ii) the "Notional Amount" of such USD LIBOR Contract will be amended so that it is equal to the sum of (x) the "Notional Amount" of the USD LIBOR Contract as of the applicable Conversion Date and (y) the "Floating Amounts" accrued under the USD LIBOR Contract to, and including, the first "Period End Date" (as defined in the ISDA Definitions) falling after the Index Cessation Effective Date related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract (the amount in (y) being the **Accrued USD LIBOR Amount**); and~~

~~(iii) an amount equivalent to the Accrued USD LIBOR Amount shall be an additional amount payable by the "Floating Amount Payer" under the USD LIBOR Contract on the "Termination Date" of such USD LIBOR Contract.~~

Consequential Amendments:

~~(g) The Clearing House shall make any consequential amendments to the terms of each USD LIBOR Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.~~

~~(h) Unless expressly referenced herein, all other terms of each USD LIBOR Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the “Fixed Rate”, “Day Count Fraction”, “Business Days” and any “Spread” (each as defined in the ISDA Definitions).~~

4. OPERATIONAL BOOKINGS

- (i) ~~(a)~~ In order to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to ~~this Annex in the SwapClear service~~ a Rate Change Notice, the Clearing House shall record certain bookings in the SwapClear service (each an **Operational Booking**) in the manner described in this ~~Section 4~~ section 1.35. Any bookings referred to in this ~~Section 4~~ section 1.35 are solely to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to ~~this Annex~~ a Rate Change Notice and the Clearing House and each SwapClear Clearing Member agree and acknowledge that they shall not result in the registration of any new SwapClear Contracts and shall have no legal effect and are for operational purposes only.

Main Operational Booking

- (ii) ~~(b)~~ On the applicable Conversion Date in relation to each ~~USD LIBOR~~ Impacted Contract, the Clearing House shall record an Operational Booking (each an **Operational RFR Booking**) that is on the same terms as the ~~USD LIBOR~~ Impacted Contract to which it relates except that, from the “Effective Date” of the Operational RFR Booking (which shall be prior to the applicable Conversion Date) any “Floating Amounts” reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to ~~Section 3 of this Annex~~ section 1.35. On the applicable Conversion Date in relation to ~~a USD LIBOR~~ each Impacted Contract, the Clearing House shall terminate the operational booking relating to that ~~USD LIBOR~~ Impacted Contract that was recorded in the SwapClear service immediately prior to the applicable Conversion Date. ~~For the avoidance of doubt, this paragraph (b) shall apply to all USD LIBOR Contracts, including any LIBOR Basis Swaps that have not been split pursuant to section 1.33 of Procedure 2C as of the applicable Conversion Date.~~

Operational Overlay Bookings

- (iii) ~~(c)~~ In addition to the Operational ~~RFR~~ Bookings referred to ~~in (b)~~ above, with respect to each Straddle Period ~~USD LIBOR~~ Contract and Operational Straddle Period ~~USD LIBOR~~ Booking in relation to which the SwapClear Clearing Member would receive a “Floating Amount” calculated using the In-Scope Floating Rate Option under the Straddle Period ~~USD LIBOR~~ Contract or Operational Straddle Period ~~USD LIBOR~~ Booking (such amount, the ~~USD LIBOR~~ Floating Amount), on the applicable Conversion Date the Clearing House shall record the

following Operational Bookings (each an **Operational Overlay Booking**) in the SwapClear service:

- (A) ~~(i)~~ ~~in~~ relation to a Straddle Period ~~USD LIBOR~~ Contract or any Operational Straddle Period ~~USD LIBOR~~ Booking that is not of the type specified in ~~(ii)~~ (B) below:
- I. ~~(A)~~ an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the SwapClear Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the **Overlay Fixed Amount**) and (Y) an amount that would be payable to the SwapClear Clearing Member equal to the ~~USD LIBOR~~ Floating Amount it would be entitled to receive under the Straddle Period ~~USD LIBOR~~ Contract if it was not amended pursuant to ~~Section 3~~ paragraph (c) above (or, if applicable, as reflected in the Operational Straddle Period ~~USD LIBOR~~ Booking); and
- II. ~~(B)~~ an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable by the SwapClear Clearing Member equal to the “Floating Amount” the SwapClear Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking,
- (B) ~~(ii)~~ in relation to a Straddle Period ~~USD LIBOR~~ Contract that is recorded in a Proprietary Account (or any Operational Straddle Period ~~USD LIBOR~~ Booking that would be recorded in a Proprietary Account) an Operational Overlay Booking reflecting (X) a “Floating Amount” that would be payable by the SwapClear Clearing Member equal to the “Floating Amount” it would be entitled to receive as reflected under the Operational RFR Booking and (Y) an amount that would be payable to the SwapClear Clearing Member equal to the ~~USD LIBOR~~ Floating Amount it would be entitled to receive under the Straddle Period ~~USD LIBOR~~ Contract if it was not amended pursuant to ~~Section 3~~ paragraph (c) above (or, if applicable, as reflected in the Operational Straddle Period ~~USD LIBOR~~ Booking).
- (iv) ~~(d)~~ In addition to the Operational RFR Bookings referred to ~~in (b)~~ above, with respect to each Straddle Period ~~USD LIBOR~~ Contract and Operational Straddle Period ~~USD LIBOR~~ Booking in relation to which the SwapClear Clearing Member would pay the ~~USD LIBOR~~ Floating Amount, on the applicable Conversion Date the Clearing House shall record the following Operational Overlay Bookings in the SwapClear service:

- (A) ~~(i)~~ in relation to a Straddle Period ~~USD LIBOR~~ Contract or any Operational Straddle Period ~~USD LIBOR~~ Booking that is not of the type specified in ~~(ii)~~ (B) below:
- I. ~~(A)~~ an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) an amount that would be payable by the SwapClear Clearing Member equal to the ~~USD LIBOR~~ Floating Amount it would be obliged to pay under the Straddle Period ~~USD LIBOR~~ Contract if it was not amended pursuant to ~~Section 3~~ paragraph (c) above (or, if applicable, as reflected in the Operational Straddle Period ~~USD LIBOR~~ Booking); and
- II. ~~(B)~~ an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable to the SwapClear Clearing Member equal to the “Floating Amount” that would be payable by the SwapClear Clearing as reflected under the related Operational RFR Booking,
- (B) ~~(ii)~~ in relation to a Straddle Period ~~USD LIBOR~~ Contract that is recorded in a Proprietary Account (or any Operational Straddle Period ~~USD LIBOR~~ Booking that would be recorded in a Proprietary Account) an Operational Overlay Booking reflecting (X) an amount payable by the SwapClear Clearing Member equal to the ~~USD LIBOR~~ Amount the SwapClear Clearing Member would be obliged to pay under the Straddle Period ~~USD LIBOR~~ Contract if it was not amended pursuant to ~~Section 3~~ paragraph (c) above (or, if applicable, as reflected in the Operational Straddle Period ~~USD LIBOR~~ Booking) and (Y) a “Floating Amount” payable to the SwapClear Clearing Member equal to the “Floating Amount” the SwapClear Clearing Member would be obliged to pay as reflected under the related Operational RFR Booking.
- (v) ~~(e)~~ The Operational Overlay Bookings in relation to a Straddle Period ~~USD LIBOR~~ Contract and Operational Straddle Period ~~USD LIBOR~~ Booking will terminate as of the time when they are no longer required for the Clearing House’s operational purposes, which is expected to be on the first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.

~~5. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS~~

Subsequent Actions ~~Generally~~ with Respect to Operational Bookings

- (vi) ~~(a)~~ If the Clearing House receives an instruction from a SwapClear Clearing Member to take a permitted action with respect to some but not all of the rights and obligations under any Amended ~~USD LIBOR~~ Contract (including, but not limited to, compression) and such rights and obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with ~~Section 4~~ this section 1.35 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:
- (A) ~~(i)~~ pursuant to its powers under Regulation 60C, register one or more new SwapClear Contract(s) in the name of that SwapClear Clearing Member with the same terms as such Operational Booking(s); and
- (B) ~~(ii)~~ amend the Amended ~~USD LIBOR~~ Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.

Splitting of Basis Swaps ~~after the applicable Conversion Date~~

- (vii) ~~(b)~~ SwapClear Members and SwapClear Clearing Clients may request that the Clearing House split their ~~LIBOR~~ Basis Swaps prior to the applicable Conversion Date in accordance with section 1.33 of Procedure 2C. ~~To the extent that a SwapClear Clearing Member or a SwapClear Clearing Client has not requested the Clearing House to split its LIBOR Basis Swaps pursuant to section 1.33 of Procedure 2C by the applicable Conversion Date, such SwapClear Clearing Member or SwapClear Clearing Client may, from time to time thereafter, request that the Clearing House splits one or more of its LIBOR Basis Swaps using the process set out in section 1.33 of Procedure 2C. If the Clearing House accepts the SwapClear Clearing Member's or SwapClear Clearing Client's request and re-registers the relevant LIBOR Basis Swaps in accordance with section 1.33 of Procedure 2C, then it shall also amend the Amended USD LIBOR Contract, the Operational RFR Booking, and, if relevant, any Operational Overlay Bookings related to the LIBOR Basis Swaps which have been split pursuant to section 1.33 of Procedure 2C to the extent it deems necessary in connection with such re-registration.~~

Basis Swap Operational Splitting

- (viii) On the Basis Swap Operational Split Date, the Clearing House will terminate each booking in relation to each Basis Swap and will record two Operational Bookings in respect of each Basis Swap (each an **Operational Outright Booking**), which will have terms which are each identical to the Basis Swap to which they relate, except that:
- (A) the first Operational Outright Booking shall have a "Floating Rate" (as defined in the ISDA Definitions) equal to the first

“Floating Rate” referenced in that Basis Swap, a “Fixed Rate” (as defined in the ISDA Definitions) determined by the Clearing House (the **Split Fixed Rate**), and the "Floating Rate Payer" or “Floating Amount Payer” (as defined in the ISDA Definitions) shall be the same as the "Floating Rate Payer" or "Floating Amount Payer" in relation to the first "Floating Rate" under the corresponding [Basis Swap](#); and

(B) the second Operational Outright Booking shall have a “Floating Rate” (as defined in the ISDA Definitions) equal to the second “Floating Rate” referenced in that Basis Swap, a “Fixed Rate” (as defined in the ISDA Definitions) equal to the Split Fixed Rate, and the "Floating Rate Payer" or "Floating Amount Payer” (as defined in the ISDA Definitions) shall be the same as the "Floating Rate Payer" or "Floating Amount Payer" in relation to the second "Floating Rate" under the corresponding [Basis Swap](#).

(ix) The Clearing House shall determine the Split Fixed Rate in its sole and absolute discretion and shall make any consequential amendments to each Operational Outright Booking that it deems necessary in connection with, and to give effect to, the foregoing.

(x) On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House will terminate each Operational Outright Booking that has a “Floating Amount” calculated using that In-Scope Floating Rate Option and shall record an Operational Booking in accordance with [this section 1.35\(e\)](#).

(h) [Miscellaneous](#)

~~6. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to Regulation 60C of the Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are “Conversion Payments” for purposes of Regulation 60C), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~7. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION~~

~~(a) On the applicable Conversion Date the Clearing House shall calculate the following amounts:~~

~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) registered in each Proprietary Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date;~~

~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as~~

- ~~applicable) registered in each Individual Segregated Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date; and~~
- ~~(iii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) registered in each "position account" within each Omnibus Segregated Account as of the end of the business day in New York on the Conversion Cut-Off Date.~~
- ~~(b) On the applicable Conversion Date the Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) in each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~
- ~~(i) the aggregate RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) exceeds the aggregate Fallback RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) then the Cash Compensation Amount in relation to the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) shall be equal to the absolute value of the excess, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and~~
- ~~(ii) the aggregate RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) is less than the aggregate Fallback RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) then the Cash Compensation Amount in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).~~
- ~~(c) The Clearing House shall, pursuant to Regulation 60C, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the applicable Conversion Cut-Off Date, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) in the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to Section 7(b) above. However, neither the Clearing House nor a SwapClear Clearing Member shall be~~

~~required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~

~~(d) Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 7, which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the USD LIBOR Contracts.~~

~~(e) Each SwapClear Clearing Member agrees (and in the case of (e)(iv) below, each SwapClear Clearing Member and the Clearing House agrees):~~

~~(i) to use reasonable endeavors to provide each of its SwapClear Clearing Clients with (i) information on the change to the USD LIBOR Contracts pursuant to the terms of Regulation 60C and this Annex, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that SwapClear Clearing Client's Individual Segregated Account, or "position account" within an Omnibus Segregated Account pursuant to the terms of this Annex, and (iii) other information (indicative or otherwise) in relation to each SwapClear Clearing Client's "position account". Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to SwapClear Clearing Clients;~~

~~(ii) that it, and each of SwapClear Clearing Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~

~~(iii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law;~~

~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of certain of the changes to the USD LIBOR Contracts pursuant to this Annex; and~~

~~(v) that it will take reasonable steps to ensure that any SwapClear Transaction referencing the In-Scope Floating Rate Option and submitted after June 30, 2023 meets the conditions in the definition of Legacy LIBOR Transaction.~~

8. DETERMINATIONS BINDING

(i) ~~Subject to Section 12, all~~All determinations and calculations made by the Clearing House pursuant to this ~~Annex~~section 1.35 or a Rate Change Notice shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.

9. RECORDS

(ii) The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be

reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements. Where the Clearing House determines appropriate, the Clearing House will update its books and records or governance and booking procedures to provide that all Operational Bookings booked pursuant to this [Annexsection 1.35](#) and a [Rate Change Notice](#) do not affect the rights and obligations of SwapClear Clearing Members regardless of anything to the contrary in any reports issued by the Clearing House.

10. LEGACY LIBOR TRANSACTIONS

~~(a) Notwithstanding anything to the contrary in the Product Specific Contract Terms and Eligibility Criteria Manual:~~

~~(a) from and including the Conversion Date in relation to Tranche 1 USD LIBOR Contracts, other than “variable notional swaps” the Clearing House shall not accept for clearing or registration any SwapClear Transaction that would, if registered, be a Tranche 1 USD LIBOR Contract and is not a Legacy LIBOR Transaction; and~~

~~(b) from and including the Conversion Date in relation to Tranche 2 USD LIBOR Contracts, the Clearing House shall not accept for clearing or registration any SwapClear Transaction that would, if registered, be a “variable notional swap” or a Tranche 2 USD LIBOR Contract and is not a Legacy LIBOR Transaction.~~

~~(b) A SwapClear Clearing Member may present Legacy LIBOR Transactions for registration at the Clearing House from, and including, the applicable Conversion Date up to, and including, the Legacy LIBOR End Date. No Legacy LIBOR Transactions will be eligible for clearing after the Legacy LIBOR End Date and no SwapClear Clearing Member shall present a Legacy LIBOR Transaction for registration after the Legacy LIBOR End Date.~~

~~(c) If a SwapClear Clearing Member presents a Legacy LIBOR Transaction to the Clearing House after June 30, 2023 on behalf of a SwapClear Clearing Client, that SwapClear Clearing Client shall be deemed to represent and warrant to that SwapClear Clearing Member on the day the SwapClear Clearing Member presents that Legacy LIBOR Transaction to the Clearing House that:~~

~~(i) either (a) the Legacy LIBOR Transaction was entered into prior to June 30, 2023, or (b) in the case of a Legacy LIBOR Transaction which results from the exercise of a swaption, that swaption was entered into prior to June 30, 2023;~~

~~(ii) the SwapClear Transaction incorporates either the Fallbacks Supplement pursuant to the ISDA 2020 IBOR Fallbacks Protocol, Supplement 70 to the ISDA 2006 Definitions or the equivalent provisions under the ISDA 2021 Definitions, in each case prior to it being presented to the Clearing House; and~~

~~(iii) the Legacy LIBOR Transaction or, if applicable, the related physically settled swaption, was entered into in accordance with (i) the “Statement on LIBOR Transition” dated November 30, 2020 issued by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation or any analogous notice, guidance or statement in any jurisdiction applicable to the SwapClear Clearing Member and the Legacy LIBOR Transaction, and (ii) Applicable Law.~~

~~The SwapClear Clearing Member shall immediately notify the Clearing House if it becomes aware that any of the foregoing representations made by any of its SwapClear Clearing Clients are incorrect, untrue or misleading. For the avoidance of doubt, **in accordance with Regulation 60C**, this paragraph 10(e) is a "Mandatory CCP Provision" for the purposes of the Clearing Agreements between a SwapClear Clearing Member and each of its SwapClear Clearing Clients.~~

- ~~(d) A Legacy LIBOR Transaction will only be registered by the Clearing House on a business day if it is presented to the Clearing House prior to 4 p.m. London time on such business day (or such other cut off time as may be separately communicated by the Clearing House to the SwapClear Clearing Members). If a Legacy LIBOR Transaction is presented after this time, the Clearing House may decline to register the Legacy LIBOR Transaction.~~
- ~~(e) When a Legacy LIBOR Transaction is presented to the Clearing House by a SwapClear Clearing Member the presentation of such Legacy LIBOR Transaction shall constitute an irrevocable instruction from that SwapClear Clearing Member to the Clearing House to (i) register the Legacy LIBOR Transaction (subject to any other rights of the Clearing House, or obligations of the SwapClear Clearing Members in relation to the presentation or submission of SwapClear Transactions and registration of SwapClear Contracts generally pursuant to the Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual) and (ii) immediately at the point of, and as part of, registration amend the Legacy LIBOR Transaction in accordance with Section 3(b) (f) (inclusive) as applicable and as if such provisions applied to Legacy LIBOR Transactions, *provided however that*, notwithstanding anything to the contrary in Section 3, in relation to Legacy LIBOR Transactions only, the applicable amendments in Section 3(b) (f) shall be made at the point of, and as part of, registration of the Legacy LIBOR Transaction at the Clearing House and any reference in Section 3 to such amendments being made on any other date (including on any future Reset Date or number of days before a future Reset Date) shall be disregarded and shall not apply to Legacy LIBOR Transactions and Section 3 shall be read accordingly in relation to Legacy LIBOR Transactions.~~
- ~~(f) The SwapClear Clearing Member agrees that the Legacy LIBOR Transaction will be amended pursuant to (e) above at the point of, and as part of, registration at the Clearing House and, for the avoidance of doubt, there shall be no Operational Overlay Bookings in relation to Legacy LIBOR Transactions. The Clearing House shall have the right to make any consequential amendments to the terms of each Legacy LIBOR Transaction as it deems necessary in connection with, and to give effect to, the amendments in this Section 10. Unless expressly referenced herein, all other terms of each Legacy LIBOR Transaction shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction" "Business Days" and any "Spread" (each as defined in the ISDA Definitions).~~
- ~~(g) At close of business in New York on each business day on which one or more Legacy LIBOR Transactions are presented to the Clearing House and accepted by the Clearing House, the Clearing House shall calculate the following amounts in relation to those Legacy LIBOR Transactions that were registered by the Clearing House on that business day:~~
- ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day and are registered in each Proprietary Account as of the end of the business day in New York;~~

- ~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day and are registered in each Individual Segregated Account as of the end of the business day in New York; and~~
- ~~(iii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day and are registered in each "position account" within each Omnibus Segregated Account as of the end of the business day in New York.~~
- ~~(h) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Legacy LIBOR Transactions registered with the Clearing House on that business day separately with respect to each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~
- ~~(i) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day exceeds the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and~~
- ~~(ii) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day is less than the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).~~
- ~~(i) The Clearing House shall, pursuant to Regulation 60C, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to each Cash Compensation Amount calculated under (g) above (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the date it is registered, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the Legacy LIBOR Transactions in the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to (g) above. However, neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash~~

~~Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~

- ~~(j) Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 10 which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the Legacy LIBOR Transactions.~~
- ~~(k) This Section 10 is without prejudice to any other rights of the Clearing House, or obligations of the SwapClear Clearing Members, in relation to the presentation of SwapClear Transactions and registration of SwapClear Contracts generally pursuant to the Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual.~~

11. MISCELLANEOUS

- ~~(iii) (a)~~ The obligations of the Clearing House to each SwapClear Clearing Member under this section 1.35 and a Rate Change Notice shall be to perform its obligations as principal to such SwapClear Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook ~~and Section 12.~~
- ~~(iv) (b)~~ The terms of ~~this Annex~~each Rate Change Notice are without prejudice to the Clearing House's rights under the Regulations and the Procedures to change the terms of any open SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.
- ~~(v) (e)~~ The performance by the Clearing House of its obligations ~~hereunder~~under a Rate Change Notice shall always be subject to the provisions of the Rulebook. The benefit of the performance by the Clearing House of its obligations under ~~this Annex~~a Rate Change Notice is conferred upon SwapClear Clearing Members only, as principal, and a person who is not a party to the Rulebook has no right under Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term of ~~this Annex~~a Rate Change Notice.
- ~~(vi) (d)~~ Section 4.1.35(e) is provided for SwapClear Clearing Members operational convenience only and the Clearing House is under no obligation to update ~~this Annex~~the Procedures or any Rate Change Notice in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.

12. LIMITATION OF LIABILITY

~~12.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:~~

- ~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any~~

~~other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~(iii) any of the operational bookings made pursuant to Section 4 of this Annex; or~~

~~(iv) the registration of any Legacy LIBOR Transaction or whether a SwapClear Transaction is eligible to be registered as a Legacy LIBOR Transaction;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~12.2 Without prejudice to the generality of Regulation 52 and clause 12.1 above, each SwapClear Clearing Member further agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~12.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Annex or any SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or~~

~~individually notify (other than as expressly set out in this Annex), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~12.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

(i) **Defined Terms relevant to Rate Change Notices:**

For the purposes of this section 1.35 and each Rate Change Notice:

- (i) **Amended Contract** means, in relation to each Impacted Contract specified in a Rate Change Notice, each such Impacted after giving effect to the amendments made pursuant to section 1.35 and the relevant Rate Change Notice.
- (ii) **Basis Swap** means each SwapClear Contract that is recorded as a “basis swap” in the books and records of the Clearing House and references an In-Scope Floating Rate Option.

SCHEDULE 6
SWAPCLEAR SCM SERVICE – FLOATING RATE CONVERSION ANNEX –
SGD SOR

~~1. SCOPE AND INTERPRETATION~~

~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the Regulations and supplements and forms part of the Rulebook.~~

~~(b) The terms of this Annex shall apply to all open SwapClear Contracts that (i) specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the end of the “business day” in New York on the applicable Conversion Cut Off Date (each such SwapClear Contract, a **SGD SOR Contract**). For the avoidance of doubt, (A) no other SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.~~

~~(c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the Regulations. The term “business day” has the meaning given to it in the Regulations.~~

~~(iii) (d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time **Basis Swap Operational Split Date** has the meaning given to it in the relevant Rate Change Notice, or such other date as may be specified by the Clearing House ~~in its sole discretion~~ from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~2. DEFINITIONS~~

~~For the purposes of this Annex:~~

~~**Adjustment Spread** means, in relation to the In-Scope Floating Rate Option, the spread relating to that In-Scope Floating Rate Option for a period of the Designated Maturity (as defined in the ISDA Definitions) of that SGD SOR Contract provided by the Association of Banks in Singapore (“ABS”) and the Steering Committee for SOR & SIBOR Transition to SORA (“SC STS”) (or a successor provider).~~

~~**Amended SGD SOR Contract** means each SGD SOR Contract after giving effect to the amendments made pursuant to Section 3 below.~~

~~(iv) **Cash Compensation Amount** means, in relation to all **SGD SOR Impacted** Contracts that specify ~~the~~ an In-Scope Floating Rate Option as the floating rate or use ~~the~~ an In-Scope Floating Rate Option to calculate the floating amount thereunder in a Proprietary Account, an Individual Segregated Account, or a “position account” within an Omnibus Segregated Account, the amount determined in accordance with ~~Section 7 below~~ section 1.35(d) above.~~

~~(v) **Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account,~~

Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to ~~Section 7 below~~[section 1.35\(d\) above](#).

- (vi) **Conversion Cut-Off Date** means, ~~with respect to a SGD-SOR Contract,~~ the business day immediately prior to the Conversion Date ~~applicable to such SGD-SOR Contract as determined in accordance with the definition of "Conversion Date" below,~~ or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.
- (vii) **Conversion Date** ~~means June 10, 2023~~[has the meaning given to it in the relevant Rate Change Notice](#), or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.
- (viii) **Fallback RFR Value** means, in relation to ~~a SGD-SOR~~[each Impacted Contract specified in a Rate Change Notice](#), the net present value, determined by the Clearing House as of the ~~applicable~~ Conversion Date, of all future cash flows under that ~~SGD-SOR~~[Impacted](#) Contract on the basis that such ~~SGD-SOR~~[Impacted](#) Contract is not amended pursuant to this ~~Annex~~[section 1.35 and the relevant Rate Change Notice](#). If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.
- (ix) **In-Scope Floating Rate Option** [has the meaning given to it in the relevant Rate Change Notice.](#)
- (x) **Index Cessation Effective Date** means, in relation to an In-Scope Floating Rate Option ~~means SGD-SOR (as defined,~~ [the date specified as such](#) in the ISDA Definitions).
- (xi) **ISDA Definitions** means the ISDA 2021 Interest Rate [Derivatives Definitions](#), ~~as published by the International Swaps and Derivatives Association, Inc.~~
- (xii) **Operational Straddle Period** ~~SGD-SOR-Booking~~ means an Operational ~~Booking~~[Outright Booking that reflects an In-Scope Floating Rate Option as the floating rate or uses an In-Scope Floating Rate Option to calculate the floating amount and](#) which has a "Reset Date" (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.

- (xiii) **Relevant Number of Business Days** ~~means two Singapore Business Days (as defined in the ISDA Definitions)~~ has the meaning given to it in the relevant Rate Change Notice.
- (xiv) **Replacement Floating Rate Option** has the meaning given to it in the relevant Rate Change Notice.
- (xv) **RFR Value** means, in relation to ~~a SGD-SOR~~ each Impacted Contract specified in a Rate Change Notice, the net present value, determined by the Clearing House as of the ~~applicable~~ Conversion Date, of all future cash flows under that ~~SGD-SOR~~ Impacted Contract on the basis that such ~~SGD-SOR~~ Impacted Contract is an Amended ~~SGD-SOR~~ Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.
- (xvi) **Spread Adjustment** means, in relation to the In-Scope Floating Rate Option, the spread relating to that In-Scope Floating Rate Option for a period of the relevant Designated Maturity (as defined in the ISDA Definitions) provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time), or such other spread adjustment as specified in the relevant Rate Change Notice.
- (xvii) **Straddle Period** ~~SGD-SOR-Contract~~ means ~~a SGD-SOR-Contract~~ an Impacted Contract that specifies an In-Scope Floating Rate Option as the floating rate or uses an In-Scope Floating Rate Option to calculate the floating amount thereunder and which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to ~~the that~~ In-Scope Floating Rate Option specified in that SGD-SOR Contract and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the ~~applicable~~ Conversion Date in relation to that In-Scope Floating Rate Option.

~~3. AMENDMENTS TO SGD-SOR CONTRACTS~~

- ~~(a) Pursuant to Regulation 60C of the Regulations, with effect from, and including, the applicable Conversion Date each SGD-SOR-Contract shall be amended in accordance with this Section 3.~~

~~Floating Rate Option:~~

- ~~(b) From and including the first Reset Date falling after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to~~

~~SGD SOR in the SwapClear Contract Terms shall be deemed to be replaced for all purposes with SGD SORA OIS Compound.~~

~~ADJUSTMENT SPREAD:~~

- ~~(e) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant SGD SOR Contract, the "Floating Rate" under each SGD SOR Contract will, in addition to any "Spread" (as defined in the ISDA Definitions) already existing under the terms of the SGD SOR Contract, include the Adjustment Spread applicable to that In-Scope Floating Rate Option.~~

~~Payment Date Delay:~~

- ~~(d) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant SGD SOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" and the number of days specified for such purposes shall be two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant SGD SOR Contract). The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant SGD SOR Contract) after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.~~

~~No Observation Period Shift:~~

- ~~(e) For the avoidance of doubt, the Clearing House and the SwapClear Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each "Floating Rate" under each SGD SOR Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions shall not apply to the calculation of the "Floating Rate" under each SGD SOR Contract.~~

~~Consequential Amendments:~~

- ~~(f) The Clearing House shall make any consequential amendments to the terms of each SGD SOR Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.~~
- ~~(g) Unless expressly referenced herein, all other terms of each SGD SOR Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction", "Business Days" and any "Spread" (each as defined in the ISDA Definitions).~~

2. 4. OPERATIONAL BOOKINGS PORTFOLIO MARGINING SERVICE

- ~~(a) In order to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to this Annex in the SwapClear service, the Clearing House shall record certain bookings in the SwapClear service (each an **Operational Booking**) in the manner described in this Section 4. Any bookings referred to in this Section 4 are solely to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to this Annex and the Clearing House and each SwapClear Clearing Member agree and acknowledge that they~~

~~shall not result in the registration of any new SwapClear Contracts and shall have no legal effect and are for operational purposes only.~~

2.1 ~~Main Operational Booking~~ **Introduction**

~~(b) On the applicable Conversion Date in relation to each SGD SOR Contract, the Clearing House shall record an Operational Booking (each an **Operational RFR Booking**) that is on the same terms as the SGD SOR Contract to which it relates except that, from the “Effective Date” of the Operational RFR Booking (which shall be prior to the applicable Conversion Date) any “Floating Amounts” reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to Section 3 of this Annex. On the applicable Conversion Date in relation to a SGD SOR Contract, the Clearing House shall terminate the operational booking relating to that SGD SOR Contract that was recorded in the SwapClear service immediately prior to the applicable Conversion Date. For the avoidance of doubt, this paragraph (b) shall apply to all SGD SOR Contracts.~~

The Portfolio Margining Service is an optional service which provides Joint Rates Service Clearing Members portfolio-margining functionality in respect of pairs of accounts which are held in the SwapClear and Listed Interest Rates Services by transferring Eligible Listed Interest Rates Contracts between accounts in each Service.

A Joint Rates Service Clearing Member must opt-in to the Portfolio Margining Service in accordance with the procedure set out in paragraph 2.2 below and meet the PM Eligibility Criteria (as defined below) in order to benefit from the portfolio-margining functionality provided by the service. However it should be noted that, regardless of whether or not a Joint Rates Service Clearing Member opts in, the SwapClear Service and Listed Interest Rates Service share a common default fund. Accordingly, the risk profile of participating in either one of such Services may be impacted by other Clearing Members participating in the other such Service whether or not as a Portfolio Margining Clearing Member. In particular, the resources of a Clearing Member that is a member of the SwapClear Service and the Listed Interest Rates Service will be made available to cover the Clearing House’s losses in a different manner to those of a Clearing Member that is only a member of one of those Services, regardless of whether that Clearing Member opts-in to the Portfolio Margining Service. SwapClear Clearing Members should therefore familiarise themselves with the provisions of the Rulebook (including, but not limited to, the Default Rules).

2.2 ~~Operational Overlay Bookings~~ **Opt-In Procedure**

~~(e) In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period SGD SOR Contract and Operational Straddle Period SGD SOR Booking in relation to which the SwapClear Clearing Member would receive a “Floating Amount” calculated using the In Scope Floating Rate Option under the Straddle Period SGD SOR Contract or Operational Straddle Period SGD SOR Booking (such amount, the **SGD SOR Amount**), on the applicable Conversion Date the Clearing House shall record the following Operational Bookings (each an **Operational Overlay Booking**) in the SwapClear service:~~

~~(i) an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the SwapClear Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the **Overlay Fixed Amount**) and (Y) an amount that would be payable to the SwapClear Clearing Member equal to the SGD SOR Amount it would be entitled to receive under the Straddle Period SGD SOR Contract if it was not amended~~

~~pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period SGD SOR Booking); and~~

~~(ii) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) a "Floating Amount" that would be payable by the SwapClear Clearing Member equal to the "Floating Amount" the SwapClear Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking.~~

~~(d) In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period SGD SOR Contract and Operational Straddle Period SGD SOR Booking in relation to which the SwapClear Clearing Member would pay the SGD SOR Amount, on the applicable Conversion Date the Clearing House shall record the following Operational Overlay Bookings in the SwapClear service:~~

~~(i) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) an amount that would be payable by the SwapClear Clearing Member equal to the SGD SOR Amount it would be obliged to pay under the Straddle Period SGD SOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period SGD SOR Booking); and~~

~~(ii) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the SwapClear Clearing Member and (Y) a "Floating Amount" that would be payable to the SwapClear Clearing Member equal to the "Floating Amount" that would be payable by the SwapClear Clearing as reflected under the related Operational RFR Booking.~~

~~(e) The Operational Overlay Bookings in relation to a Straddle Period SGD SOR Contract and Operational Straddle Period SGD SOR Booking will terminate as of the time when they are no longer required for the Clearing House's operational purposes, which is expected to be on the first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.~~

5. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS

2.2.1 *Portfolio Margining Clearing Member Status*

A Joint Rates Service Clearing Member wishing to opt-in to the Portfolio Margining Service in respect of a pair of its accounts - one in the SwapClear Service (the "**SwapClear Nominated Account**") and the other account in a Listed Interest Rates Service (the "**Listed Interest Rates Nominated Account**") and together the "**Nominated Accounts**") - must submit a written request to the Clearing House, using the appropriate form which can be obtained from the Clearing House's Membership team (a "**Portfolio Margining Request**"). For the avoidance of doubt, the Joint Rates Service Clearing Member must submit a further Portfolio Margining Request when it wishes the Portfolio Margining Service to apply in respect of additional Nominated Accounts.

2.2.2 *Assessment of the Portfolio Margining Request*

Upon receipt of a Portfolio Margining Request, the Clearing House will assess whether (i) the eligibility criteria set out at paragraph 2.3 below (the "**PM**

Eligibility Criteria") are met and (ii) the Nominated Accounts meet the eligibility criteria set out in paragraph 2.4 below (hereinafter Nominated Accounts which meet such eligibility criteria will be referred to as either a "SwapClear Eligible Account" or a "Listed Interest Rates Eligible Account", as applicable, and, together, the "Eligible Accounts").

The Joint Rates Service Clearing Member will provide such information to the Clearing House as the Clearing House may, in its absolute discretion, request, including such information as is required to enable the Clearing House to make the necessary assessments in respect of a Portfolio Margining Request.

2.2.3 Activation of the Portfolio Margining Service in respect of the Nominated Accounts

Following a determination by the Clearing House that the (i) relevant PM Eligibility Criteria are met and (ii) the Nominated Accounts constitute Eligible Accounts, the Clearing House shall:

- (i) notify the Joint Rates Service Clearing Member that it is a Portfolio Margining Clearing Member; and
- (ii) activate the Portfolio Margining Arrangements in respect of the Nominated Accounts.

The Clearing House will endeavour to activate the Portfolio Margining Arrangements within 5 business days following the determination by the Clearing House that (i) the relevant PM Eligibility Criteria are met and (ii) the Nominated Accounts constitute Eligible Accounts, but owes no duty or obligation to the Portfolio Margining Clearing Member to do so.

Furthermore, notwithstanding the foregoing, the Clearing House may, in its sole discretion, refuse to provide the Portfolio Margining Service (i) to a Joint Rates Service Clearing Member (whether opted-in or not) or (ii) in respect of the Nominated Accounts, where it considers it appropriate to do so.

2.2.4 Subsequent Actions Generally ~~Opt-Out Procedure~~

In the event that a Portfolio Margining Clearing Member wishes to terminate the Portfolio Margining Service in respect of certain Nominated Accounts, it may do so by giving written notice to the Clearing House. The Portfolio Margining Clearing Member shall identify clearly the Nominated Accounts to which the termination is intended to apply.

~~(a) If~~ The termination shall become effective on the date on which the Clearing House ~~receives an instruction from a~~ confirms to the relevant Portfolio Margining Clearing Member that the Portfolio Margining Service has been terminated in respect of the relevant Nominated Accounts. In this regard, the Clearing House will endeavour to terminate the Portfolio Margining Arrangements within 5 business days following receipt of written notice from the Portfolio Margining Clearing Member, but owes no duty or obligation to

the relevant SwapClear Clearing Member to ~~take a permitted action with respect~~ do so.

~~to some but not all of the rights and obligations under any Amended SGD SOR Contract (including, but not limited to, compression) and such rights and obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with Section 4 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:~~In order to prevent abuse of the Portfolio Margining Service, following the termination of the Portfolio Margining Service in respect of certain Nominated Accounts, a Portfolio Margining Clearing Member will not be entitled to submit a Portfolio Margining Request respect of the same Nominated Accounts for a period of 30 calendar days following termination of the Portfolio Margining Service in respect of such Nominated Accounts.

2.3 PM Eligibility Criteria

2.3.1 Joint Rates Service Clearing Member

- ~~(i) pursuant to its powers under Regulation 60C, register one or more new SwapClear Contract(s) in the name of that SwapClear Clearing Member with the same terms as such Operational Booking(s); and~~
- ~~(ii) amend the Amended SGD SOR Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.~~

~~6. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to Regulation 60C of the Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are "Conversion Payments" for purposes of Regulation 60C), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~7. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION~~

- ~~(a) On the applicable Conversion Date the Clearing House shall calculate the following amounts:~~
 - ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the SGD SOR Contracts registered in each Proprietary Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date;~~
 - ~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the SGD SOR Contracts registered in each Individual Segregated Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date; and~~
 - ~~(iii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the SGD SOR Contracts registered in each "position account" within each Omnibus Segregated Account as of the end of the business day in New York on the Conversion Cut-Off Date.~~

- ~~(b) On the applicable Conversion Date the Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the SGD SOR Contracts in each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~
- ~~(i) the aggregate RFR Value in relation to all SGD SOR Contracts exceeds the aggregate Fallback RFR Value in relation to all SGD SOR Contracts then the Cash Compensation Amount in relation to the SGD SOR Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and~~
- ~~(ii) the aggregate RFR Value in relation to all SGD SOR Contracts is less than the aggregate Fallback RFR Value in relation to all SGD SOR Contracts then the Cash Compensation Amount in relation to all SGD SOR Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).~~
- ~~(c) The Clearing House shall, pursuant to Regulation 60C, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the applicable Conversion Cut Off Date, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the SGD SOR Contracts in the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to Section 7(b) above. However, neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~
- ~~(d) Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 7, which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the SGD SOR Contracts.~~
- ~~(e) Each The SwapClear Clearing Member agrees (and in the case of (e)(iv) below, each SwapClear must also be a Listed Interest Rates Clearing Member and the (i.e., a Joint Rates Service Clearing House agrees Member);~~
- ~~(i) to use reasonable endeavors to provide each of its SwapClear Clearing Clients with (i) information on the change to the SGD SOR Contracts pursuant to the terms of Regulation 60C and this Annex, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that~~

~~SwapClear Clearing Client's Individual Segregated Account, or "position account" within an Omnibus Segregated Account pursuant to the terms of this Annex, and (iii) other information (indicative or otherwise) in relation to each SwapClear Clearing Client's "position account". Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to SwapClear Clearing Clients;~~

2.3.2 Client Consent

Where the Nominated Accounts are Client Accounts, the Joint Rates Service Clearing Member must confirm to the Clearing House (in the form of a written representation) that the relevant Clearing Client(s) have provided their consent to the operation of the Portfolio Margining Arrangements in respect of the relevant Client Accounts.

2.3.3 Recent Termination

Portfolio Margining Arrangements in respect of the Nominated Accounts have not, in the last 30 calendar days, been terminated in accordance with paragraph 2.2.5 above.

2.4 Eligible Accounts

2.4.1 Proprietary and Client Accounts

In order to be eligible for the Portfolio Margining Service, each of the Nominated Accounts must be either:

- (i) Proprietary Accounts which each reference the same legal entity; or
- (ii) Client Accounts which reference the same legal entity as the underlying Clearing Client(s) and meet the criteria set out in paragraph 2.4.2 below.

It is not possible to apply the Portfolio Margining Arrangements across a Proprietary Account and a Client Account.

2.4.2 Additional Eligibility Criteria in respect of Client Accounts

The Nominated Accounts must fall into one of the following pairings:

- (i) Individual Segregated Accounts held on behalf of the same Individual Segregated Account Clearing Client;
- (ii) the relevant Omnibus Gross Segregated Sub-Accounts each of which is held on behalf of the same Omnibus Gross Segregated Clearing Client;
- (iii) an Individual Segregated Account held on behalf of an Individual Segregated Account Clearing Client and the relevant Omnibus Gross Segregated Sub-Account held on behalf of that Clearing Client;

- (iv) a Custodial Segregated Account held on behalf of a Custodial Segregated Client and an Individual Segregated Account held on behalf of that Clearing Client; or
- (v) a Custodial Segregated Account held on behalf of a Custodial Segregated Client and the relevant Omnibus Gross Segregated Sub-Account held on behalf of that Clearing Client.

2.5 Portfolio Margining Arrangements

2.5.1 Portfolio Margining Calculation Tool

The Clearing House has developed a risk management tool which identifies portfolio-margining opportunities as between SwapClear Contracts held in accounts in a SwapClear Eligible Account and Eligible Listed Interest Rates Contracts held in the paired Listed Interest Rates Eligible Account (the "Portfolio Margining Calculation Tool"). Portfolio Margining Clearing Members will receive certain information in relation to the operation of the Portfolio Margining Service, as described in more detail in paragraph 2.6 below.

A list of Eligible Listed Interest Rates Contracts is set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time.

2.5.2 Portfolio Margining Process

2.5.2.1 At a predetermined time following the close of the relevant Listed Interest Rates Service on each business day, the Clearing House will run the Portfolio Margining Calculation Tool. The Portfolio Margining Calculation Tool will identify, in respect of each pair of Eligible Accounts, any off-setting positions between SwapClear Contracts and Eligible Listed Interest Rates Contracts including any eligible Listed Interest Rate Contracts that are Portfolio Margined Contracts (the "Identified Off-Setting Listed Interest Rates Contracts").

2.5.2.2 The Portfolio Margining Calculation Tool is a risk management tool which is not designed to provide Portfolio Margining Clearing Members with optimal margining treatment or reduce margin calls. Accordingly, the Clearing House makes no representations or assurances as to the impact of the Portfolio Margining Calculation Tool on the Portfolio Margining Clearing Member's margin calls. The Clearing House accepts no liability in respect of the operation of the Portfolio Margining Service of the Portfolio Margining Calculation Tool. The provision and operation of the Portfolio Margining Calculation Tool is subject to Regulation 52.

2.5.3 Transfer of Identified Off-Setting Listed Interest Rates Contracts

Once identified in accordance with paragraph 2.5.2.1 above:

- (i) any Identified Off-Setting Listed Interest Rates Contracts which are not Portfolio Margined Contracts will be transferred from the relevant Listed Interest Rates Eligible Account to the paired SwapClear Eligible Account, at which point they will become Portfolio Margined Contracts;
- (ii) ~~that it, and each of SwapClear Clearing Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~any Portfolio Margined Contracts that are not identified as Identified Off-Setting Listed Interest Rates Contracts as part of the relevant cycle, will be transferred from the relevant SwapClear Eligible Account to the paired Listed Interest Rates Nominated Account, at which point they will cease to be Portfolio Margined Contracts; and
- ~~(iii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law; and~~
- ~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of certain of the changes to the SGD SOR Contracts pursuant to this Annex.~~

8. DETERMINATIONS BINDING

~~Subject to Section 11, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

- (iii) the Clearing House's records will evidence the time of the transfers referred to in (i) and (ii) above.

2.5.4 Treatment of Portfolio Margined Contracts in the SwapClear Eligible Account

2.5.4.1 General

Portfolio Margined Contracts will be continue to be treated as Listed Interest Rate Contracts. For the avoidance of doubt, the payment of variation margin in respect of Portfolio Margined Contracts shall continue to represent a daily settlement amount as opposed to a collateralisation amount.

2.5.4.2 Compression

For the avoidance of doubt, Portfolio Margined Contracts are not eligible for compression runs.

2.5.4.3 Transfer

Portfolio Margined Contracts and associated off-setting SwapClear Contracts are not eligible for transfer. A Joint Rates Service Clearing Member that wishes to transfer a Portfolio Margined Contract and associated off-setting

SwapClear Contract must reverse the Portfolio Margining Process for such Contracts prior to, and as a precondition to, the transfer of such Contracts.

2.6 **Portfolio Margining Reports**

The Clearing House will provide each Portfolio Margining Clearing Member with details of the transfers referred to in paragraph 2.5.3(i) and (ii) above once each business day.

SCHEDULE 1
CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN THE
DEFAULT MANAGEMENT GROUP

1. ~~9. RECORDS~~ Definitions

1.1 **"Confidential Material"** means data (including but not limited to portfolio data) and documents, which are not in the public domain and which are disclosed to the SCM, its associated companies and advisers, or to which the SCM, its associated companies and advisers obtains or otherwise has access as a result of participation in the Rates Service DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the SCM).

1.2 **"DMG Member"** means an individual appointed by a Nominating SCM.

1.3 **"Nominating SCM"** means a SwapClear Member who, through their obligations under the Rates Service DMP, makes available a representative to serve on the DMG.

1.4 **"Permitted Purpose"** means proper fulfilment by the SCM of its duties under the Rates Service DMP and includes, after the completion of the Auction, the use by the SCM, its associated companies and advisers (to be determined by it at its discretion) of any data or documents related to portfolios successfully won through the Auction for the purposes of its own ongoing portfolio management and to enable it to comply with ongoing legal or regulatory requirements.

1.5 References denoting the masculine (including "his" and "he") shall be construed as the feminine if the DMG Member is female.

1.6 All other terms have the meaning ascribed to them in the Default Rules (including the Rates Service DMP Annex).

Confidentiality and Non-Disclosure: General Obligations of the SCM

2. **Confidentiality**

2.1 The SCM agrees that, in consideration of being given Confidential Material, it will keep all such Confidential Material in the strictest confidence, adhere to the provisions of this Agreement in respect thereof and, subject to Section 2.3, will not disclose it to any person without the prior written permission of the Managing Director, Risk of the Clearing House or a Director of Risk Management of the Clearing House, providing always that the SCM shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if:

2.1.1 it comes into the public domain other than through a breach by the SCM of this Agreement; or

2.1.2 the SCM is expressly obliged to do so by order of a court of competent jurisdiction upon the application of a third party, or as a result of any request to disclose such part or parts of the Confidential Material in connection with any inquiry or other request by a regulatory authority or self-regulatory authority asserting jurisdiction over the SCM.

- 2.2 The SCM further agrees that it will not use any Confidential Material for any purpose other than the Permitted Purpose. In this regard the SCM expressly acknowledges and agrees that the Confidential Material may contain commercially sensitive information which if used inappropriately or otherwise than in accordance with this Agreement might result in the gaining of an unfair commercial advantage by the SCM over other members of the Clearing House SwapClear Service.
- 2.3 Subject to paragraph 2.4, the SCM may disclose any Confidential Material to any of its employees, representatives, associated companies and advisers on a "strictly need to know" basis, in the event that any such person needs that Confidential Material for the Permitted Purpose (and to that extent only).
- 2.4 The SCM agrees to establish and adhere to adequate procedures (including, without limitation, the establishment of appropriate Chinese walls) to ensure that any employee or representative to whom any Confidential Material is disclosed shall not use any part or all of that Confidential Material for any proprietary purpose outside the scope of the Permitted Purpose.
- 2.5 This paragraph and the duties hereunder shall survive the termination of this Agreement and, in relation to any Confidential Material, shall expire on the second anniversary of the date the Confidential Material was first provided to the SCM.

3. Secrecy

- 3.1 Except in accordance with the terms of this Schedule, the SCM agrees that it shall treat as strictly confidential and shall not disclose or allow to be divulged to any person:
- 3.1.1 Confidential Material;
- 3.1.2 the fact that it has received any Confidential Material;
- 3.1.3 the existence of any discussions or negotiations between the parties in this matter;
- 3.1.4 details of the Permitted Purpose and any of the proposals, terms, conditions, facts or other matters relating to any of the forgoing. Subject only to the SCM being relieved of such an obligation because of the circumstances covered in paragraphs 2.1.1 and 2.1.2.

4. Property

The parties acknowledge that the property in the Confidential Material (or any part of it) shall not pass to the SCM or any SCM, and the property in the media on which it is conveyed to the receiving party shall not pass to the SCM or any SCM unless expressly so agreed by the Clearing House in writing.

5. Return of Confidential Material

Upon request by the Clearing House, and in any event upon fulfilment of the Permitted Purpose, the SCM shall promptly return to the Clearing House by a secure method of transportation all or any part of the Confidential Material and all copies

thereof in its possession or control or that of its employees or representatives, including all other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so **provided that** the SCM is permitted to retain copies of any Confidential Material which it requires as part of its portfolio management or otherwise for legal or regulatory reasons.

6. **No Representations or Warranties; No Conflict of Interest**

6.1 Subject to references made in paragraph 7, the Confidential Material is disclosed by the Clearing House without any representation or warranty whatsoever as to its accuracy or completeness or otherwise.

6.2 The Clearing House acknowledges and agrees that, subject to compliance with the terms of this Schedule by the SCM and any of its employees or representatives to whom Confidential Material is provided in accordance with this Schedule, the SCM's participation in the Rates Service DMP shall not prevent the SCM from carrying out any transaction, or otherwise providing investment services in respect of, investments that the SCM may subsequently learn are the subject of Confidential Material and, furthermore, the Clearing House agrees that it shall not be able to assert that the SCM has a conflict of interest in doing so nor shall the Clearing House have a claim or action in respect of the foregoing against the SCM or any of its directors, employees or other representatives.

7. **Liability**

7.1 Subject to Regulation 52 (Exclusion of Liability), the parties agree and acknowledge that neither the Clearing House nor any of its employees or representatives shall have any liability whatsoever to the SCM or any of employees or representatives, for any loss or damage of whatsoever kind howsoever arising directly or indirectly out of or in connection with the disclosed Confidential Material or its use.

7.2 The Clearing House ~~shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records~~ accepts liability for any personal injury or death caused by the negligence of the Clearing House in such manner as and any fraud or wilful default on the part of the Clearing House ~~determines is necessary to meet its operational requirements. Where the Clearing House determines appropriate, the Clearing House will update its books and records or governance and booking procedures to provide that all Operational Bookings booked pursuant to this Annex do not affect the rights and obligations of SwapClear Clearing Members regardless of anything to the contrary in any reports issued by the Clearing House.~~, for any actions that it may take on the basis of advice given to it by the DMG, and for the accuracy of the information (confidential material as defined in the Schedule to this Agreement) that it distributes to the SCM in connection with the Rates Service DMP.

10. MISCELLANEOUS

~~(a) The obligations of the Clearing House to each SwapClear Clearing Member shall be to perform its obligations as principal to such SwapClear Clearing Member in accordance with the~~

~~Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 11.~~

- ~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Regulations and the Procedures to change the terms of any open SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~
- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook. The benefit of the performance by the Clearing House of its obligations under this Annex is conferred upon SwapClear Clearing Members only, as principal, and a person who is not a party to the Rulebook has no right under Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term of this Annex.~~
- ~~(d) Section 4 is provided for SwapClear Clearing Members operational convenience only and the Clearing House is under no obligation to update this Annex in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.~~

11. LIMITATION OF LIABILITY

~~11.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:~~

- 7.3 ~~(a) that neither~~Under no circumstances shall the Clearing House ~~nor any other member of the LCH Group will~~ have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense to the SCM for (a) any consequential loss or other indirect loss of whatsoever kind or (b) loss of anticipated profit (whether direct, or indirect, general, special, consequential, punitive or otherwise); and.

8. Remedies

Without affecting any other rights or remedies that the Clearing House may have, the SCM acknowledges that the Clearing House may be irreparably harmed by any breach of the terms of this Agreement and that damages alone may not necessarily be an adequate remedy. Accordingly, the Clearing House will be entitled to the remedies of injunction, specific performance and other equitable relief, or any combination of these remedies, for any threatened or actual breach of its terms, and not proof of special damages will be necessary to enforce this Agreement.

9. Conflict of Interest

The SCM shall procure that, in the event that a DMG Member takes the view that a possible conflict of interest may arise with regard to any matter forming part of the business of the DMG, he shall promptly report his view to the Chairman of the DMG, who shall act accordingly, taking the advice of other DMG Members as appropriate.

10. Confidentiality

10.1 Subject to paragraph 10.3 below, the SCM shall procure that the DMG Member shall keep all Confidential Material strictly confidential to himself and will not disclose it to any person who is not a DMG Member (including, for the avoidance of doubt, the SCM who recommended his appointment to the DMG ("the Nominating SCM") or his employer (if different) or any other employee, adviser, officer or fellow worker of that SCM or his employer) without the prior written permission of the Managing Director, Risk of the Clearing House or his properly authorised delegate, providing always that the DMG Member shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if it comes into the public domain in the circumstances covered in paragraphs 2.1.1 and 2.1.2.

10.2 Subject to paragraph 10.3 below, the SCM shall procure that the DMG Member shall not use any Confidential Material for any purpose other than the proper fulfilment of his duties as a DMG Member.

10.3 The parties acknowledge that, in the event that a Default Notice is issued by the Clearing House in respect of any SwapClear Clearing Member, the DMG Member may be required by the Nominating SCM and/or his employer (if different) to provide certain services to the Clearing House in the management of the default. In such event, and only in such event, the parties acknowledge that the DMG Member shall be entitled to disclose any part or parts of the Confidential Material as may be agreed by the Clearing House, in such manner and form and in accordance with such procedures as may be prescribed by the Clearing House and/or the DMG with regard to the management of that default.

~~(b) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex; or~~

~~(iii) any of the operational bookings made pursuant to Section 4 of this Annex.~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~11.2 Without prejudice to the generality of Regulation 52 and clause 12.1 above, each SwapClear Clearing Member further agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether~~

~~in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~11.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Annex or any SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~11.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

~~12. PROVISION OF CERTAIN DATA TO THE CLEARING HOUSE~~

~~12.1 In connection with the Clearing House's determination of the Cash Compensation Amounts, at 9am London time on the Conversion Cut-Off Date, or such other time as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate, each Major SGD SOR Swap Market Participant (as defined below) shall submit non-executable two-way pricing (i.e. bid and offer) for each tenor of each of the basis swaps identified in the table below:~~

Product Type	Basis Swap	Basis Swap	Basis Swap
Floating Leg 1 FRO	SGD-SORA	SGD-SORA	SGD-SORA
Floating Leg 1 FRO Payment Frequency	1 year	1 year	1 year

Floating—Leg—2 FRO	SGD-SOR	SGD-SOR	SGD-SOR
Floating—Leg—2 FRO—Payment Frequency	1-month	3-months	6-months
Day Count Fraction	Act/365 for both legs	Act/365 for both legs	Act/365 for both legs
Price Quotation	Leg 1 spread	Leg 1 spread	Leg 1 spread
Required Tenors	1 Year, 2 Years, 3 Years, 4 Years and 5 Years	1 Year, 2 Years, 3 Years, 4 Years and 5 Years	1 Year, 2 Years, 3 Years, 4 Years and 5 Years

~~12.2 The pricing referred to in paragraph 12.1 shall be submitted via the SwapClear Portal in accordance with the instructions set out on the SwapClear Portal and the terms governing use of the SwapClear Portal. Each time a Major SGD-SOR Swap Market Participant submits pricing to the Clearing House it represents and warrants to the Clearing House that all price submissions have been suitably verified by appropriate members of its senior management prior to submission to the Clearing House.~~

~~12.3 The Clearing House shall establish representative market notional amounts for each of the basis swaps set out in paragraph 12.1 and shall notify the Major SGD-SOR Swap Market Participants of such amounts ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.~~

~~12.4 Once the Clearing House has received the submissions pursuant to paragraph 12.1, the Clearing House shall take the following steps with respect to each tenor of each basis swap listed in paragraph 12.1:~~

~~(a) first, it shall rank all prices received that are bids in descending order (i.e. starting with the highest bid) and all prices received that are offers in ascending order (i.e. starting with the lowest offer) (as applicable), provided that, if two or more bids or offers are identical, the those bids or offers shall be ranked in the order in which they were first received by the Clearing House;~~

~~(b) second, the Clearing House shall exclude the crossing side of any crossing price submissions (meaning that if the highest bid is equal to or is greater than the lowest offer then both shall be deemed as “crossing” and be excluded, and the process repeated until all remaining bids are below all remaining offers);~~

10.4 ~~(c) third,~~ Upon request by the Clearing House shall determine the mid-price for each tenor of each basis swap by taking the arithmetic mean of (i) the highest quarter of the remaining bids for that tenor of the relevant basis swap and (ii) the lowest quarter of the remaining offers for that tenor of the relevant basis swap. To determine the number of prices comprising the highest or lowest quarter of bids or offers (as applicable), the Clearing House will round up to the nearest whole number of bids or offers ~~(as~~, and in any event upon termination of the membership of the DMG Member of the DMG, the SCM shall procure that the DMG Member shall promptly return to the Clearing House by a secure method of transportation all or any part of

the Confidential Material and all copies thereof in his possession or control, including all abstracts, notes, drawings and other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so, **provided that** the DMG Member is permitted to retain a copy thereof to comply with applicable); and legal or regulatory requirements.

~~(d) fourth, the Clearing House shall use the mid prices determined pursuant to the foregoing to construct the SOR curve which the Clearing House shall use to determine the Fallback RFR Value of SGD SOR Contracts pursuant to paragraph 7(a).~~

~~12.5 For purposes of this paragraph 12, a "**Major SGD SOR Swap Market Participant**" is each Clearing Member or SwapClear Clearing Client who, as of the Conversion Date, satisfies the criteria to be published by the Clearing House ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.~~

SCHEDULE 7
~~SWAPCLEAR SCM SERVICE – FLOATING RATE CONVERSION ANNEX –~~
~~THB-THBFIX~~

11. ~~1. SCOPE AND INTERPRETATION~~ Warranty and Representation

11.1 The SCM represents and warrants that it will procure that:

11.1.1 the Nominating SCM and the DMG Member's employer (if different) are aware of the obligations of confidentiality arising out of this Agreement; and

11.1.2 nothing in this Agreement will cause the DMG Member to breach any duty or obligation (whether arising pursuant to contract or otherwise) which he owes to the Nominating SCM or to his employer, if different, or any other contract counterparty of the DMG Member.

~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the Regulations and supplements and forms part of the Rulebook.~~

~~(b) The terms of this Annex shall apply to all open SwapClear Contracts that (i) specify the In Scope Floating Rate Option as the floating rate or use the In Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the end of the “business day” in New York on the applicable Conversion Cut Off Date (each such SwapClear Contract, a **THB-THBFIX Contract**). For the avoidance of doubt, (A) no other SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.~~

~~(c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the Regulations. The term “business day” has the meaning given to it in the Regulations.~~

~~(d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

12. ~~2. DEFINITIONS~~ Antitrust

12.1 The SCM acknowledges that the DMG comprises representatives of competing companies and that antitrust law prohibits the sharing of competitively sensitive information as between competitors. The SCM shall procure that its DMG Member has been made aware of the relevant obligations under antitrust laws prior to attending any meetings or calls of the DMG.

12.2 The SCM shall procure that the DMG Member does not share any competitively sensitive information relating to the SCM with any other members of the DMG. In particular, the DMG Member should not:

12.2.1 enter into general business discussions about the SCM’s business or ventures in which it has an interest, except where strictly necessary for the purposes of the DMG;

- 12.2.2 disclose or enter into discussions relating to the SCM's spreads, margins, commissions (paid or received), fee schedules, pricing policies, current or future margins, trading volumes or the SCM's customers;
- 12.2.3 disclose or enter into discussions relating to the SCM's future plans (such as new products or changes to trading arrangements, prospective clients, business opportunities or product development plans), strategic plans, or expansion plans; or
- 12.2.4 disclose or enter into discussions relating to prices, commissions paid or payable to, or any other terms and conditions of arrangements between the SCM and other clearing houses, suppliers, brokers or other intermediaries.
- 12.3 At the beginning of each meeting, the Chairman of the DMG will remind the participants of their obligations under antitrust law.

For the purposes of this Annex:

~~**Amended THB-THBFIX Contract** means each THB-THBFIX Contract after giving effect to the amendments made pursuant to Section 3 below.~~

~~**Cash Compensation Amount** means, in relation to all THB-THBFIX Contracts that specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder in a Proprietary Account, an Individual Segregated Account, or a "position account" within an Omnibus Segregated Account, the amount determined in accordance with Section 7 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account, Individual Segregated Account or "position account" within an Omnibus Segregated Account pursuant to Section 7 below.~~

~~**Conversion Cut-Off Date** means, with respect to a THB-THBFIX Contract, the business day immediately prior to the Conversion Date applicable to such THB-THBFIX Contract as determined in accordance with the definition of "Conversion Date" below.~~

~~**Conversion Date** means June 10, 2023, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Fallback RFR Value** means, in relation to a THB-THBFIX Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that THB-THBFIX Contract on the basis that such THB-THBFIX Contract is not amended pursuant to this Annex. If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.~~

~~**In-Scope Floating Rate Option** means THB-THBFIX (as defined in the ISDA Definitions).~~

~~**ISDA Definitions** means the ISDA 2021 Interest Rate Definitions, as published by the International Swaps and Derivatives Association, Inc.~~

~~**Operational Straddle Period THB THBFX Booking** means an Operational Booking which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.~~

~~**Relevant Number of Business Days** means two Bangkok Business Days (as defined in the ISDA Definitions).~~

~~**RFR Value** means, in relation to a THB THBFX Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that THB THBFX Contract on the basis that such THB THBFX Contract is an Amended THB THBFX Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.~~

~~**Straddle Period THB THBFX Contract** means a THB THBFX Contract which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option specified in that THB THBFX Contract and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the applicable Conversion Date.~~

~~3. AMENDMENTS TO THB THBFX CONTRACTS~~

~~(a) Pursuant to Regulation 60C of the Regulations, with effect from, and including, the applicable Conversion Date each THB THBFX Contract shall be amended in accordance with this Section 3.~~

~~*Floating Rate Option:*~~

~~(b) From and including the first Reset Date falling after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option, and notwithstanding anything to the contrary in the SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to THB THBFX in the SwapClear Contract Terms shall be deemed to be replaced for all purposes with THB THOR OIS Compound.~~

~~*Payment Date Delay:*~~

~~(c) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant THB THBFX Contract, “Delayed Payment” (as defined in the ISDA Definitions) shall be “Applicable” and the number of days specified for such purposes shall be two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant THB THBFX Contract). The Clearing House and the SwapClear Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant THB THBFX Contract)~~

after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.

No Observation Period Shift:

- (d) ~~For the avoidance of doubt, the Clearing House and the SwapClear Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each "Floating Rate" under each THB THBFIX Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions shall not apply to the calculation of the "Floating Rate" under each THB THBFIX Contract.~~

Consequential Amendments:

- (e) ~~The Clearing House shall make any consequential amendments to the terms of each THB THBFIX Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.~~
- (f) ~~Unless expressly referenced herein, all other terms of each THB THBFIX Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction", "Business Days" and any "Spread" (each as defined in the ISDA Definitions).~~

4. OPERATIONAL BOOKINGS

- (a) ~~In order to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to this Annex in the SwapClear service, the Clearing House shall record certain bookings in the SwapClear service (each an **Operational Booking**) in the manner described in this Section 4. Any bookings referred to in this Section 4 are solely to facilitate and/or reflect the legal amendments made to each SwapClear Contract pursuant to this Annex and the Clearing House and each SwapClear Clearing Member agree and acknowledge that they shall not result in the registration of any new SwapClear Contracts and shall have no legal effect and are for operational purposes only.~~

Main Operational Booking

- (b) ~~On the applicable Conversion Date in relation to each THB THBFIX Contract, the Clearing House shall record an Operational Booking (each an **Operational RFR Booking**) that is on the same terms as the THB THBFIX Contract to which it relates except that, from the "Effective Date" of the Operational RFR Booking (which shall be prior to the applicable Conversion Date) any "Floating Amounts" reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to Section 3 of this Annex. On the applicable Conversion Date in relation to a THB THBFIX Contract, the Clearing House shall terminate the operational booking relating to that THB THBFIX Contract that was recorded in the SwapClear service immediately prior to the applicable Conversion Date. For the avoidance of doubt, this paragraph (b) shall apply to all THB THBFIX Contracts.~~

Operational Overlay Bookings

- (c) ~~In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period THB THBFIX Contract and Operational Straddle Period THB THBFIX Booking in relation to which the SwapClear Clearing Member would receive a "Floating Amount" calculated using the In Scope Floating Rate Option under the Straddle Period THB THBFIX Contract or Operational Straddle Period THB THBFIX Booking (such~~

~~amount, the THB THBFIX Amount), on the applicable Conversion Date the Clearing House shall record the following Operational Bookings (each an Operational Overlay Booking) in the SwapClear service:~~

- ~~(i) an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the SwapClear Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the Overlay Fixed Amount) and (Y) an amount that would be payable to the SwapClear Clearing Member equal to the THB THBFIX Amount it would be entitled to receive under the Straddle Period THB THBFIX Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period THB THBFIX Booking); and~~
- ~~(ii) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable by the SwapClear Clearing Member equal to the “Floating Amount” the SwapClear Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking.~~
- ~~(d) In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period THB THBFIX Contract and Operational Straddle Period THB THBFIX Booking in relation to which the SwapClear Clearing Member would pay the THB THBFIX Amount, on the applicable Conversion Date the Clearing House shall record the following Operational Overlay Bookings in the SwapClear service:~~
 - ~~(i) in relation to a Straddle Period THB THBFIX Contract or any Operational Straddle Period THB THBFIX Booking:~~
 - ~~(A) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the SwapClear Clearing Member and (Y) an amount that would be payable by the SwapClear Clearing Member equal to the THB THBFIX Amount it would be obliged to pay under the Straddle Period THB THBFIX Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period THB THBFIX Booking); and~~
 - ~~(B) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable to the SwapClear Clearing Member equal to the “Floating Amount” that would be payable by the SwapClear Clearing as reflected under the related Operational RFR Booking.~~
- ~~(e) The Operational Overlay Bookings in relation to a Straddle Period THB THBFIX Contract and Operational Straddle Period THB THBFIX Booking will terminate as of the time when they are no longer required for the Clearing House’s operational purposes, which is expected to be on the first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.~~

~~5. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS~~

~~Subsequent Actions Generally~~

- ~~(a) If the Clearing House receives an instruction from a SwapClear Clearing Member to take a permitted action with respect to some but not all of the rights and obligations under any~~

~~Amended THB THBFIX Contract (including, but not limited to, compression) and such rights and obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with Section 4 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:~~

- ~~(i) pursuant to its powers under Regulation 60C, register one or more new SwapClear Contract(s) in the name of that SwapClear Clearing Member with the same terms as such Operational Booking(s); and~~
- ~~(ii) amend the Amended THB THBFIX Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.~~

~~6. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to Regulation 60C of the Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are "Conversion Payments" for purposes of Regulation 60C), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~7. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION~~

~~(a) On the applicable Conversion Date the Clearing House shall calculate the following amounts:~~

- ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the THB THBFIX Contracts registered in each Proprietary Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date;~~
- ~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the THB THBFIX Contracts registered in each Individual Segregated Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date; and~~
- ~~(iii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the THB THBFIX Contracts registered in each "position account" within each Omnibus Segregated Account as of the end of the business day in New York on the Conversion Cut-Off Date.~~

~~(b) On the applicable Conversion Date the Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the THB THBFIX Contracts in each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~

- ~~(i) the aggregate RFR Value in relation to all THB THBFIX Contracts exceeds the aggregate Fallback RFR Value in relation to all THB THBFIX Contracts then the Cash Compensation Amount in relation to the THB THBFIX Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the SwapClear Clearing Member in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable); and~~

- ~~(ii) the aggregate RFR Value in relation to all THB THBFIX Contracts is less than the aggregate Fallback RFR Value in relation to all THB THBFIX Contracts then the Cash Compensation Amount in relation to all THB THBFIX Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account, Individual Segregated Account, or "position account" within such Omnibus Segregated Account (as applicable).~~
- ~~(c) The Clearing House shall, pursuant to Regulation 60C, register a separate Cash Compensation Contract in each Proprietary Account, each Individual Segregated Account and each "position account" within an Omnibus Segregated Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account or "position account"). Each SwapClear Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the SwapClear Contract Terms) falling two "business days" after the applicable Conversion Cut Off Date, and an obligation on the Clearing House or the SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the THB THBFIX Contracts in the relevant Proprietary Account, Individual Segregated Account, or "position account" within the relevant Omnibus Segregated Account, in each case as determined pursuant to Section 7(b) above. However, neither the Clearing House nor a SwapClear Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~
- ~~(d) Each SwapClear Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 7, which shall, when registered, constitute a SwapClear Contract between the Clearing House and the relevant SwapClear Clearing Member that has arisen by reason of the application of the Regulations to the THB THBFIX Contracts.~~
- ~~(e) Each SwapClear Clearing Member agrees (and in the case of (e)(iv) below, each SwapClear Clearing Member and the Clearing House agrees):~~
- ~~(i) to use reasonable endeavors to provide each of its SwapClear Clearing Clients with (i) information on the change to the THB THBFIX Contracts pursuant to the terms of Regulation 60C and this Annex, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that SwapClear Clearing Client's Individual Segregated Account, or "position account" within an Omnibus Segregated Account pursuant to the terms of this Annex, and (iii) other information (indicative or otherwise) in relation to each SwapClear Clearing Client's "position account". Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to SwapClear Clearing Clients;~~
- ~~(ii) that it, and each of SwapClear Clearing Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~

~~(iii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law; and~~

~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of certain of the changes to the THB THBFX Contracts pursuant to this Annex.~~

8. DETERMINATIONS BINDING

~~Subject to Section 11, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

9. RECORDS

12.4 ~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements. Where the Clearing House determines appropriate, the Clearing House will update its books and records or governance and booking procedures to provide that all Operational Bookings booked pursuant to this Annex do not affect the rights and obligations of SwapClear Clearing Members regardless of anything to the contrary in any reports issued~~ will circulate to DMG Members an agenda in advance of all meetings of the DMG. All meetings of the DMG must proceed strictly in accordance with the agenda and will be recorded in minutes circulated by the Clearing House.

12.5 Participants must notify the Clearing House to the extent the minutes do not reflect the relevant meeting.

12.6 If any disclosure or discussions that may be contrary to antitrust law are initiated, the Chairman of the DMG should immediately cease such disclosure or discussions and, if specific participants have raised concerns, allow them to record these concerns in the minutes.

13. **Confidentiality and Non-Disclosure: General Obligations of the Clearing House**

10. MISCELLANEOUS

~~(a) The obligations of the Clearing House to each SwapClear Clearing Member shall be to perform its obligations as principal to such SwapClear Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 11.~~

~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Regulations and the Procedures to change the terms of any open SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~

- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook. The benefit of the performance by the Clearing House of its obligations under this Annex is conferred upon SwapClear Clearing Members only, as principal, and a person who is not a party to the Rulebook has no right under Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) to enforce any term of this Annex.~~
- ~~(d) Section 4 is provided for SwapClear Clearing Members operational convenience only and the Clearing House is under no obligation to update this Annex in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.~~

11. LIMITATION OF LIABILITY

~~11.1 Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:~~

- ~~(a) that neither the The Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and will treat all Confidential Material in the terms envisaged in this Schedule, confining use to the Rates Service DMP, restricting its availability on a "strictly need to know basis", and exercising every duty of care required of it as a Recognised Clearing House and as a Derivatives Clearing Organization.~~

14. **Third Party Rights**

A person who is not a party to this Annex shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

~~(b) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex; or~~

~~(iii) any of the operational bookings made pursuant to Section 4 of this Annex.~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~11.2 Without prejudice to the generality of Regulation 52 and clause 11.1 above, each SwapClear Clearing Member further agrees:~~

~~(a) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(b) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~11.3 Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Annex or any SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each SwapClear Clearing Member~~

~~acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~11.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.~~

12. PROVISION OF CERTAIN DATA TO THE CLEARING HOUSE

~~12.1 In connection with the Clearing House's determination of the Cash Compensation Amounts, at 9am London time on the Conversion Cut Off Date, or such other time as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate, each Major THB-THBFIX Swap Market Participant (as defined below) shall submit non-executable two-way pricing (i.e. bid and offer) for each tenor of each of the basis swaps identified in the table below:~~

Product Type	Basis Swap
Floating Leg 1 FRO	THB-THOR-OIS Compound
Floating Leg 1 FRO Payment Frequency	3 months
Floating Leg 2 FRO	THB-THBFIX
Floating Leg 2 FRO Payment Frequency	6 months
Day Count Fraction	Act/365 for both legs
Price Quotation	Leg 1 spread
Required Tenors	1 Year, 2 Years, 3 Years, 4 Years and 5 Years

~~12.2 The pricing referred to in paragraph 12.1 shall be submitted via the SwapClear Portal in accordance with the instructions set out on the SwapClear Portal and the terms governing use of the SwapClear Portal. Each time a Major THB-THBFIX Swap Market Participant submits pricing to the Clearing House it represents and warrants to the Clearing House that all price submissions have been suitably verified by appropriate members of its senior management prior to submission to the Clearing House.~~

~~12.3 The Clearing House shall establish representative market notional amounts for each of the basis swaps set out in paragraph 12.1 and shall notify the Major THB-THBFIX Swap Market Participants of such amounts ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.~~

~~12.4 Once the Clearing House has received the submissions pursuant to paragraph 12.1, the Clearing House shall take the following steps with respect to each tenor of each basis swap listed in paragraph 12.1:~~

- ~~(a) first, it shall rank all prices received that are bids in descending order (i.e. starting with the highest bid) and all prices received that are offers in ascending order (i.e. starting with the lowest offer) (as applicable), provided that, if two or more bids or offers are identical, the those bids or offers shall be ranked in the order in which they were first received by the Clearing House;~~
- ~~(b) second, the Clearing House shall exclude the crossing side of any crossing price submissions (meaning that if the highest bid is equal to or is greater than the lowest offer then both shall be deemed as "crossing" and be excluded, and the process repeated until all remaining bids are below all remaining offers);~~
- ~~(c) third, the Clearing House shall determine the mid price for each tenor of each basis swap by taking the arithmetic mean of (i) the highest quarter of the remaining bids for that tenor of the relevant basis swap and (ii) the lowest quarter of the remaining offers for that tenor of the relevant basis swap. To determine the number of prices comprising the highest or lowest quarter of bids or offers (as applicable), the Clearing House will round up to the nearest whole number of bids or offers (as applicable); and~~
- ~~(d) fourth, the Clearing House shall use the mid prices determined pursuant to the foregoing to construct the THB THBFIX curve which the Clearing House shall use to determine the Fallback RFR Value of THB THBFIX Contracts pursuant to paragraph 7(a).~~
- ~~12.5 For purposes of this paragraph 12, a "Major THB THBFIX Swap Market Participant" is each Clearing Member or SwapClear Clearing Client who, as of the Conversion Date, satisfies the criteria to be published by the Clearing House ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.~~



LSEG POST
TRADE

CORPORATE

LCH

Appendix II

Section 2 (SwapClear) of the LCH FCM Procedures
Changed Pages

**FCM PROCEDURES OF
LCH LIMITED**

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format message of the FCM SwapClear Transaction corresponding to such FCM SwapClear Contract and the Clearing House will determine and apply such day count fractions in accordance with the ISDA Definitions.

(j) *Floating Rate*

Subject always to the terms of any applicable ~~Floating~~ ~~Rate Conversion Annex and Floating Rate Conversion~~ Change Notice(s), the Floating Rate Options shall have the meanings given to them in the ISDA Definitions, provided that where the rate for a Reset Date (i) is unavailable (including where such rate ceases, or will cease, to be provided by its administrators), (ii) is not sufficiently robust, (iii) is not fit for purpose or (iv) has materially changed, in each case as determined by the Clearing House in its sole discretion, the Clearing House will determine an alternative rate at its sole discretion. Each such rate will be provided in regular reports by the Clearing House to members.

(k) *Applying Floating Rate Options*

The Clearing House will determine the rate applicable on a Reset Date in respect of a SwapClear Contract as set out in paragraph (l) above. Such Rate will be applied to the appropriate floating legs and the coupon payments calculated.

The coupon payments will be adjusted to fall on actual Business Days according to the Business Day Convention specified.

(l) *Negative Interest Rate Method*

FCM Clearing Member should note the provisions of Section 3.2 of Part A of Schedule 1 to the FCM Product Specific Contract Terms and Eligibility Criteria Manual regarding the applicability of the Negative Interest Rate Method to an FCM SwapClear Contract. FCM Clearing Members may, in the circumstances, wish to ensure that any trade submitted for registration follows that Negative interest Rate Method.

(m) *Index Cessation Event and Index Disruption Event*

If the Clearing House determines that an Index Cessation Event or Index Disruption Event has occurred in respect of the rate relating to a Floating Rate Option (as defined in the ISDA Definitions) for one or more FCM SwapClear Contract(s) and that is likely to affect, or has affected, the normal course of business, including, but not limited to, performance under such FCM SwapClear Contract(s), then the Clearing House shall be entitled to invoice back such FCM SwapClear Contract(s) in accordance with Regulation 31 at a price determined by the Clearing House or to require the affected FCM Clearing Member(s) to comply with any directions issued by the Clearing House

- (D) FCM Portfolio Margined Contracts and associated offsetting FCM SwapClear Contracts are not eligible for transfer. An FCM Clearing Member that wishes to transfer an FCM Portfolio Margined Contract and associated off-setting FCM SwapClear Contract must reverse the FCM Portfolio Margining Process for such Contracts prior to, and as a precondition to, the transfer of such Contracts.

(e) *Portfolio Margining Reports*

The Clearing House will provide each FCM Joint Rates Service Clearing Member participating in the FCM Portfolio Margining Service details of the transfers described in paragraph 2.1.25(d)(iii) above once each business day.

2.1.26 *Rate Change Notices*

- (c) [Pursuant to FCM Regulation 48B, from time to time the Clearing House may, in connection with the transition from interbank offered rates to alternative, overnight risk-free rates, amend the floating rate and calculation of the floating amounts under any FCM SwapClear Contract, regardless of any fallbacks that may otherwise apply in relation to the floating rate or calculation of the floating amount pursuant to the FCM SwapClear Contract Terms of such FCM SwapClear Contract. In order to specify the detailed terms of, and give effect to any particular exercise of the foregoing, the Clearing House shall deliver, via one or more member circulars, a Rate Change Notice to all FCM SwapClear Clearing Members.](#)

(d) *The General Terms of a Rate Change Notice:*

SCHEDULE 2.1A
CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN
THE DEFAULT MANAGEMENT GROUP

1. Definitions

- ~~1.1 “Confidential Material” means data (including but not limited to portfolio data) and documents, which are not in the public domain and which are disclosed to the FCM Clearing Member, its associated companies and advisers, or to which the FCM Clearing Member, its associated companies and advisers obtains or otherwise has access as a result of participation in the Rates Service DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the FCM Clearing Member).~~
- ~~1.2 “DMG Member” means an individual appointed by a Nominating FCM Clearing Member.~~
- ~~1.3 “Nominating FCM Clearing Member” means a SwapClear Member who, through their obligations under the Rates Service DMP, makes available a representative to serve on the Rates Service DMG.~~
- ~~1.4 “Permitted Purpose” means proper fulfillment by the FCM Clearing Member of its duties under the Rates Service DMP Annex and includes, after the completion of the Auction, the use by the FCM Clearing Member, its associated companies and advisers (to be determined by it at its discretion) of any data or documents related to portfolios successfully won through the Auction, for the purposes of its own on-going portfolio management and to enable it to comply with on-going legal or regulatory requirements.~~
- ~~1.5 References denoting the masculine (including “his” and “he”) shall be construed as the feminine if the DMG Member is female.~~
- ~~1.6 All other terms have the meaning ascribed to them in the FCM Rulebook, which includes the Default Rules (including the Rates Service DMP Annex).~~

General Obligations of the FCM Clearing Member

The obligations of an FCM Clearing Member set forth in this Schedule shall only apply in the event such FCM Clearing Member does not have an affiliated SwapClear Clearing Member that has agreed to participate in the Rates Service DMP on behalf of such FCM Clearing Member.

Confidentiality and Non-Disclosure

2. Confidentiality

~~2.1 The FCM Clearing Member agrees that, in consideration of being given Confidential Material, it will keep all such Confidential Material in the strictest confidence, adhere to the provisions of this Schedule in respect thereof and, subject to paragraph 2.3, will not disclose it to any person without the prior written permission of the Managing Director, Risk of the Clearing House or a Director of Risk Management of the Clearing House, providing always that the FCM Clearing Member shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if:~~

~~2.1.1 it comes into the public domain other than through a breach by the FCM Clearing Member of this Schedule; or~~

~~2.1.2 the FCM Clearing Member is expressly obliged to do so by order of a court of competent jurisdiction upon the application of a third party, or as a result of any request to disclose such part or parts of the Confidential Material in connection with any inquiry or other request by a regulatory authority or self-regulatory authority asserting jurisdiction over the FCM Clearing Member.~~

~~2.2 The FCM Clearing Member further agrees that it will not use any Confidential Material for any purpose other than the Permitted Purpose. In this regard the FCM Clearing Member expressly acknowledges and agrees that the Confidential Material may contain commercially sensitive information which if used inappropriately or otherwise than in accordance with this Schedule might result in the gaining of an unfair commercial advantage by the FCM Clearing Member over other members of the Clearing House SwapClear Service.~~

~~2.3 Subject to paragraph 2.5, the FCM Clearing Member may disclose any Confidential Material to any of its employees, representatives, associated companies and advisers on a “strictly need to know” basis, in the event that any such person needs that Confidential Material for the Permitted Purpose (and to that extent only).~~

~~2.4 The FCM Clearing Member agrees to establish and adhere to adequate procedures (including, without limitation, the establishment of information barriers) to ensure that any employee or representative to whom any Confidential Material is disclosed shall not use any part or all of that Confidential Material for any proprietary purpose outside the scope of the Permitted Purpose.~~

~~2.5 This paragraph and the duties hereunder shall survive the termination of this Agreement and, in relation to any Confidential Material, shall expire on the second anniversary of the date the Confidential Material was first provided to the FCM Clearing Member.~~

3. Secrecy

~~3.1 Except in accordance with the terms of this Annex, the FCM Clearing Member agrees that it shall treat as strictly confidential and shall not disclose or allow to be divulged to any person:~~

~~3.1.1 Confidential Material;~~

~~3.1.2 the fact that it has received any Confidential Material;~~

~~3.1.3 the existence of any discussions or negotiations between the parties in this matter;~~

~~3.1.4 details of the Permitted Purpose and any of the proposals, terms, conditions, facts or other matters relating to any of the forgoing. Subject only to the FCM Clearing Member being relieved of such an obligation because of the circumstances covered in paragraphs 2.1.1 and 2.1.2.~~

~~3.2 The Clearing House undertakes to ensure that the FCM Clearing Member is fully apprised of information on the Rates Service DMP that it makes public and which is accordingly of relevance to the FCM Clearing Member's obligations.~~

4. Property

~~4.1 The parties acknowledge that the property in the Confidential Material (or any part of it) shall not pass to the FCM Clearing Member or any FCM Clearing Member, and the property in the media on which it is conveyed to the receiving party shall not pass to the FCM Clearing Member or any FCM Clearing Member unless expressly so agreed by the Clearing House in writing.~~

5. Return of Confidential Material

~~5.1 Upon request by the Clearing House, and in any event upon fulfillment of the Permitted Purpose, the FCM Clearing Member shall promptly return to the Clearing House by a secure method of transportation all or any part of the Confidential Material and all copies thereof in its possession or control or that of its employees or representatives, including all other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so **provided that** the FCM Clearing Member is permitted to retain copies of any Confidential Material which it requires as part of its portfolio management or otherwise for legal or regulatory reasons.~~

6. No Representations or Warranties; No Conflict of Interest

~~6.1 Subject to paragraph 7, the Confidential Material is disclosed by the Clearing House without any representation or warranty whatsoever as to its accuracy or completeness or otherwise.~~

~~6.2 The Clearing House acknowledges and agrees that, subject to compliance with the terms of this Schedule by the FCM Clearing Member and any of its employees or representatives to whom Confidential Material is provided in accordance with this Schedule, the FCM Clearing Member's participation in the Rates Service DMP shall~~

~~not prevent the FCM Clearing Member from carrying out any transaction, or otherwise providing investment services in respect of, investments that the FCM Clearing Member may subsequently learn are the subject of Confidential Material and, furthermore, the Clearing House agrees that it shall not be able to assert that the FCM Clearing Member has a conflict of interest in doing so nor shall the Clearing House have a claim or action in respect of the foregoing against the FCM Clearing Member or any of its directors, employees or other representatives.~~

~~7. Liability~~

~~7.1 Subject to FCM Regulation 44 (Exclusion of Liability), the parties agree and acknowledge that neither the Clearing House nor any of its employees or representatives shall have any liability whatsoever to the FCM Clearing Member or any of employees or representatives, for any loss or damage of whatsoever kind howsoever arising directly or indirectly out of or in connection with the disclosed Confidential Material or its use.~~

~~7.2 The Clearing House accepts liability for any personal injury or death caused by the negligence of the Clearing House and any fraud or willful default on the part of the Clearing House, for any actions that it may take on the basis of advice given to it by the Rates Service DMG, and for the accuracy of the information (confidential material as defined in the Annex to this Agreement) that it distributes to the FCM Clearing Member in connection with the Rates Service DMP.~~

~~7.3 Under no circumstances shall the Clearing House have any liability to the FCM Clearing Member for (a) any consequential loss or other indirect loss of whatsoever kind or (b) loss of anticipated profit (whether direct or indirect).~~

~~8. Remedies~~

~~8.1 Without affecting any other rights or remedies that the Clearing House may have, the FCM Clearing Member acknowledges that the Clearing House may be irreparably harmed by any breach of the terms of this Schedule and that damages alone may not necessarily be an adequate remedy. Accordingly, the Clearing House will be entitled to the remedies of injunction, specific performance and other equitable relief, or any combination of these remedies, for any threatened or actual breach of its terms, and not proof of special damages will be necessary to enforce this Schedule.~~

~~Confidentiality and Non-Disclosure and General Terms of Participation in Rates Service DMG~~

~~9. Conflict of interest~~

~~9.1 The FCM Clearing Member shall procure that, in the event that a DMG Member takes the view that a possible conflict of interest may arise with regard to any matter forming part of the business of the Rates Service DMG, he shall promptly report his view to the Chairman of the Rates Service DMG, who shall act accordingly, taking the advice of other Rates Service DMG Members as appropriate.~~

10. Confidentiality

- ~~10.1~~ Subject to paragraph 10.3 below, the FCM Clearing Member shall procure that the Rates Service DMG Member shall keep all Confidential Material strictly confidential to himself and will not disclose it to any person who is not a Rates Service DMG Member (including, for the avoidance of doubt, the FCM Clearing Member who recommended his appointment to the Rates Service DMG (“**the Nominating FCM Clearing Member**”) or his employer (if different) or any other employee, adviser, officer or fellow worker of that FCM Clearing Member or his employer) without the prior written permission of the Managing Director, Risk of the Clearing House or his properly authorized delegate, providing always that the Rates Service DMG Member shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if it comes into the public domain in the circumstances covered in paragraphs 2.1.1 and 2.1.2.
- ~~10.2~~ Subject to paragraph 10.3 below, the FCM Clearing Member shall procure that the Rates Service DMG Member shall not use any Confidential Material for any purpose other than the proper fulfillment of his duties as a Rates Service DMG Member.
- ~~10.3~~ The parties acknowledge that, in the event that a Default Notice is issued by the Clearing House in respect of any SwapClear Clearing Member, the Rates Service DMG Member may be required by the Nominating FCM Clearing Member and/or his employer (if different) to provide certain services to the Clearing House in the management of the default. In such event, and only in such event, the parties acknowledge that the Rates Service DMG Member shall be entitled to disclose any part or parts of the Confidential Material as may be agreed by the Clearing House, in such manner and form and in accordance with such procedures as may be prescribed by the Clearing House and/or the Rates Service DMG with regard to the management of that default.
- ~~10.4~~ Upon request by the Clearing House, and in any event upon termination of the membership of the Rates Service DMG Member of the Rates Service DMG, the FCM Clearing Member shall procure that the Rates Service DMG Member shall promptly return to the Clearing House by a secure method of transportation all or any part of the Confidential Material and all copies thereof in his possession or control, including all abstracts, notes, drawings and other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so, **provided that** the Rates Service DMG Member is permitted to retain a copy thereof to comply with applicable legal or regulatory requirements.

11. Warranty and Representation

- ~~11.1~~ The FCM Clearing Member represents and warrants that it will procure that:
- ~~11.1.1~~ the Nominating FCM Clearing Member and the Rates Service DMG Member's employer (if different) are aware of the obligations of confidentiality arising out of this Agreement; and
 - ~~11.1.2~~ nothing in this Schedule will cause the Rates Service DMG Member to breach any duty or obligation (whether arising pursuant to contract or otherwise)

~~which he owes to the Nominating FCM Clearing Member or to his employer, if different, or any other contract counterparty of the Rates Service DMG Member.~~

~~12. Confidentiality and Non-Disclosure: General Obligations of the Clearing House~~

~~12.1 The Clearing House will treat all Confidential Material in the terms envisaged in this Annex to the Agreement, confining use to the Rates Service DMP, restricting its availability on a “**strictly need to know basis**”, and exercising every duty of care required of it as a Recognised Clearing House and as a Derivatives Clearing Organization.~~

~~13. Third Party Rights~~

~~A person who is not a party to this Annex shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.~~

~~**SCHEDULE 2.1B
RATE CHANGE ANNEXES**~~

~~**SWAPCLEAR FCM SERVICE – RATE CHANGE ANNEX – SECURED OVERNIGHT
FINANCING RATE (SOFR)**~~

~~**1. SCOPE AND INTERPRETATION**~~

- ~~(a) This Annex constitutes a “Rate Change Annex” as defined in and pursuant to the FCM Regulations and supplements and forms part of the FCM Rulebook.~~
- ~~(b) This Annex relates to the change in the rate from the Fed Funds Rate to the Secured Overnight Financing Rate provided by the Federal Reserve Bank of New York, as administrator (or a successor administrator) (SOFR) for the purposes of (i) calculating the Price Alignment Amount, and (ii) constituting the relevant underlying benchmark for the instruments used to construct the Clearing House’s zero-coupon yield curves under 2.1.7 of the FCM Procedures to calculate the net present value, each in relation to the Impacted FCM SwapClear Contracts.~~
- ~~(c) The terms of this Annex shall apply to all Impacted FCM SwapClear Contracts (as set out in the Rate Change Notice relating to SOFR) that are registered with the Clearing House as set out below. For the avoidance of doubt, (i) no other FCM SwapClear Contract shall be subject to, or affected by, the terms of this Annex and each FCM SwapClear Contract shall remain in full force and effect, and (ii) the FCM SwapClear Contract Terms shall not be amended by the terms of this Annex.~~
- ~~(d) Capitalized terms used but not otherwise defined in this Annex have the meaning given to them in the FCM Regulations.~~
- ~~(e) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**2. DEFINITIONS**~~

~~For the purposes of this Annex:~~

~~**Auction Adjustment per Unit** means, in relation to a Maturity Bucket, an amount in USD equal to (i) the aggregate of all Auction Winner Amounts for that Maturity Bucket divided by (ii) the total notional amount of Discounting Risk Swaps in that Maturity Bucket which have been liquidated pursuant to the Cash Settlement Schedule.~~

~~**Auction Date** means, in relation to a Rate Change Notice relating to SOFR, the date specified as such by the Clearing House in such Rate Change Notice, being the date on which the auctions referred to herein and the Cash Settlement Supplement shall be held and certain amounts payable hereunder shall be calculated.~~

~~**Auction Winner** means, in relation to the Net Auction Contract Pair in respect of a Maturity Bucket, each Cash Settlement Participant (as defined in the Cash Settlement Schedule) that has submitted the winning price for such Net Auction Contract Pair, as determined by the Clearing House in accordance with the Cash Settlement Supplement.~~

~~**Auction Winner Amount** means, in relation to the Net Auction Contract Pair for Maturity Bucket and an Auction Winner, an amount in USD equal to the product of: (i) that Auction Winner's Winning Bid Quantity; (ii) the difference between that Auction Winner's Winning Bid Price and the Mid Price; and (iii) the SOFR Basis Point Cash Value per Million, each for that Maturity Bucket. If the Auction Winner's Winning Bid Price is a price that by reference to the Mid Price is (a) in favor of the Clearing House, the Auction Winner Amount shall be a negative amount or (b) in favor of the Auction Winner, the Auction Winner Amount shall be a positive amount.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account, or an FCM Client Sub-Account pursuant to Section 8 below.~~

~~**Cash Only Client** means an FCM Client that has its positions recorded in a Cash Only Client Position Account.~~

~~**Cash Only Client Position Account** means each FCM Client Sub-Account registered in the name of an FCM Client that is identified as a Cash Only Client Position Account in a Cash Only Election Notice.~~

~~**Cash Only Client Position Account Auction Adjustment** means, in relation to a Cash Only Client Position Account and a Maturity Bucket, an amount in USD in favor of the Clearing House or an FCM Clearing Member (as applicable) equal to the product of (i) the notional amount of Discounting Risk Swaps for that Maturity Bucket that would, but for the delivery of the Cash Only Election Notice, have been registered in that Cash Only Client Position Account and which have been liquidated pursuant to the Cash Settlement Schedule, and (ii) the Auction Adjustment per Unit for that Maturity Bucket.~~

~~**Cash Only Election Cut Off Date** is the date specified as such by the Clearing House in a Rate Change Notice relating to SOFR, being the date by which FCM Clearing Members must deliver any Cash Only Election Notices to the Clearing House.~~

~~**Cash Only Election Notice** means a written notice delivered by an FCM Clearing Member to the Clearing House in accordance with this Annex identifying those FCM Clients and the related FCM Client Sub-Accounts which have elected to be Cash Only Client Position Account(s) in accordance with Section 4 of this Annex.~~

~~**Cash Settlement Schedule** means the schedule to the SCM SOFR Rate Change Annex which sets out the terms on which the Clearing House shall conduct one or more auctions for purposes of determining certain amounts, curves and spreads and related information relevant to this Annex, as supplemented by any Cash Settlement Supplement published by the Clearing House from time to time. The Cash Settlement Schedule supplements, and forms part of, this Annex.~~

~~**Cash Settlement Supplement** means any document identified as such by the Clearing House which supplements and forms part of the Cash Settlement Schedule and sets out further terms in relation to the auctions.~~

~~**Cash Valuation Change Amount (MXN)** means each amount denominated in MXN and determined in accordance with Section 7.5 of this Annex.~~

~~**Cash Valuation Change Amount (USD)** means each amount denominated in USD and determined in accordance with Section 7.1, Section 7.2 or Section 7.3 of this Annex.~~

~~**De Minimis Participant Account** means, in relation to a Maturity Bucket, any Proprietary Account, or any FCM Client Sub Account that, as of the Swap Portfolio Calculation Date, would have an allocation of Discounting Risk Swaps in a given Maturity Bucket with a notional amount that is closer to zero than to the integral number set out in the table in paragraph 5.1(c) in relation to that Maturity Bucket.~~

~~**Discounting Risk Auction** has the meaning given to it in the Cash Settlement Schedule.~~

~~**Discounting Risk Swaps** means the FCM SwapClear Contracts determined, identified and notified by the Clearing House in accordance with Section 5 of this Annex and entered into and registered between the Clearing House and an FCM Clearing Member pursuant to Regulation 48A.~~

~~**FedFunds Discounted Value** means, in relation to an Impacted FCM SwapClear Contract, the net present value, as of the time on the Auction Date determined by the Clearing House, of all future cash flows under that Impacted FCM SwapClear Contract calculated using the Fed Funds Rate as the discounting rate for the purposes of constructing the zero coupon yield curves under 2.1.7 of the FCM Procedures (with the future cash flows calculated in the same manner as for the determination of the SOFR Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such FedFunds Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such FedFunds Discounted Value shall be a negative amount.~~

~~**Maturity Bucket** means, in relation to the Impacted FCM SwapClear Contracts, Discounting Risk Swaps and Net Auction Contract Pairs, a group of such contracts which all have the same maturity, being either two years, five years, ten years, fifteen years, twenty years or thirty years from the date of registration.~~

~~**Mid-Price** has, in relation to the Net Auction Contract Pair for a Maturity Bucket, the meaning given to it in the Cash Settlement Schedule, and shall be expressed in basis points.~~

~~**Mid-Price Auction** has the meaning given to it in the Cash Settlement Schedule.~~

~~**MXN Impacted SwapClear Contracts** has the meaning given to it in Section 7 of this Annex.~~

~~**Net Auction Contract Pair** has the meaning given to it in the Cash Settlement Schedule.~~

~~**SCM SOFR Rate Change Annex** means the rate change annex published by the Clearing House in relation to SOFR under Regulation 60B of the UK General Regulations.~~

~~**SOFR Basis Point Cash Value per Million** means, in relation to the Net Auction Contract Pair for a Maturity Bucket, an amount in USD equal to the change (expressed as a positive if a gain and a negative if a loss) in value of such Net Auction Contract Pair with a notional amount of USD one million as a result of adding a one basis point spread to the SOFR leg, as determined by the Clearing House in its sole discretion.~~

~~**SOFR Discounted Value** means, in relation to an Impacted FCM SwapClear Contract, the net present value, as of the time on the Auction Date determined by the Clearing House, of all future cash flows under that Impacted FCM SwapClear Contract using the SOFR Discounting Curve for the purposes of such calculation (with the future cash flows calculated in the same manner as for the determination of the FedFunds Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such SOFR Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such SOFR Discounted Value shall be a negative amount.~~

~~**SOFR Discounting Curve** means the SOFR pricing curve constructed by the Clearing House in accordance with Section 4 of the Cash Settlement Schedule.~~

~~**Swap Portfolio Calculation Date** means, in relation to a Rate Change Notice relating to SOFR the date specified as such by the Clearing House in such Rate Change Notice relating to SOFR, being the date on which the Clearing House shall determine the portfolios of Discounting Risk Swaps in relation to all Impacted FCM SwapClear Contracts registered with the Clearing House on such date.~~

~~**Winning Bid Price** means, in relation to the Net Auction Contract Pair for a Maturity Bucket and an Auction Winner, the price payable to, or by, that Auction Winner to the Clearing House, expressed as a positive or negative spread in basis points on the SOFR leg of the Net Auction Contract Pair for that Maturity Bucket and determined through a modified Dutch auction as further set out in the Cash Settlement Supplement(s). For the avoidance of doubt: (a) if the Clearing House is the receiver of SOFR under the Net Auction Contract Pair, and (1) the spread is a positive amount, the Winning Bid Price shall be a positive amount; or (2) the spread is a negative amount, the Winning Bid Price shall be a negative amount; and (b) if the Clearing House is the receiver of the Fed Funds Rate under the Net Auction Contract Pair, and (1) the spread is a positive amount, the Winning Bid Price shall be a negative amount; or (2) the spread is a negative amount, the Winning Bid Price shall be a positive amount.~~

~~**Winning Bid Quantity** means, in relation to an Auction Winner and a Net Auction Contract Pair for a Maturity Bucket, the notional amount (expressed in units of USD one million) of the Discounting Risk Swap related to such Net Auction Contract Pair (or the part thereof) which will be determined by the Clearing House pursuant to the Cash Settlement Supplement and registered in the Proprietary Account of the Auction Winner.~~

~~3. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~(a) In connection with the change from the Fed Funds Rate to SOFR described in Section 1(b) above, pursuant to and in accordance with the Clearing House's powers under Regulation 48A of the FCM Regulations, this Annex sets out the method by which the Clearing House will:~~

~~Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN) and Cash Compensation Contracts~~

~~(i) for each Proprietary Account and each FCM Client Sub Account, calculate the following amounts, in each case, if any:~~

~~(A) Cash Valuation Change Amount (USD); and~~

~~(B) Cash Valuation Change Amount (MXN),~~

~~each of which are "Rate Change Payments" for the purpose of Regulation 48A.~~

~~(ii) determine and register, pursuant to Regulation 48A, certain Cash Compensation Contracts in each Proprietary Account and FCM Client Sub Account in accordance with Section 8 of this Annex in order to effect the payment of each Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN), Cash Only Client Position Account Auction Adjustment, and Auction Winner Amount, in each case, if any;~~

~~Discounting Risk Swaps and Auction Winner Amounts~~

- ~~(iii) subject to (b) below, for (x) each Proprietary Account and (y) each FCM Client Sub Account which is not a Cash Only Client Position Account, determine how certain Discounting Risk Swaps shall be identified in accordance with Section 5, registered and entered into between the Clearing House and each FCM Clearing Member pursuant to Regulation 48A and the terms of those Discounting Risk Swaps;~~
- ~~(iv) subject to (b) below, for each Cash Only Client Position Account, calculate the related Cash Only Client Position Account Auction Adjustments (which shall also each be a "Rate Change Payment" for the purpose of Regulation 48A); and~~
- ~~(v) for each Auction Winner, calculate the Auction Winner Amount (which shall also be a "Rate Change Payment" for the purpose of Regulation 48A).~~
- ~~(b) Any account that is a De Minimis Participant Account in relation to a Maturity Bucket shall not have any Discounting Risk Swaps in that Maturity Bucket determined or registered in its name and shall not be obliged to pay, or entitled to receive, any Cash Only Client Position Account Auction Adjustments. Any Cash Only Election Notice received in relation to an FCM Client Sub Account that is a De Minimis Participant Account as of the Auction Date shall be invalid and shall have no effect whatsoever (and, for the avoidance of doubt, the Discounting Risk Swaps that would otherwise be registered in any De Minimis Participant Account shall not count towards the Net Auction Contract Pair for any Maturity Bucket).~~

4. CLEARING MEMBER DEALINGS WITH FCM CLIENTS AND CLIENT CASH ONLY ELECTIONS

Client Cash Only Elections

- ~~(a) In relation to its SwapClear Client Clearing Business, an FCM Clearing Member shall provide each FCM Client with an election not to have Discounting Risk Swaps registered on that FCM Client's behalf in relation to Impacted FCM SwapClear Contracts registered in the relevant FCM Client Sub Account and instead, subject to Section 4(d) below, to assume a right, or an obligation to pay or be paid an amount equal to the Cash Only Client Position Account Auction Adjustment in respect of each FCM Client Sub Account, as determined pursuant to this Annex (except in the circumstances provided for in the Cash Settlement Schedule, where the election not to have Discounting Risk Swaps registered may be overridden).~~
- ~~(b) An FCM Clearing Member shall be entitled to deliver Cash Only Election Notices to the Clearing House at any time up to, and including, the Cash Only Election Cut Off Date. All Cash Only Election Notices must be delivered to the Clearing House via the SwapClear Portal.~~
- ~~(c) No FCM Clearing Member shall be entitled to deliver a Cash Only Election Notice in respect of its Proprietary Accounts and any such notice shall be invalid and shall have no effect whatsoever.~~
- ~~(d) The Clearing House reserves the right to reject any Cash Only Election Notice received by the Clearing House after the time on the Cash Only Election Cut Off Date determined by the Clearing House. An FCM Clearing Member shall only be entitled to deliver a Cash Only Election Notice in respect of all, but not some only, of the FCM SwapClear Contracts registered in the name of an FCM Client in a single FCM Client Sub Account.~~

~~(e) The delivery by an FCM Clearing Member of a Cash Only Election Notice shall be deemed, as of the time on the Cash Only Election Cut Off Date determined by the Clearing House, to be an irrevocable instruction of that FCM Clearing Member (for itself and acting on behalf of the relevant FCM Client(s) for whom the FCM Client Sub Account which such Cash Only Election Notice affects is held) to the Clearing House to determine the Cash Valuation Change Amount (USD), the Cash Valuation Change Amount (MXN) and each Cash Only Client Position Account Auction Adjustment payable to or by that FCM Clearing Member in accordance with Section 7.3, Section 7.4 and Section 7.5 of this Annex and to register the related Cash Compensation Contracts in the relevant FCM Client Sub Account in accordance with this Annex.~~

~~(f) If an FCM Clearing Member does not deliver a Cash Only Election Notice in respect of an FCM Client Sub Account held for an FCM Client then that shall be deemed, as of the time on the Cash Only Election Cut Off Date determined by the Clearing House, to be an irrevocable instruction of that FCM Clearing Member (for itself and acting on behalf of that FCM Client) to the Clearing House to (i) determine the Cash Valuation Change Amount (USD) and the Cash Valuation Change Amount (MXN) in accordance with Section 7.2 and Section 7.5 of this Annex and to register the related Cash Compensation Contract in the relevant FCM Client Sub Account in accordance with this Annex, and (ii) determine the Discounting Risk Swaps to be allocated to such FCM Client's FCM Client Sub Account in accordance with this Annex and to register such Discounting Risk Swaps in such account.~~

~~(g) By not delivering a Cash Only Election Notice, in relation to an FCM Client Sub Account, each FCM Clearing Member represents and warrants to the Clearing House on the Cash Only Election Cut Off Date that (i) it has used reasonable endeavors to obtain instructions from the FCM Client in relation to the exercise of an election not to receive Discounting Risk Swaps in relation to such account and (ii) it has not received instructions from any FCM Client to deliver a Cash Only Election Notice in respect of such account.~~

Clearing Member Obligations

~~(h) Each FCM Clearing Member (and in the case of (h)(vi) below, each FCM Clearing Member and the Clearing House):~~

~~(i) agrees to use reasonable endeavors to provide its FCM Clients with information on (i) the change in the rate from the Fed Funds Rate to SOFR pursuant to the terms of Regulation 48A and this Annex, (ii) the amounts payable pursuant to the terms the Cash Compensation Contracts which may be registered in that FCM Client's FCM Client Sub Account pursuant to the terms of this Annex, (iii) the Discounting Risk Swaps which may be allocated to that FCM Client's FCM Client Sub Account pursuant to the terms of this Annex, and (iv) other information (indicative or otherwise) in relation to each FCM Client's FCM Client Sub Account that the Clearing House has notified FCM Clearing Members must be provided to FCM Clients. Such information shall include the terms of this Annex and any information which it has received from, or is made available by, the Clearing House in connection with this Annex, including any risk disclosure statements relating to the matters herein;~~

~~(ii) agrees that it, and each applicable FCM Client, shall be bound by the terms of any Cash Compensation Contracts and Discounting Risk Swaps registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~

- ~~(iii) represents and warrants to the Clearing House as at the Cash Only Election Cut-off Date that each Cash Only Client in relation to which it has delivered a Cash Only Election Notice (A) has instructed the FCM Clearing Member to deliver the Cash Only Election Notice on its behalf, and (B) has expressly agreed (i) that by electing for its FCM Client Sub Account to be a Cash Only Client Position Account under this Annex it shall not, other than if (X) the Cash Settlement Schedule provides that one or more Discounting Risk Auctions have failed, or (Y) some of the Discounting Risk Swaps are not successfully auctioned and liquidated in accordance with the Cash Settlement Schedule, be party to any Discounting Risk Swaps (ii) that it shall be obliged to pay or entitled to receive the Cash Valuation Change Amount (USD), the Cash Valuation Change Amount (MXN) and, provided the Cash Only Client Position Account is not a De Minimis Participant Account, each Cash Only Client Position Account Auction Adjustment determined in accordance with Section 7.3, Section 7.4 and Section 7.5 of this Annex, and (iii) that the Cash Only Client Position Account Auction Adjustment may not be economically equivalent to being party to any such Discounting Risk Swaps or liquidating, closing out, selling or replacing the Discounting Risk Swaps in the relevant market;~~
- ~~(iv) acknowledges that the Cash Valuation Change Amounts, the Auction Winner Amounts, each Cash Only Client Position Account Auction Adjustment, and the spread in relation to the Discounting Risk Swaps shall be determined by reference to the Discounting Risk Auctions and the Mid-Price Auctions, and agrees to be bound by the results of such auctions and the terms of the Cash Settlement Schedule and the Cash Settlement Supplement;~~
- ~~(v) agrees to perform all obligations and exercise all rights under this Annex, the Cash Settlement Schedule, the Cash Settlement Supplement, the Cash Compensation Contracts and the Discounting Risk Swaps in accordance with Applicable Law; and~~
- ~~(vi) agrees that each Cash Compensation Contract and Discounting Risk Swap is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value and discounting risk impact of the change from the Fed Funds Rate to SOFR and effecting the payment of amounts owed to, or payable by, the Auction Winner.~~

5. DETERMINING THE PORTFOLIO OF DISCOUNTING RISK SWAPS

~~5.1 On the Swap Portfolio Calculation Date, the Clearing House shall allocate Impacted FCM SwapClear Contracts into different Maturity Buckets based on the tenor of the discounting risk associated with such Impacted FCM SwapClear Contracts. Any Impacted FCM SwapClear Contract that has discounting risk with a tenor that falls between two different Maturity Buckets shall be allocated to the nearest two Maturity Buckets in the Clearing House's sole and absolute discretion. Separately in respect of the Impacted FCM SwapClear Contracts allocated to each Maturity Bucket in each Proprietary Account and FCM Client Sub Account, determine a portfolio of Discounting Risk Swaps which is designed to, in the Clearing House's sole and absolute discretion and to the extent practicable, replicate the Fed Funds Rate discounting risk profile in relation to such FCM SwapClear Contracts as of the Swap Portfolio Calculation Date. For the avoidance of doubt, the determination by the Clearing House pursuant to this paragraph may be different from an FCM Clearing Member's or FCM Client's models or methodologies. Each pair of Discounting Risk Swaps will:~~

- ~~(i) have a maturity of two years, five years, ten years, fifteen years, twenty years or thirty years from the date of registration;~~
- ~~(ii) when registered, comprise a pair of FCM SwapClear Contracts whereby:~~
- ~~(i) under the first FCM SwapClear Contract, the Clearing House or the FCM Clearing Member (Party X) will receive Fed Funds and pay to the other party (Party Y) fixed amounts, which shall be determined by reference to the fixed rate, determined by the Clearing House in accordance with its usual processes, that would be payable on the fixed leg of a FCM SwapClear Contract at the close of business on the Swap Portfolio Calculation Date where the floating rate is the Fed Funds Rate and the maturity date corresponds to the applicable maturity referred to in (a) above; and~~
- ~~(ii) under the second FCM SwapClear Contract, Party X will pay SOFR and receive from Party Y a fixed amount, which shall be a fixed rate, determined by subtracting the spread equal to the Mid Price determined pursuant to the Cash Settlement Schedule from the fixed rate referred to in (i) above provided that if the process referred to in the Cash Settlement Schedule fails to provide the Mid Price for the relevant Maturity Bucket, the Clearing House shall determine the spread for that Maturity Bucket using its customary methodology and applying it to observable market data points and applying linear interpolation where the Clearing House considers appropriate; and~~
- ~~(iii) have a notional amount that is determined by the Clearing House, in its sole and absolute discretion, where such notional amount shall be rounded to the nearest integral number set out in the following table:~~

Maturity Bucket	2Y	5Y	10Y	15Y	20Y	30Y
Amount	5,000,000	2,500,000	1,250,000	500,000	500,000	500,000

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~~5.2 The Clearing House shall separately determine the portfolio of Discounting Risk Swaps in respect of each of the following (excluding, in relation to a Maturity Bucket, any De Minimis Participant Accounts in relation to that Maturity Bucket) as of the Swap Portfolio Calculation Date:~~

- ~~(i) the Impacted FCM SwapClear Contracts then registered in each FCM Clearing Member's Proprietary Account; and~~
- ~~(ii) the Impacted FCM SwapClear Contracts then registered in each FCM Client's FCM Client Sub Account.~~

~~5.3 The Clearing House shall promptly notify each FCM Clearing Member of each portfolio of Discounting Risk Swaps it has determined pursuant to this Section 5 in respect of each account held by each FCM Clearing Member as set out above.~~

~~5.4 Without prejudice to the above, at any time prior to the Swap Portfolio Calculation Date, the Clearing House may publish indicative portfolios of the Discounting Risk Swaps in relation to the Impacted FCM SwapClear Contracts then registered in the name of an FCM Clearing Member for information only.~~

6. THE AUCTIONS

~~6.1 On the Auction Date the Clearing House shall conduct one or more Discounting Risk Auctions and Mid Price Auctions and each such auction shall be conducted in respect of both LCH's SCM service and LCH's FCM service. The initial terms of the Discounting Risk Auctions and the Mid Price Auctions shall be as set out in the Cash Settlement Schedule and the Clearing House shall supplement such terms to provide further detail on the operation of the auctions through publication of one or more Cash Settlement Supplements, provided however that, the Clearing House shall not be entitled to materially alter the nature of the obligations of any FCM Clearing Member under this Rate Change Annex via any Cash Settlement Supplement. Each Cash Settlement Supplement shall be deemed to supplement, and form part of, the Cash Settlement Schedule and the Clearing House shall be entitled to supplement, modify, amend, replace or withdraw the Cash Settlement Schedule or Cash Settlement~~

~~Supplements (in whole or in part) from time to time in its sole discretion through such method as the Clearing House shall determine is appropriate.~~

~~6.2 Each FCM Clearing Member that is an Expected Cash Settlement Participant (as defined in the Cash Settlement Schedule) agrees that it shall use all reasonable efforts to submit pricing in accordance with this Cash Settlement Schedule for the Net Auction Contract Pair in each Maturity Bucket.~~

~~6.3 If, having taken the steps in Section 4(a) of the of the Cash Settlement Schedule in connection with a Discounting Risk Auction, where applicable, no prices are received in relation to one or more of the Maturity Buckets then the Clearing House will determine that no further auctions shall take place with respect to the relevant Maturity Bucket(s) and all Cash Only Clients shall have Discounting Risk Swaps for such relevant Maturity Bucket(s) registered in the FCM Client Sub Accounts notwithstanding any Cash Only Election Notices previously delivered in respect of such FCM Clients.~~

~~6.4 If, in relation to a Maturity Bucket, the Clearing House is unable to auction and liquidate the full notional amount of the Discounting Risk Swaps that are the subject of the auction for that Maturity Bucket (including, without limitation, because the aggregate notional amount for which bids are received in relation to that Maturity Bucket is less than the entire notional amount of such Discounting Risk Swaps) (the **Non Auctioned Swaps**), then the Clearing House shall, notwithstanding any Cash Only Election Notices previously delivered, allocate the Non Auctioned Swaps to each Cash Only Client Position Account, with each Cash Only Position Client Account being allocated a share of the Non Auctioned Swaps pro rata to that Cash Only Client Position Account's share of the total notional amount of Discounting Risk Swaps for that Maturity Bucket that would, but for the delivery of the Cash Only Election Notices, have been registered in each of the Cash Only Client Position Accounts.~~

~~7. THE CASH VALUATION CHANGE AMOUNTS AND THE CASH ONLY CLIENT POSITION ACCOUNT AUCTION ADJUSTMENTS~~

~~*All Impacted FCM SwapClear Contracts other than THE Interest Rate Swaps denominated in MXN*~~

~~The following provisions are applicable in relation to all Impacted FCM SwapClear Contracts other than Impacted FCM SwapClear Contracts that are THE interest rate swaps denominated in MXN. With respect to the calculations to be performed under Section 7.1 to 7.3 (inclusive) below, for the purposes of determining the Cash Valuation Change Amount (USD) in relation to non-deliverable interest rate swaps the Clearing House shall first convert into USD the value of the discounted future cash flows which are not denominated in USD by applying the relevant rate of exchange as determined by the Clearing House in accordance with its usual procedures. Each of the calculations performed under Sections 7.1 to 7.3 (inclusive) below shall include any non-deliverable interest rate swaps registered in the relevant account as of the time on the Auction Date determined by the Clearing House.~~

~~*Proprietary Accounts*~~

~~7.1 Immediately following the conclusion of Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date, the Clearing House shall calculate the Cash Valuation Change Amount (USD) in respect of each Proprietary Account as follows:~~

~~(i) the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to each Impacted FCM SwapClear~~

~~Contract registered in each Proprietary Account as of the time on the Auction Date determined by the Clearing House;~~

- ~~(ii) if the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in a Proprietary Account exceeds the aggregate FedFunds Discounted Value in relation to all such Impacted FCM SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the Clearing House in relation to such Proprietary Account; and~~
- ~~(iii) if the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in a Proprietary Account is less than the aggregate FedFunds Discounted Value in relation to all such Impacted FCM SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the FCM Clearing Member in relation to such Proprietary Account.~~

FCM Client Sub-Accounts (excluding Cash Only Position Client Accounts)

~~7.2 The following only applies in relation to each FCM Client Sub Account that is not a Cash Only Client Position Account. Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall determine the Cash Valuation Change Amount (USD) in respect of the Impacted FCM SwapClear Contracts registered in each FCM Client Sub Account that is not a Cash Only Client Position Account as follows:~~

- ~~(i) the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in such account as of the time on the Auction Date determined by the Clearing House;~~
- ~~(ii) if the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in such account exceeds the aggregate FedFunds Discounted Value in relation to all such Impacted FCM SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the excess and shall be an amount in favor of the Clearing House in relation to such account; and~~
- ~~(iii) if the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in such account is less than the aggregate FedFunds Discounted Value in relation to all such Impacted FCM SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the FCM Clearing Member in relation to such account.~~

Cash Only Client Position Accounts

~~7.3 The following applies only in relation to Cash Only Client Position Accounts. Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall determine the Cash Valuation Change Amount (USD) in respect of the Impacted FCM SwapClear Contracts registered in a Cash Only Client Position Account as follows:~~

- ~~(i) the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in such account as of the time on the Auction Date determined by the Clearing House;~~
- ~~(ii) if the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in such account exceeds the aggregate FedFunds Discounted Value in relation to all such Impacted FCM SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the Clearing House in relation to such account;~~
- ~~(iii) if the aggregate SOFR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in such account is less than the aggregate FedFunds Discounted Value in relation to all such Impacted FCM SwapClear Contracts then the Cash Valuation Change Amount (USD) shall be an amount equal to the absolute value of the difference and shall be an amount in favor of the FCM Clearing Member in whose name such Cash Only Client Position Account is held; and~~

~~7.4 Immediately following the conclusion of the Discounting Risk Auctions on the Auction Date, provided that the Discounting Risk Auction for the relevant Maturity Bucket occurs in accordance with the Cash Settlement Schedule, the Clearing House shall calculate, in respect of each Cash Only Client Position Account the aggregate Cash Only Client Position Account Auction Adjustment in relation to each Maturity Bucket.~~

~~***Impacted FCM SwapClear Contracts which are THE Interest Rate Swaps denominated in MXN***~~

~~7.5 Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall determine the Cash Valuation Change Amount (MXN) separately in respect of each Impacted FCM SwapClear Contracts that is a THE interest rate swap denominated in MXN (**MXN Impacted SwapClear Contracts**) registered in each Proprietary Account or FCM Client Sub Account, as follows:~~

- ~~(i) first, for the purposes of determining the Cash Valuation Change Amount (MXN) in relation to the MXN Impacted FCM SwapClear Contracts, the value of the discounted future cash flows thereunder shall be multiplied by the relevant USD/MXN rates of exchange determined by the Clearing House in accordance with the Clearing House's usual procedures;~~
- ~~(ii) second, the Clearing House shall calculate the aggregate FedFunds Discounted Value and the aggregate SOFR Discounted Value in relation to all MXN Impacted FCM SwapClear Contracts registered in such account as of the time on the Auction Date determined by the Clearing House;~~
- ~~(iii) if the aggregate SOFR Discounted Value in relation to all such MXN Impacted FCM SwapClear Contracts registered in such account exceeds the aggregate FedFunds Discounted Value in relation to all such MXN Impacted SwapClear Contracts then the Cash Valuation Change Amount (MXN) shall be an amount in MXN equal to the absolute value of the difference and shall be an amount in favor of the Clearing House in relation to such account; and~~

~~(iv) if the aggregate SOFR Discounted Value in relation to all MXN Impacted FCM SwapClear Contracts registered in such account is less than the aggregate FedFunds Discounted Value in relation to all such MXN Impacted FCM SwapClear Contracts then the Cash Valuation Change Amount (MXN) shall be an amount in MXN equal to the absolute value of the difference and shall be an amount in favor of the FCM Clearing Member in whose name such Cash Only Client Position Account is held.~~

8. REGISTRATION OF CASH COMPENSATION CONTRACTS

~~8.1 On the basis of the calculations set forth in Section 7 above, the Clearing House shall determine, as applicable, the Cash Valuation Change Amount (USD), the Cash Valuation Change Amount (MXN), the Cash Only Client Position Account Auction Adjustments and the Auction Winner Amount in respect of each Proprietary Account and each FCM Client Sub Account and each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay such amounts to the other pursuant to the terms of the related Cash Compensation Contracts.~~

~~8.2 The Clearing House shall, pursuant to Regulation 48A, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub Account in relation to each of the following amounts (to the extent such amounts are applicable to such account)~~

- ~~(i) Cash Valuation Change Amounts (USD);~~
- ~~(ii) Cash Valuation Change Amounts (MXN);~~
- ~~(iii) Cash Only Client Position Account Auction Adjustments; and~~
- ~~(iv) Auction Winner Amounts.~~

~~8.3 Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN), Cash Only Client Position Account Auction Adjustments or Auction Winner Amount (as applicable) to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of USD1 (or, in the case of the Cash Compensation Contract relating to the Cash Valuation Change Amount (MXN), MXN1), a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two Business Days after the Auction Date, and an obligation on the Clearing House or the FCM Clearing Member (as applicable) to pay to the other an amount equal to the Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN), Cash Only Client Position Account Auction Adjustments or Auction Winner Amount (as applicable) in relation to the relevant account, with such amounts determined in accordance with Section 7 of this Annex. However, neither the Clearing House nor an FCM Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Valuation Change Amount (USD), Cash Valuation Change Amount (MXN), Cash Only Client Position Account Auction Adjustment or Auction Winner Amount (as applicable) to which such Cash Compensation Contract relates.~~

~~8.4 Each FCM Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 8, which shall, when registered, constitute an FCM SwapClear Contract between the Clearing House and the relevant FCM Clearing Member that has arisen by reason of the application of the Regulations to the Impacted FCM SwapClear Contracts.~~

9. REGISTRATION OF DISCOUNTING RISK SWAPS

9.1 Immediately following the conclusion of the Discounting Risk Auctions (or determination by the Clearing House that such auctions shall not occur) on the Auction Date the Clearing House shall notify all FCM Clearing Members of the Discounting Risk Swaps that will be registered in the accounts in accordance with this Annex. If the Clearing House exercises its powers pursuant to Section 4(b) of the Cash Settlement Schedule, then, as soon as practicable following such exercise, it shall notify all FCM Clearing Members of the Discounting Risk Swaps that will be registered in their Proprietary Accounts and FCM Client Sub Accounts and it shall register such Discounting Risk Swaps in such accounts without regard to any Cash Only Election Notice.

9.2 Except as provided in Section 9.3 below, on the first Business Day immediately following the Auction Date the Clearing House shall:

- (i) in relation to each Auction Winner, register the related Discounting Risk Swaps (or portion thereof) in the Proprietary Account of the Auction Winner and each Auction Winner and the Clearing House shall become party to such Discounting Risk Swaps;
- (ii) in relation to each Proprietary Account other than De Minimis Participant Accounts, register the Discounting Risk Swaps determined pursuant to Section 5.2(a) in each FCM Clearing Member's Proprietary Account; and
- (iii) in relation to each FCM Client Sub Account other than Cash Only Client Position Accounts and De Minimis Participant Accounts, register the Discounting Risk Swaps determined pursuant to Section 5.2(b) in relation to such FCM Client in the relevant account.

9.3 Each FCM Clearing Member agrees to be bound by each Discounting Risk Swap registered pursuant to this Section 9, which shall, when registered, constitute FCM SwapClear Contracts between the Clearing House and the relevant FCM Clearing Member that have arisen by reason of the application of the Regulations to the Impacted FCM SwapClear Contracts.

10. DETERMINATIONS BINDING

Subject to Section 13, all determinations and calculations made by the Clearing House pursuant to this Annex and the Cash Settlement Schedule shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.

11. RECORDS

The Clearing House shall update its books and records to reflect the Discounting Risk Swaps, Cash Compensation Contracts, Cash Valuation Change Amounts (USD), Cash Valuation Change Amounts (MXN), Auction Winner Amounts and Cash Only Client Position Account Auction Adjustments resulting from the operation of this Annex and the Cash Settlement Schedule. The obligation to pay, or the right to receive, any amounts determined under this Annex may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements.

12. MISCELLANEOUS

~~(a) The obligations of the Clearing House to each FCM Clearing Member shall be to perform its obligations as principal to such FCM Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 13.~~

~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the FCM Procedures to change the rate used for the purposes of (i) calculating the Price Alignment Amount, and (ii) constructing the Clearing House's zero coupon yield curves under 2.1.7 of the FCM Procedures from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~

~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook.~~

13. LIMITATION OF LIABILITY

13.1 Without prejudice to the generality of Regulation 44, each FCM Clearing Member agrees:

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex; or~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

13.2 Without prejudice to the generality of Regulation 44 and clause 14.1 above, each FCM Clearing Member further agrees:

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~13.3 Each FCM Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from an FCM Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any FCM Clearing Member or FCM Client in connection with this Annex or any FCM SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), an FCM Clearing Member or FCM Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each FCM Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~13.4 For the avoidance of doubt, notwithstanding anything herein or in the Cash Settlement Supplement or Cash Settlement Schedule, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, an FCM Clearing Member.~~

~~SWAPCLEAR FCM SERVICE – RATE CHANGE ANNEX – EURO SHORT TERM RATE (€STR)~~

~~1. SCOPE AND INTERPRETATION~~

- ~~(a) This Annex constitutes a “Rate Change Annex” as defined in the FCM Regulations and supplements and forms part of the FCM Rulebook.~~
- ~~(b) This Annex relates to the change in the rate from the Euro OverNight Index Average (EONIA) to the Euro Short Term Rate (€STR) for the purposes of (i) calculating the Price Alignment Amount, and (ii) constituting the relevant underlying benchmark for the instruments used to construct the Clearing House’s zero-coupon yield curves under 2.1.7 of the FCM Procedures to calculate the net present value, each in relation to Impacted FCM SwapClear Contracts.~~
- ~~(c) The terms of this Annex shall apply to all Impacted FCM SwapClear Contracts of the type set out in the Rate Change Notice relating to €STR as set out below. For the avoidance of doubt, (i) no other FCM SwapClear Contract shall be subject to, or affected by, the terms of this Annex and each FCM SwapClear Contract shall remain in full force and effect, and (ii) the FCM SwapClear Contract Terms shall not be amended by the terms of this Annex.~~
- ~~(d) Capitalized terms used but not otherwise defined in this Annex have the meaning given to them in the FCM Regulations.~~
- ~~(e) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~2. DEFINITIONS~~

~~For the purposes of this Annex:~~

~~**Cash Compensation Amount** means, in relation to the Impacted FCM SwapClear Contracts in a Proprietary Account or an FCM Client Sub Account, the amount determined in accordance with Section 4 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account or an FCM Client Sub Account pursuant to Section 4 below.~~

~~**EONIA Discounted Value** means, in relation to an Impacted FCM SwapClear Contract, the net present value, as of the time on the €STR Calculation Date determined by the Clearing House, of all future cash flows under that Impacted FCM SwapClear Contract calculated using EONIA as the discounting rate for the purpose of constructing the zero-coupon yield curves under 2.1.7 of the FCM Procedures (with the future cash flows calculated in the same manner as for the determination of the €STR Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such EONIA Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such EONIA Discounted Value shall be a negative amount~~

~~**€STR Calculation Date** means in relation to a Rate Change Notice relating to €STR the date specified as such by the Clearing House and specified in the Rate Change Notice relating to~~

€STR, being the date on which the Clearing House shall calculate the amounts and values specified in Section 4 below.

~~€STR Discounted Value~~ means, in relation to an Impacted FCM SwapClear Contract, the net present value as of the time on the €STR Calculation Date determined by the Clearing House, of all future cash flows under that Impacted FCM SwapClear Contract using €STR as the discounting rate for the purpose of constructing the zero coupon yield curves under 2.1.7 of the FCM Procedures (with the future cash flows calculated in the same manner as for the determination of the EONIA Discounted Value). If the net present value represents an asset or positive value for the Clearing House, such €STR Discounted Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such €STR Discounted Value shall be a negative amount.

~~3. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to Regulation 48A of the Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are Rate Change Payments" for purposes of Regulation 48A), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts~~

~~4. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CHANGE TO €STR~~

~~(a) Immediately following the €STR Calculation Date the Clearing House shall calculate:~~

~~(i) the aggregate EONIA Discounted Value and the aggregate €STR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in each Proprietary Account as of the time on the €STR Calculation Date determined by the Clearing House; and~~

~~(ii) the aggregate EONIA Discounted Value and the aggregate €STR Discounted Value in relation to all Impacted FCM SwapClear Contracts registered in each FCM Client Sub Account as of the time on the €STR Calculation Date determined by the Clearing House.~~

~~(b) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Impacted FCM SwapClear Contracts in each Proprietary Account and each FCM Client Sub Account as follows. If:~~

~~(i) the aggregate €STR Discounted Value in relation to all such Impacted FCM SwapClear Contracts exceeds the aggregate EONIA Discounted Value in relation to all such Impacted FCM SwapClear Contracts the Cash Compensation Amount in relation to such Impacted FCM SwapClear Contracts shall be equal to the absolute value of the difference, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub Account (as applicable); and~~

~~(ii) the aggregate €STR Discounted Value in relation to all such Impacted FCM SwapClear Contracts is less than the aggregate EONIA Discounted Value in relation to all such Impacted FCM SwapClear Contracts then the Cash Compensation Amount in relation to such Impacted FCM SwapClear Contracts shall be equal to the absolute value of the difference, and shall be an amount in favor of the FCM Clearing~~

~~Member in relation to such Proprietary Account or FCM Client Sub Account (as applicable).~~

- ~~(c) The Clearing House shall, pursuant to Regulation 48A, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub Account, Cash Compensation Amount (to the extent such amounts are applicable to such account). Each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay the Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of EUR1, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two Business Days after the €STR Calculation Date, and an obligation on the Clearing House or the FCM Clearing Member (as applicable) to pay to the other the Cash Compensation Amount related to the relevant Proprietary Account, or FCM Client Sub Account, in each case as determined pursuant to Section 4(b) above, with a positive Cash Compensation Amount representing an amount payable by the Clearing House to the FCM Clearing Member and a negative Cash Compensation Amount representing an amount payable to the Clearing House by the FCM Clearing Member. However, neither the Clearing House nor a FCM Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~
- ~~(d) Each FCM Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 4, which shall, when registered, constitute an FCM SwapClear Contract between the Clearing House and the relevant FCM Clearing Member that has arisen by reason of the application of the Regulations to the Impacted FCM SwapClear Contracts.~~
- ~~(e) Each FCM Clearing Member agrees (and in the case of (e)(iv) below, each FCM Clearing Member and the Clearing House agrees):~~
- ~~(i) to use reasonable endeavors to provide each of its FCM Clients with information on (i) the change in the rate from EONIA to €STR pursuant to the terms of Regulation 48A and this Annex, and (ii) the amounts pursuant to the terms of the Cash Compensation Contracts which may be allocated to that FCM Clearing Client's FCM Client Sub Account pursuant to the terms of this Annex. Such information shall include the terms of this Annex and any information which it has received from, or is made available by, the Clearing House in connection with this Annex;~~
 - ~~(ii) that it, and each of its FCM Clients, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~
 - ~~(iii) to perform all obligations and exercise all rights under this Annex in accordance with Applicable Law; and~~
 - ~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of the change from EONIA to €STR.~~

5. DETERMINATIONS BINDING

~~Subject to Section 8, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

6. RECORDS

~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements.~~

7. MISCELLANEOUS

- ~~(a) The obligations of the Clearing House to each FCM Clearing Member shall be to perform its obligations as principal to such FCM Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 8.~~
- ~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Procedures to change the rate used for the purposes of (i) calculating the Price Alignment Amount, and (ii) constructing the Clearing House's zero coupon yield curves under 12.1.7 of the FCM Procedures from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~
- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook.~~

8. LIMITATION OF LIABILITY

8.1 Without prejudice to the generality of Regulation 44, each FCM Clearing Member agrees:

- ~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~
- ~~(ii) to waive any claim against the Clearing House or any member of the LCH Group; arising or that may arise in connection with:~~
 - ~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex; or~~
 - ~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~8.2 Without prejudice to the generality of Regulation 44 and clause 8.1 above, each FCM Clearing Member further agrees:~~

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~8.3 Each FCM Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from an FCM Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any FCM Clearing Member or FCM Client in connection with this Annex or any FCM SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), an FCM Clearing Member or FCM Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each FCM Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~8.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, an FCM Clearing Member.~~

**SCHEDULE 2.1C
FLOATING RATE CONVERSION ANNEXES**

**SWAPCLEAR FCM SERVICE – FLOATING RATE CONVERSION ANNEX – EURO
OVERNIGHT INDEX AVERAGE (EONIA)**

1. SCOPE AND INTERPRETATION

~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the Regulations and supplements and forms part of the Rulebook.~~

~~(i)~~ ~~(b)~~ The terms of ~~this Annex~~ Rate Change Notice shall apply to all open FCM SwapClear Contracts that (i) ~~specify and designate the~~ In-Scope Floating Rate Option specified in that Rate Change Notice as the floating rate or use ~~an~~ that In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House ~~at~~ as of the time on the Conversion Cut-Off Date ~~determined by the Clearing House~~ specified in the relevant Rate Change Notice (each such FCM SwapClear Contract, an **EONIA Impacted Contract**). For the avoidance of doubt, (A) no other FCM SwapClear Contract shall be subject to, or affected by, the terms of ~~this Annex~~ that Rate Change Notice and all FCM SwapClear Contracts shall remain in full force and effect ~~as amended pursuant to the Floating Rate Conversion Annexes~~, and (B) other than as expressly set out in ~~this Annex~~ the Rate Change Notice, the FCM SwapClear Contract Terms of any Impacted Contract shall not be amended, supplemented or modified by the terms of ~~this Annex~~ the Rate Change Notice.

~~(ii)~~ ~~(e)~~ Capitalised terms used but not otherwise defined ~~herein in this section 2.1.26~~ have the meaning given to them in the FCM Regulations or the ISDA Definitions as applicable. The term "business day" has the meaning given to it in the FCM Regulations.

~~(iii)~~ ~~(d)~~ The terms of ~~this Annex~~ any Rate Change Notice relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.

2. DEFINITIONS

~~For the purposes of this Annex:~~

~~**Amended EONIA Contract** means each EONIA Contract after giving effect to the amendments made pursuant to Section 3 of this Annex.~~

~~**Cash Compensation Amount** means, in relation to the EONIA Contracts in a Proprietary Account or an FCM Client Sub Account, the amount determined in accordance with Section 5 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account or FCM Client Sub Account pursuant to Section 5 below.~~

~~**Conversion Cut-Off Date** means the business day immediately prior to the Conversion Date.~~

~~**Conversion Date** means October 16, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**EONIA Contract** has the meaning given to the term in Section 1(b) hereto.~~

~~**EONIA Value** means, in relation to an EONIA Contract, the net present value, determined by the Clearing House by reference to the Clearing House's zero coupon yield curves as of the time specified in Section 2.1.7 of these Procedures on the Conversion Date, of all future cash flows under that EONIA Contract on the basis that such EONIA Contract is an Unamended EONIA Contract. If the net present value represents an asset or positive value for the Clearing House, such EONIA Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such EONIA Value shall be a negative amount.~~

~~**€STR Value** means, in relation to an EONIA Contract, the net present value, determined by the Clearing House by reference to the Clearing House's zero coupon yield curves as of the time specified in Section 2.1.7 of these Procedures on the Conversion Date, of all future cash flows under that EONIA Contract on the basis that such EONIA Contract is an Amended EONIA Contract. If the net present value represents an asset or positive value for the Clearing House, such €STR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such €STR Value shall be a negative amount.~~

~~**EUR EONIA OIS COMPOUND** has the meaning given to it in the ISDA 2000 Definitions or ISDA 2006 Definitions (as applicable)~~

~~**EUR EONIA OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**EUR EuroSTR COMPOUND** has the meaning given to it in the ISDA 2000 Definitions or ISDA 2006 Definitions (as applicable).~~

~~**EUR EuroSTR OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**In Scope Floating Rate Option** means EUR EONIA OIS COMPOUND or EUR EONIA OIS Compound.~~

~~**ISDA Definitions** means the ISDA 2000 Definitions, the ISDA 2006 Definitions and the ISDA 2021 Definitions, each as published by the International Swaps and Derivatives Association, Inc.~~

~~**Unamended EONIA Contract** means each EONIA Contract prior to giving effect to the amendments made pursuant to Section 3 below.~~

~~3. AMENDMENT TO EONIA CONTRACTS~~

~~(a) Pursuant to Regulation 48B of the FCM Regulations, with effect from, and including, the Conversion Date, each EONIA Contract shall be amended so that each reference to EONIA shall instead be deemed to be a reference to the Euro Short Term Rate (€STR) (without any spread) and each reference to an In Scope Floating Rate Option shall instead be a reference~~

~~to EUR EuroSTR COMPOUND or EUR EuroSTR OIS Compound (as applicable), depending on the ISDA Definitions incorporated into the relevant EONIA Contract.~~

~~(b) No other term of any EONIA Contract shall be amended under this Annex.~~

~~4. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

- ~~(iv)~~ Pursuant to Regulation 48B of the FCM Regulations, this ~~Annex~~section 2.1.26 and each Rate Change Notice sets out the method for (i) calculating the Cash Compensation Amounts (which are “~~Conversion~~Rate Change Payments” for purposes of FCM Regulation 48B), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.

~~5. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CHANGE TO €STR~~

- ~~(v)~~ The provisions of this section 2.1.6, as brought into effect by a Rate Change Notice, shall constitute enforceable rights and obligations of the relevant parties under the FCM Rulebook and relevant FCM SwapClear Contracts.

~~(c)~~ (a) On the Conversion Date the Clearing House shall calculate Amendments to Impacted Contracts:

~~(i) the aggregate EONIA Value and the aggregate €STR Value in relation to all EONIA Contracts registered in each Proprietary Account as of the time on the Conversion Cut-Off Date determined by the Clearing House;~~

~~(ii) the aggregate EONIA Value and the aggregate €STR Value in relation to EONIA Contracts registered in each FCM Client Sub Account as of the time on the Conversion Cut-Off Date determined by the Clearing House; and~~

~~(iii) the aggregate EONIA Value and the aggregate €STR Value in relation to all EONIA Contracts registered in each FCM Client Sub Account as of the time on the Conversion Cut-Off Date determined by the Clearing House.~~

~~(b) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the EONIA Contracts in each Proprietary Account and each FCM Client Sub Account as follows. If:~~

~~(i) the aggregate €STR Value in relation to all such EONIA Contracts exceeds the aggregate EONIA Value in relation to all such EONIA Contracts then the Cash Compensation Amount in relation to such EONIA Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the FCM SwapClear Clearing Member in relation to such Proprietary Account or FCM Client Sub Account (as applicable); and~~

~~(ii) the aggregate €STR Value in relation to all such EONIA Contracts is less than the aggregate EONIA Value in relation to all such EONIA Contracts then the Cash Compensation Amount in relation to such EONIA Contracts shall be equal to the~~

~~absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub Account (as applicable).~~

~~(c) The Clearing House shall, pursuant to FCM Regulation 48B, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub Account, in relation to the Cash Compensation Amount (to the extent such amounts are applicable to such account). Each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay the Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of EUR1, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two business days after the Conversion Cut Off Date, and an obligation on the Clearing House or the FCM Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the relevant Proprietary Account or FCM Client Sub Account, in each case as determined pursuant to Section 5(b) above. However, neither the Clearing House nor an FCM Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~

~~(d) Each FCM Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 5, which shall, when registered, constitute an FCM SwapClear Contract between the Clearing House and the relevant FCM Clearing Member that has arisen by reason of the application of the Regulations to the EONIA Contracts.~~

~~(e) Each FCM Clearing Member agrees (and in the case of (e)(iv) below, each FCM Clearing Member and the Clearing House agrees):~~

~~(i) to use reasonable endeavors to provide each of its FCM Clients with (i) information on the change to the EONIA Contracts pursuant to the terms of FCM Regulation 48B and this Annex, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that FCM Client's FCM Client Sub Account pursuant to the terms of this Annex, and (iii) other information (indicative or otherwise) in relation to each FCM Client Sub Account. Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to FCM Clients;~~

~~(ii) that it, and each of its FCM Clients, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~

~~(iii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law; and~~

~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of the changes to the EONIA Contracts pursuant to this Annex.~~

6. ELIGIBILITY FROM THE CONVERSION DATE

~~Notwithstanding anything to the contrary in the Product Specific Contract Terms and Eligibility Criteria Manual, from and including the Conversion Date the Clearing House shall not accept for clearing or registration any FCM SwapClear Transaction that specifies an In-Scope Floating Rate Option.~~

7. DETERMINATIONS BINDING

~~Subject to Section 10, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

8. RECORDS

~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements.~~

9. MISCELLANEOUS

~~(a) The obligations of the Clearing House to each FCM Clearing Member shall be to perform its obligations as principal to such FCM Clearing Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook and Section 10.~~

~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the Regulations and the Procedures to change the terms of any open FCM SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~

~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the Rulebook.~~

10. LIMITATION OF LIABILITY

~~10.1 Without prejudice to the generality of Regulation 44, each FCM Clearing Member agrees:~~

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex; or~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~10.2 Without prejudice to the generality of Regulation 44 and Section 10.1 above, each FCM Clearing Member further agrees:~~

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~10.3 Each FCM Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from an FCM Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any FCM Clearing Member or FCM Client in connection with this Annex or any FCM SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), an FCM Clearing Member or FCM Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each FCM Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~10.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, an FCM Clearing Member.~~

SCHEDULE 2.1D

FCM SWAPCLEAR SERVICE—FLOATING RATE CONVERSION ANNEX— LIBOR (OTHER THAN USD LIBOR)

1. SCOPE AND INTERPRETATION

~~(a) This Annex constitutes a "Floating Rate Conversion Annex" as defined in and pursuant to the FCM Regulations and supplements and forms part of the FCM Rulebook.~~

~~(b) The terms of this Annex shall apply to all open FCM SwapClear Contracts that (i) specify an In-Scope Floating Rate Option as the floating rate or use an In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the time on the Conversion Cut Off Date determined by the Clearing House (each such FCM SwapClear Contract, a **LIBOR Contract**). For the avoidance of doubt, (A) no other FCM SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all FCM SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the FCM SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.~~

~~(c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the FCM Regulations. The term "business day" has the meaning given to it in the FCM Regulations.~~

~~(d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

2. DEFINITIONS

For the purposes of this Annex:

~~**Affected Forward Rate Agreement** means each open Forward Rate Agreement that has a "Reset Date" (as defined in the ISDA Definitions) which (i) in the case of a Forward Rate Agreement for which the floating rate is GBP LIBOR BBA or GBP LIBOR, falls on, or after, the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to those In-Scope Floating Rate Options, or (ii) in the case of a Forward Rate Agreement for which the floating rate is an In-Scope Floating Rate Option other than GBP LIBOR BBA or GBP LIBOR, falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant Forward Rate Agreement.~~

~~**Amended LIBOR Contract** means each LIBOR Contract after giving effect to the amendments made pursuant to Section 3 below and, in respect of the Affected Forward Rate Agreements, the amendments made pursuant to Section 4 below.~~

~~**Basis Swap Operational Split Date** means October 2, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Bloomberg Spread** means, in relation to an In-Scope Floating Rate Option, the spread relating to that In-Scope Floating Rate Option for a period of the Designated Maturity (as defined in the ISDA Definitions) of that LIBOR Contract provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).~~

~~**Cash Compensation Amount** means, in relation to all LIBOR Contracts that specify an In-Scope Floating Rate Option as the floating rate or use an In-Scope Floating Rate Option to calculate the floating amount thereunder in a Proprietary Account or an FCM Client Sub Account, the amount determined in accordance with Section 8 below or, in relation to Legacy LIBOR Transactions, the amount determined in accordance with Section 11 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account or FCM Client Sub Account pursuant to Section 8 or Section 11 (as applicable) below.~~

~~**Conversion Cut-Off Date** means, with respect to a LIBOR Contract, the business day immediately prior to the Conversion Date applicable to such LIBOR Contract as determined in accordance with the definition of “Conversion Date” below.~~

~~**Conversion Date** means:~~

~~(a) in relation to each LIBOR Contract (including each Affected Forward Rate Agreement) that specifies CHF LIBOR BBA, CHF LIBOR, EUR LIBOR BBA, EUR LIBOR, JPY LIBOR BBA or JPY LIBOR as the floating rate or uses CHF LIBOR BBA, CHF LIBOR, EUR LIBOR BBA, EUR LIBOR, JPY LIBOR BBA, or JPY LIBOR to calculate the floating amount thereunder, December 4, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate; and~~

~~(b) in relation to each LIBOR Contract (including each Affected Forward Rate Agreement) that specifies GBP LIBOR BBA or GBP LIBOR as the floating rate or uses GBP LIBOR BBA or GBP LIBOR to calculate the floating amount thereunder, December 18, 2021, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**CHF SARON OIS COMPOUND** has the meaning given to it in the ISDA 2006 Definitions.~~

~~**CHF SARON OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**EUR EuroSTR COMPOUND** has the meaning given to it in the ISDA 2006 Definitions.~~

~~**EUR EuroSTR OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**Fallback RFR Value** means, in relation to a LIBOR Contract, the net present value, determined by the Clearing House as of the Conversion Date, of all future cash flows under that LIBOR Contract on the basis that such LIBOR Contract is not amended pursuant to this Annex, provided however that, for purposes of determining the Fallback RFR Value of an Affected Forward Rate Agreement, the provisions of Supplement 70 to the ISDA 2006 Definitions (and the equivalent provisions under the ISDA 2021 Definitions) shall not be taken into account. If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.~~

~~**Forward Rate Agreement** means each FCM SwapClear Contract that is recorded as a “forward rate transaction” or “forward rate agreement” in the books and records of the Clearing House and references an In-Scope Floating Rate Option.~~

~~**GBP-SONIA-COMPOUND** has the meaning given to it in the ISDA 2006 Definitions.~~

~~**GBP-SONIA-OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**In-Scope Floating Rate Option** means:~~

~~(c) CHF LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions);~~

~~(d) CHF LIBOR (as defined in the ISDA 2021 Definitions);~~

~~(e) EUR LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions);~~

~~(f) EUR LIBOR (as defined in the ISDA 2021 Definitions);~~

~~(g) GBP LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions);~~

~~(h) GBP LIBOR (as defined in the ISDA 2021 Definitions);~~

~~(i) JPY LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions); and~~

~~(j) JPY LIBOR (as defined in the ISDA 2021 Definitions).~~

~~**ISDA Definitions** means the ISDA 2000 Definitions, the ISDA 2006 Definitions and the ISDA 2021 Definitions, each as published by the International Swaps and Derivatives Association, Inc. For the avoidance of doubt unless otherwise provided herein, references to the ISDA 2006 Definitions shall mean the ISDA 2006 Definitions including Supplement 70 thereto.~~

~~**JPY-TONA-OIS-COMPOUND** has the meaning given to it in the ISDA 2006 Definitions.~~

~~**JPY-TONA-OIS Compound** has the meaning given to it in the ISDA 2021 Definitions.~~

~~**Legacy LIBOR Cut-Off Date** means September 21, 2021.~~

~~**Legacy LIBOR End Date** means December 31, 2024, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Legacy LIBOR Transaction** means an FCM SwapClear Transaction (other than a “forward rate agreement” or “forward rate transaction”) that meets the following conditions:~~

~~(k) it is eligible under the Product Specific Contract Terms and Eligibility Criteria Manual in effect from time to time;~~

~~(l) it specifies an In-Scope Floating Rate Option other than EUR LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006 Definitions) or EUR LIBOR (as defined in the ISDA 2021 Definitions) as the floating rate or uses an In-Scope Floating Rate Option other than EUR LIBOR BBA (as defined in the ISDA 2000 Definitions and the ISDA 2006~~

~~Definitions) or EUR LIBOR (as defined in the ISDA 2021 Definitions) to calculate the floating amount thereunder;~~

~~(m) it is presented to the Clearing House after the Conversion Date applicable to the In Scope Floating Rate Option specified in the terms of that FCM SwapClear Transaction; and~~

~~(n) if it is presented to the Clearing House after December 31, 2021 either (i) in the case of FCM SwapClear Transactions other than those referred to in (ii) below, the FCM SwapClear Transaction was entered into prior to the Legacy LIBOR Cut Off Date, or (ii) in the case of a FCM SwapClear Transaction resulting from the exercise of a physically settled swaption, that swaption was entered into prior to the Legacy LIBOR Cut Off Date.~~

LIBOR Basis Swap means each FCM SwapClear Contract that is recorded as a “basis swap” in the books and records of the Clearing House and references an In Scope Floating Rate Option.

Operational Straddle Period LIBOR Booking means an Operational Outright LIBOR Booking that reflects an In Scope Floating Rate Option as the floating rate or uses an In Scope Floating Rate Option to calculate the floating amount and which has a “Reset Date” (as defined in the ISDA Definitions) which:

~~(o) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or prior to, the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In Scope Floating Rate Option; or~~

~~(p) in the case of all other In Scope Floating Rate Options, falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In Scope Floating Rate Option.~~

Relevant Number of Business Days means:

~~(q) in relation to CHF LIBOR BBA or CHF LIBOR, two London Banking Days (as defined in the ISDA Definitions);~~

~~(r) in relation to EUR LIBOR BBA or EUR LIBOR, two TARGET Settlement Days (as defined in the ISDA Definitions); and~~

~~(s) in relation to JPY LIBOR BBA or JPY LIBOR, two London Banking Days (as defined in the ISDA Definitions).~~

RFR Value means, in relation to a LIBOR Contract, the net present value, determined by the Clearing House as of the Conversion Date, of all future cash flows under that LIBOR Contract on the basis that such LIBOR Contract is an Amended LIBOR Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.

Straddle Period LIBOR Contract means a LIBOR Contract that specifies an In Scope Floating Rate Option as the floating rate or uses an In Scope Floating Rate Option to calculate the floating amount thereunder and which has a “Reset Date” (as defined in the ISDA Definitions) which:

~~(i) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or prior to, the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option; or~~

~~(ii) in the case of all other In-Scope Floating Rate Options, falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.~~

~~3. AMENDMENTS TO LIBOR CONTRACTS~~

- ~~(i) (a) Pursuant to Regulation 48B of the FCM Regulations, with effect from, and including, the Conversion Date each LIBOR Contract other than any Affected Forward Rate Agreements specified in the relevant Rate Change Notice each Impacted Contract under that Rate Change Notice shall be amended ~~in accordance with this Section 3~~ as follows:~~

Floating Rate Option:

~~(b) If:~~

- ~~(i) the LIBOR Contract references CHF LIBOR BBA or CHF LIBOR (each a **CHF LIBOR Contract**), then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to CHF LIBOR BBA or CHF LIBOR in the FCM SwapClear Contract Terms shall be deemed to be replaced for all purposes with CHF SARON OIS COMPOUND or CHF SARON OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract;~~
- ~~(ii) the LIBOR Contract references GBP LIBOR BBA or GBP LIBOR (each a **GBP LIBOR Contract**), then, from and including the first Reset Date falling after the Index Cessation Effective Date in relation to such In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms in so far as they relate to such In-Scope Floating Rate Options, including for the avoidance of doubt, any fallbacks in the ISDA Definitions, any references to GBP LIBOR BBA or GBP LIBOR in the FCM SwapClear Contract Terms shall be replaced for all purposes with GBP SONIA COMPOUND or GBP SONIA OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract);~~
- ~~(iii) the LIBOR Contract references EUR LIBOR BBA or EUR LIBOR (each a **EUR LIBOR Contract**) then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to EUR LIBOR BBA or EUR LIBOR shall be~~

~~replaced for all purposes with EUR EuroSTR COMPOUND or EUR EuroSTR OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract; and~~

- (A) ~~(iv) the LIBOR Contract references JPY LIBOR BBA or JPY LIBOR (each a JPY LIBOR Contract), then, from~~ From and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date ~~(as defined in the ISDA Definitions)~~ (as defined in the ISDA Definitions) in relation to ~~such~~ the In-Scope Floating Rate ~~Options~~ Option, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate ~~Options~~ Option, any references to ~~JPY LIBOR BBA or JPY LIBOR~~ the In-Scope Floating Rate Option shall be replaced for all purposes with ~~JPY TONA OIS COMPOUND or JPY TONA OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract~~ the Replacement Floating Rate Option.

Bloomberg Spread Adjustment:

- (B) ~~(e) From and including the first Reset Date which (i) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or after, the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to those In-Scope Floating Rate Options, or (ii) in the case of all other In-Scope Floating Rate Options, falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant LIBOR Contract, the "Floating Rate" under each LIBOR Contract that specifies that In-Scope Floating Rate Option as the floating rate or uses that In-Scope Floating Rate Option to calculate the floating amount thereunder will, in addition to any "Spread" (as defined in the ISDA Definitions) already existing under the terms of the LIBOR Contract, include the Bloomberg Spread Adjustment applicable to that In-Scope Floating Rate Option, provided however that, for such purpose the Bloomberg Spread in relation to JPY LIBOR BBA or JPY LIBOR (as applicable) shall be multiplied by 365 divided by 360.~~

Payment Date Delay:

~~(d)~~

- ~~(i) in respect of any CHF LIBOR Contract and JPY LIBOR Contract, in each case, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" in relation to that LIBOR Contract and the number of days specified for such purposes~~

~~shall be two (2) Zurich Business Days in relation to each CHF LIBOR Contract and two (2) Tokyo Business Days in relation to each JPY LIBOR Contract. The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Zurich or Tokyo Business Days (as applicable) after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable;~~

~~(ii) in respect of any EUR LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" in relation to that LIBOR Contract and the number of days specified for such purposes shall be one (1) TARGET Settlement Day (as defined in the ISDA Definitions). The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall one (1) Business Day after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable; and~~

~~(iii) in respect of any GBP LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Not Applicable" in relation to that LIBOR Contract. The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall on the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.~~

No Observation Period Shift:

~~(e) For the avoidance of doubt, the Clearing House and the FCM Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each "Floating Rate" under each LIBOR Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions and the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited shall not apply to the calculation of the "Floating Rate" under each LIBOR Contract.~~

Consequential Amendments:

~~(f) The Clearing House shall make any consequential amendments to the terms of each LIBOR Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.~~

~~(g) Unless expressly referenced herein, all other terms of each LIBOR Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction" "Business Days" and any "Spread" (each as defined in the ISDA Definitions).~~

4. AMENDMENTS TO FORWARD RATE AGREEMENTS

~~(a) Pursuant to Regulation 48B of the FCM Regulations, with effect from, and including, the relevant Conversion Date each Affected Forward Rate Agreement shall be amended so that from, and including, the relevant Conversion Date:~~

Payment Date:

~~(i) the "Payment Date" under such Affected Forward Rate Agreement shall be amended so that the "Payment Date" is the "Termination Date" (each as defined in the ISDA Definitions);~~

~~Discounting:~~

~~(ii) "Discounting" (as defined in the ISDA Definitions) shall be "Not Applicable" and the "Discount Rate" (as defined in the ISDA Definitions) shall be deleted in its entirety;~~

~~Floating Rate Option:~~

~~(iii) if:~~

~~(A) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a CHF LIBOR Contract, then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In Scope Floating Rate Options, any references to CHF LIBOR BBA or CHF LIBOR in the FCM SwapClear Contract Terms shall be deemed to be replaced for all purposes with CHF SARON OIS COMPOUND or CHF SARON OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract;~~

~~(B) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a GBP LIBOR Contract, then, from and including the first Reset Date falling after the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms in so far as they relate to such In Scope Floating Rate Options, including for the avoidance of doubt, any fallbacks in the ISDA Definitions, any references to GBP LIBOR BBA or GBP LIBOR in the FCM SwapClear Contract Terms shall be replaced for all purposes with GBP SONIA COMPOUND or GBP SONIA OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract);~~

~~(C) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a EUR LIBOR Contract then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In Scope Floating Rate Options, any references to EUR LIBOR BBA or EUR LIBOR shall be replaced for all purposes with EUR EuroSTR COMPOUND or EUR EuroSTR OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract; and~~

~~(D) the Affected Forward Rate Agreement (as amended by (i) and (ii) above) is a JPY LIBOR Contract then, from and including the first Reset Date falling after the Relevant Number of Business Days from the Index Cessation Effective Date in relation to such In Scope Floating Rate Options, and~~

~~notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to JPY LIBOR BBA or JPY LIBOR shall be replaced for all purposes with JPY TONA OIS COMPOUND or JPY TONA OIS Compound depending on the ISDA Definitions incorporated into the relevant LIBOR Contract;~~

Bloomberg Spread:

- (C) ~~(iv) from~~ From and including the first Reset Date which ~~(i) in the case of GBP LIBOR BBA or GBP LIBOR, falls on, or after, the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to those In-Scope Floating Rate Options, or (ii) in the case of all other In-Scope Floating Rate Options, falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant LIBOR Contract, the "Floating Rate" under each LIBOR Contract that specifies that In-Scope Floating Rate Option as the floating rate or uses that In-Scope Floating Rate Option to calculate the floating amount thereunder will include the Bloomberg Spread applicable to that In-Scope Floating Rate Option, provided however that, for such purpose the Bloomberg Spread in relation to JPY LIBOR BBA or JPY LIBOR (as applicable) shall be multiplied by 365 divided by 360;~~ Impacted Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" and the number of days for such purposes shall be as specified in the relevant Rate Change Notice as the "Number of Business Days for Payment Delay".

Payment Date Delay:

- ~~(v) in respect of any CHF LIBOR Contract and JPY LIBOR Contract, in each case, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" in relation to that LIBOR Contract and the number of days specified for such purposes shall be two (2) Business Days. The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable;~~
- ~~(vi) in respect of any EUR LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" in relation to that LIBOR Contract and the number of days specified for such purposes shall be one (1) Business Day. The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall one (1) Business Day after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable; and~~

~~(vii) in respect of any GBP LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Not Applicable" in relation to that LIBOR Contract. The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall on the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.~~

No Observation Period Shift:

(D) ~~(b)~~ For the avoidance of doubt, the Clearing House and the FCM SwapClear Clearing Members acknowledge and agree that as a result of the amendment made in paragraph ~~(a)(iii)~~(b) above, each "Floating Rate" under each LIBOR Impacted Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions ~~and the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited~~ shall not apply to the calculation of the "Floating Rate" under each LIBOR Impacted Contract.

Consequential Amendments:

(E) ~~(e)~~ The Clearing House shall make any consequential amendments to the terms of each LIBOR Impacted Contract as it deems necessary in connection with, and to give effect to, the amendments ~~in this Section 4~~ set out herein.

(ii) ~~(d)~~ Unless expressly referenced herein, all other terms of each LIBOR Impacted Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction" ~~and~~ "Business Days" and any "Spread" (each as defined in the ISDA Definitions).

(f) **Determination of the Cash Compensation Amount and the Cash Compensation Contracts following the Conversion**

To the extent specified as "Applicable" in the relevant Rate Change Notice, the following provisions shall apply in relation to the Impacted Contracts specified in that Rate Change Notice, otherwise they shall not apply in relation to those Impacted Contracts:

5. OPERATIONAL BOOKINGS

~~(a) In order to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to this Annex in the FCM SwapClear Service, the Clearing House shall record certain bookings in the FCM SwapClear Service (each an **Operational Booking**) in the manner described in this Section 5. Any bookings referred to in this Section 5 are solely to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to this Annex and the Clearing House and each FCM Clearing Member agree and~~

~~acknowledge that they shall not result in the registration of any new FCM SwapClear Contracts and shall have no legal effect and are for operational purposes only.~~

Basis Swap Operational Splitting

~~(b) On the Basis Swap Operational Split Date, the Clearing House will terminate each booking in relation to each LIBOR Basis Swap and will record two Operational Bookings in respect of each LIBOR Basis Swap (each an Operational Outright LIBOR Booking), which will have terms which are each identical to the LIBOR Basis Swap to which they relate, except that:~~

~~(i) the first Operational Outright LIBOR Booking shall have a "Floating Rate" (as defined in the ISDA Definitions) equal to the first "Floating Rate" referenced in that LIBOR Basis Swap, a "Fixed Rate" (as defined in the ISDA Definitions) determined by the Clearing House (the Split Fixed Rate), and the "Floating Rate Payer" or "Floating Amount Payer" (as defined in the ISDA Definitions) shall be the same as the "Floating Rate Payer" or "Floating Amount Payer" in relation to the first "Floating Rate" under the corresponding LIBOR Basis Swap; and~~

~~(ii) the second Operational Outright LIBOR Booking shall have a "Floating Rate" (as defined in the ISDA Definitions) equal to the second "Floating Rate" referenced in that LIBOR Basis Swap, a "Fixed Rate" (as defined in the ISDA Definitions) equal to the Split Fixed Rate, and the "Floating Rate Payer" or "Floating Amount Payer" (as defined in the ISDA Definitions) shall be the same as the "Floating Rate Payer" or "Floating Amount Payer" in relation to the second "Floating Rate" under the corresponding LIBOR Basis Swap.~~

~~(e) The Clearing House shall determine the Split Fixed Rate in its sole and absolute discretion and shall make any consequential amendments to each Operational Outright LIBOR Booking that it deems necessary in connection with, and to give effect to, the foregoing.~~

~~(d) On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House will terminate each Operational Outright LIBOR Booking that has a "Floating Amount" calculated using that In-Scope Floating Rate Option and shall record an Operational Booking in accordance with (e) below.~~

Main Operational Booking

~~(e) On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House shall, in relation to each LIBOR Contract and each Operational Outright LIBOR Booking referencing that In-Scope Floating Rate Option, record an Operational Booking (each an Operational RFR Booking) that is on the same terms as the LIBOR Contract or Operational Outright LIBOR Booking (as applicable) to which it relates except that, from the "Effective Date" of the Operational RFR Booking (which shall be prior to the Conversion Date) any "Floating Amounts" reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to Section 3 or Section 4 (as applicable) of this Annex. On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House shall, in relation to each LIBOR Contract referencing that In-Scope Floating Rate Option, terminate the operational booking relating to that LIBOR Contract that was recorded in the SwapClear service immediately prior to the Conversion Date.~~

Operational Overlay Bookings

~~(f) In addition to the Operational RFR Bookings referred to in (e) above, with respect to each Straddle Period LIBOR Contract and Operational Straddle Period LIBOR Booking in relation to which the FCM Clearing Member would receive a “Floating Amount” calculated using an In-Scope Floating Rate Option under the Straddle Period LIBOR Contract or Operational Straddle Period LIBOR Booking (such amount, the **LIBOR Amount**), on the Conversion Date in relation to the relevant In-Scope Floating Rate Option the Clearing House shall record the following Operational Bookings (each an **Operational Overlay Booking**) in the SwapClear service:~~

~~(i) in relation to a Straddle Period LIBOR Contract or any Operational Straddle Period LIBOR Booking that is not of the type specified in (ii) below:~~

~~(A) an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the FCM Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the **Overlay Fixed Amount**) and (Y) an amount that would be payable to the FCM Clearing Member equal to the LIBOR Amount it would be entitled to receive under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the relevant Operational Straddle Period LIBOR Booking); and~~

~~(B) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM Clearing Member and (Y) a “Floating Amount” that would be payable by the FCM Clearing Member equal to the “Floating Amount” the FCM Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking,~~

~~(ii) in relation to a Straddle Period LIBOR Contract that is recorded in a Proprietary Account (or any Operational Straddle Period LIBOR Booking that would be recorded in a Proprietary Account) and is either:~~

~~(A) a JPY LIBOR Contract or a GBP LIBOR Contract in each case with a fixed notional amount and no “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) a “Floating Amount” that would be payable by the FCM Clearing Member equal to the “Floating Amount” it would be entitled to receive as reflected under the Operational RFR Booking and (Y) an amount that would be payable to the FCM Clearing Member equal to the LIBOR Amount it would be entitled to receive under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking); or~~

~~(B) a GBP LIBOR Contract with a fixed notional amount and a non-zero “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) a “Floating Amount” that would be payable by the FCM Clearing Member equal to the “Floating Amount” it would be entitled to receive as reflected under the Operational RFR Booking if the “Spread” applicable to that Operational RFR Booking were equal to zero and (Y) an amount that would be payable to the FCM Clearing Member equal to the LIBOR Amount it would be entitled to receive under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking).~~

~~(g) In addition to the Operational RFR Bookings referred to in (e) above, with respect to each Straddle Period LIBOR Contract and Operational Straddle Period LIBOR Booking in relation to which the FCM Clearing Member would pay the LIBOR Amount, on the Conversion Date in relation to the relevant In-Scope Floating Rate Option the Clearing House shall record the following Operational Overlay Bookings in the SwapClear service:~~

~~(i) in relation to a Straddle Period LIBOR Contract or any Operational Straddle Period LIBOR Booking that is not of the type specified in (ii) below:~~

~~(A) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM Clearing Member and (Y) an amount that would be payable by the FCM Clearing Member equal to the LIBOR Amount it would be obliged to pay under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking); and~~

~~(B) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the FCM Clearing Member and (Y) a “Floating Amount” that would be payable to the FCM Clearing Member equal to the “Floating Amount” that would be payable by the FCM SwapClear Clearing Member as reflected under the related Operational RFR Booking;~~

~~(ii) in relation to a Straddle Period LIBOR Contract that is recorded in a Proprietary Account (or any Operational Straddle Period LIBOR Booking that would be recorded in a Proprietary Account) and is either:~~

~~(A) a JPY LIBOR Contract or a GBP LIBOR Contract in each case with a fixed notional amount and no “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) an amount payable by the FCM Clearing Member equal to the LIBOR Amount the FCM Clearing Member would be obliged to pay under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking), and (Y) a “Floating Amount” payable to the FCM Clearing Member equal to the “Floating Amount” the FCM Clearing Member would be obliged to pay as reflected under the related Operational RFR Booking; or~~

~~(B) a GBP LIBOR Contract with a fixed notional amount and a non-zero “Spread” (as defined under the ISDA Definitions) on the floating leg, an Operational Overlay Booking reflecting (X) an amount payable by the FCM Clearing Member equal to the LIBOR Amount the FCM Clearing Member would be obliged to pay under the Straddle Period LIBOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period LIBOR Booking) and (Y) a “Floating Amount” payable to the FCM Clearing Member equal to the “Floating Amount” the FCM Clearing Member would be obliged to pay as reflected under the related Operational RFR Booking if the “Spread” applicable to that Operational RFR Booking were equal to zero.~~

~~(h) The Operational Overlay Bookings in relation to a Straddle Period LIBOR Contract and Operational Straddle Period LIBOR Booking will terminate as of the time when they are no longer required for the Clearing House’s operational purposes, which is expected to be on the~~

~~first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.~~

~~6. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS~~

~~If the Clearing House receives an instruction from an FCM Clearing Member to take a permitted action with respect to some but not all of the rights and obligations under any Amended LIBOR Contract (including, but not limited to, compression) and such rights and obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with Section 5 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:~~

- ~~(i) pursuant to its powers under FCM Regulation 48B, register one or more new FCM SwapClear Contract(s) in the name of that FCM Clearing Member with the same terms as such Operational Booking(s); and~~
- ~~(ii) amend the Amended LIBOR Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.~~

~~7. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to Regulation 48B of the FCM Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are "Conversion Payments" for purposes of FCM Regulation 48B), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~8. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION~~

- (i) ~~(a)~~ On the Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House shall calculate the following amounts:
 - (A) ~~(i)~~ the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all LIBOR Impacted Contracts that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option registered in each Proprietary Account as of the time ~~determined by the Clearing House~~ on the Conversion Cut-Off Date determined by the Clearing House; and
 - (B) ~~(ii)~~ the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all LIBOR Impacted Contracts that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option registered in each FCM Client Sub-Account as of the ~~end of the business day in New Yorktime~~ on the Conversion Cut-Off Date determined by the Clearing House.
- (ii) ~~(b)~~ The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the LIBOR Impacted Contracts

referencing an In-Scope Floating Rate Option in each Proprietary Account and each FCM Client Sub-Account ~~as follows~~. If:

- (A) ~~(i)~~—the aggregate RFR Value in relation to all such ~~LIBOR Impacted~~ Contracts exceeds the aggregate Fallback RFR Value in relation to all such ~~LIBOR Impacted~~ Contracts then the Cash Compensation Amount in relation to such ~~LIBOR Impacted~~ Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the FCM ~~SwapClear~~ Clearing Member in relation to such Proprietary Account or FCM Client Sub-Account (as applicable); and
- (B) ~~(ii)~~—the aggregate RFR Value in relation to all such ~~LIBOR Impacted~~ Contracts is less than the aggregate Fallback RFR Value in relation to all such ~~LIBOR Impacted~~ Contracts then the Cash Compensation Amount in relation to such ~~LIBOR Impacted~~ Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub-Account (as applicable).
- (iii) ~~(e)~~—The Clearing House shall, pursuant to ~~FCM~~ Regulation 48B, register a separate Cash Compensation Contract in each Proprietary Account, and each FCM Client Sub-Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account or "position account"). Each FCM ~~SwapClear~~ Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of 1 unit of the relevant currency of the ~~LIBOR Impacted~~ Contracts to which it relates, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two "business days" after the Conversion Cut-Off Date, and an obligation on the Clearing House or the FCM ~~SwapClear~~ Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the ~~LIBOR Impacted~~ Contracts referencing an In-Scope Floating Rate Option in the relevant Proprietary Account or FCM Client Sub-Account, in each case as determined pursuant to ~~Section 8~~ paragraph ~~(bii)~~ above. However, neither the Clearing House nor ~~ana~~ FCM ~~SwapClear~~ Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.
- (iv) ~~(d)~~—Each FCM ~~SwapClear~~ Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this ~~Section 8~~ section 2.1.26, which shall, when registered, constitute ~~ana~~ FCM

SwapClear Contract between the Clearing House and the relevant FCM SwapClear Clearing Member that has arisen by reason of the application of the FCM Regulations to the LIBOR Impacted Contracts.

(v) ~~(e) Each FCM~~ Without prejudice to the obligations between each FCM SwapClear Clearing Member and each FCM Client that otherwise exist in connection with the FCM SwapClear service, each FCM SwapClear Clearing Member agrees (and in the case of ~~(e)(ivD)~~ below, each FCM SwapClear Clearing Member and the Clearing House agrees):

(A) ~~(i)~~ to use reasonable endeavors to provide each of its FCM Clients with (i) information on the change to the LIBOR Impacted Contracts pursuant to the terms of ~~FCM~~ Regulation 48B ~~and this Annex, these FCM Procedures and the relevant Rate Change Notice~~, (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that FCM Client's FCM Client Sub-Account pursuant to the terms of ~~this Annex~~ these FCM Procedures and the relevant Rate Change Notice, and (iii) other information (indicative or otherwise) in relation to each FCM Client's FCM Client Sub-Account. Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with ~~this Annex (or any applicable Floating Rate Conversion Notice(s))~~ these FCM Procedures and the relevant Rate Change Notice expressly marked for distribution to FCM Clients;

(B) ~~(ii)~~ that it, and each of ~~its~~ FCM ~~Clients~~ Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to ~~this Annex~~ these FCM Procedures and the relevant Rate Change Notice and all payment obligations thereunder (as determined by the Clearing House pursuant to ~~this Annex~~ these FCM Procedures and the relevant Rate Change Notice);

(C) ~~(iii)~~ to perform all obligations and exercise all rights under or pursuant to this ~~Annex~~ section 2.1.26 and the Rate Change Notice in accordance with Applicable Law; and

(D) ~~(iv)~~ that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this ~~Annex~~ section 2.1.26 and the Rate Change Notice and the obligations thereunder are for the sole purpose of addressing the value impact of certain of the changes to the LIBOR Impacted Contracts pursuant to this ~~Annex; and~~ section 2.1.26 and the Rate Change Notice.

(g) **Operational Bookings**

If specified as "Applicable" in the relevant Rate Change Notice, the following provisions shall apply in relation to the Impacted Contracts specified in that

Rate Change Notice, otherwise they shall not apply in relation to those Impacted Contracts:

- ~~(v) that it will take reasonable steps to ensure that any FCM SwapClear Transaction referencing an In Scope Floating Rate Option and submitted after December 31, 2021 meets the conditions in the definition of Legacy LIBOR Transaction.~~

9. DETERMINATIONS BINDING

~~Subject to Section 13, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

10. RECORDS

~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements. Where the Clearing House determines appropriate, the Clearing House will update its books and records or governance and booking procedures to provide that all Operational Bookings booked pursuant to this Annex do not affect the rights and obligations of FCM Clearing Members regardless of anything to the contrary in any reports issued by the Clearing House.~~

11. LEGACY LIBOR TRANSACTIONS

~~(a) Notwithstanding anything to the contrary in the Product Specific Contract Terms and Eligibility Criteria Manual, from and including the Conversion Date in relation to an In Scope Floating Rate Option, the Clearing House shall not accept for clearing or registration any FCM SwapClear Transaction that references that In Scope Floating Rate Option and is not a Legacy LIBOR Transaction.~~

~~(b) An FCM Clearing Member may present Legacy LIBOR Transactions for registration at the Clearing House from, and including, the Conversion Date up to, and including, the Legacy LIBOR End Date. No Legacy LIBOR Transactions will be eligible for clearing after the Legacy LIBOR End Date and no FCM Clearing Member shall present a Legacy LIBOR Transaction for registration after the Legacy LIBOR End Date.~~

~~(c) If an FCM Clearing Member presents a Legacy LIBOR Transaction to the Clearing House after December 31, 2021, that FCM Clearing Member shall be deemed to represent and warrant to the Clearing House on the day it presents that Legacy LIBOR Transaction to the Clearing House that:~~

~~(i) either (a) the Legacy LIBOR Transaction was entered into prior to the Legacy LIBOR Cut-Off Date, or (b) in the case of a Legacy LIBOR Transaction which results from the exercise of a physically settled swaption, that swaption was entered into prior to the Legacy LIBOR Cut-Off Date; and~~

~~(ii) the FCM SwapClear Transaction incorporates either the Fallbacks Supplement pursuant to the ISDA 2020 IBOR Fallbacks Protocol, Supplement 70 to the ISDA 2006 Definitions or the equivalent provisions under the ISDA 2021 Definitions, in each case prior to it being presented to the Clearing House.~~

The FCM Clearing Member shall immediately notify the Clearing House if it becomes aware that any of the foregoing representations are incorrect, untrue or misleading.

~~(d) A Legacy LIBOR Transaction will only be registered by the Clearing House on a business day if it is presented to the Clearing House prior to 4 p.m. London time on such business day (or such other cut-off time as may be separately communicated by the Clearing House to the FCM Clearing Members). If a Legacy LIBOR Transaction is presented after this time, the Clearing House may decline to register the Legacy LIBOR Transaction.~~

~~(e) When a Legacy LIBOR Transaction is presented to the Clearing House by an FCM Clearing Member the presentation of such Legacy LIBOR Transaction shall constitute an irrevocable instruction from that FCM Clearing Member to the Clearing House to (i) register the Legacy LIBOR Transaction (subject to any other rights of the Clearing House, or obligations of the FCM Clearing Members in relation to the presentation or submission of FCM SwapClear Transactions and registration of FCM SwapClear Contracts generally pursuant to the FCM Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual) and (ii) immediately at the point of, and as part of, registration amend the Legacy LIBOR Transaction in accordance with Section 3(b)-(e) (inclusive) as if such provisions applied to Legacy LIBOR Transactions, *provided however that*, notwithstanding anything to the contrary in Section 3, in relation to Legacy LIBOR Transactions only, the amendments in Section 3(b)-(e) shall be made at the point of, and as part of, registration of the Legacy LIBOR Transaction at the Clearing House and any reference in Section 3 to such amendments being made on any other date (including on any future Reset Date or number of days before a future Reset Date) shall be disregarded and shall not apply to Legacy LIBOR Transactions and Section 3 shall be read accordingly in relation to Legacy LIBOR Transactions.~~

~~(f) The FCM Clearing Member agrees that the Legacy LIBOR Transaction will be amended pursuant to (e) above at the point of, and as part of, registration at the Clearing House and, for the avoidance of doubt, there shall be no Operational Overlay Bookings in relation to Legacy LIBOR Transactions. The Clearing House shall have the right to make any consequential amendments to the terms of each Legacy LIBOR Transaction as it deems necessary in connection with, and to give effect to, the amendments in this Section 11. Unless expressly referenced herein, all other terms of each Legacy LIBOR Transaction shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction" "Business Days" and any "Spread" (each as defined in the ISDA Definitions).~~

~~(g) On each business day on which one or more Legacy LIBOR Transactions are presented to the Clearing House and accepted by the Clearing House, the Clearing House shall, at the time on such business day determined by the Clearing House, calculate the following amounts in relation to those Legacy LIBOR Transactions that were registered by the Clearing House on that business day:~~

~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day, that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option and are registered in each Proprietary Account as of the time on such business day determined by the Clearing House; and~~

~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day;~~

~~that have a floating rate or floating amount calculated using that In-Scope Floating Rate Option, and are registered in each FCM Client Sub-Account (as applicable) as of the time on such business day determined by the Clearing House.~~

~~(h) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Legacy LIBOR Transactions registered with the Clearing House on that business day referencing an In-Scope Floating Rate Option separately with respect to each Proprietary Account, each Individual Segregated Account, and each "position account" within each Omnibus Segregated Account as follows. If:~~

~~(i) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day exceeds the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the FCM Clearing Member in relation to such Proprietary Account or FCM Client Sub-Account (as applicable); and~~

~~(ii) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day is less than the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub-Account (as applicable).~~

~~(i) The Clearing House shall, pursuant to Regulation 48B, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub-Account in relation to each Cash Compensation Amount calculated under (g) above (to the extent such amounts are applicable to such account). Each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of 1 unit of the relevant currency of the LIBOR Contracts to which it relates, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two "business days" after the date it is registered, and an obligation on the Clearing House or the FCM Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the Legacy LIBOR Transactions referencing an In-Scope Floating Rate Option in the Proprietary Account or each FCM Client Sub-Account, in each case as determined pursuant to (g) above. However, neither the Clearing House nor an FCM Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~

~~(j) Each FCM Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 11 which shall, when registered, constitute a FCM SwapClear Contract between the Clearing House and the relevant FCM Clearing Member that has arisen by reason of the application of the Regulations to the Legacy LIBOR Transactions.~~

~~(k) This Section 11 is without prejudice to any other rights of the Clearing House, or obligations of the FCM Clearing Members, in relation to the presentation of FCM SwapClear Transactions and registration of FCM SwapClear Contracts generally pursuant to the FCM Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual.~~

12. MISCELLANEOUS

~~(a) The obligations of the Clearing House to each FCM Clearing Member shall be to perform its obligations as principal to such FCM Clearing Member in accordance with the FCM Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the FCM Rulebook and Section 13.~~

~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the FCM Regulations and the FCM Procedures to change the terms of any open FCM SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~

~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the FCM Rulebook.~~

~~(d) Section 5 is provided for FCM Clearing Members operational convenience only and the Clearing House is under no obligation to update this Annex in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.~~

13. LIMITATION OF LIABILITY

13.1 Without prejudice to the generality of Regulation 44, each FCM Clearing Member agrees:

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~

~~(iii) any of the operational bookings made pursuant to Section 5 of this Annex; or~~

~~(iv) the registration of any Legacy LIBOR Transaction or whether an FCM SwapClear Transaction is eligible to be registered as a Legacy LIBOR Transaction;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~13.2 Without prejudice to the generality of Regulation 44 and clause 13.1 above, each FCM Clearing Member further agrees:~~

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~13.3 Each FCM Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from an FCM Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any FCM Clearing Member or FCM Client in connection with this Annex or any FCM SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), an FCM Clearing Member or FCM Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each FCM Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex. For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, an FCM Clearing Member.~~

~~SCHEDULE 2.1E~~

~~FCM SWAPCLEAR SERVICE – FLOATING RATE CONVERSION ANNEX – USD LIBOR~~

~~1. SCOPE AND INTERPRETATION~~

- ~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the FCM Regulations and supplements and forms part of the FCM Rulebook.~~
- ~~(b) The terms of this Annex shall apply to all open FCM SwapClear Contracts that (i) specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the end of the “business day” in New York on the applicable Conversion Cut-Off Date (each such FCM SwapClear Contract, a **USD LIBOR Contract**). For the avoidance of doubt, (A) no other FCM SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all FCM SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the FCM SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.~~
- ~~(c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the FCM Regulations. The term “business day” has the meaning given to it in the FCM Regulations.~~
- ~~(d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~2. DEFINITIONS~~

For the purposes of this Annex:

~~**Amended USD LIBOR Contract** means each USD LIBOR Contract after giving effect to the amendments made pursuant to Section 3 below.~~

~~**Bloomberg Spread** means, in relation to the In-Scope Floating Rate Option, the spread relating to that In-Scope Floating Rate Option for a period of the Designated Maturity (as defined in the ISDA Definitions) of that USD LIBOR Contract provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).~~

~~**Cash Compensation Amount** means, in relation to all USD LIBOR Contracts that specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder in a Proprietary Account or an FCM Client Sub Account, the amount determined in accordance with Section 7 below or, in relation to Legacy LIBOR Transactions, the amount determined in accordance with Section 10 below.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account or FCM Client Sub Account pursuant to Section 7 or Section 10 (as applicable) below.~~

~~**Conversion Cut-Off Date** means, with respect to a USD LIBOR Contract, the business day immediately prior to the Conversion Date applicable to such USD LIBOR Contract as determined in accordance with the definition of “Conversion Date” below.~~

~~**Conversion Date** means:~~

- ~~(a) in relation to each Tranche 1 USD LIBOR Contract, April 22, 2023, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate; and~~
- ~~(b) in relation to each Tranche 2 USD LIBOR Contract, May 20, 2023, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Fallback RFR Value** means, in relation to a USD LIBOR Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that USD LIBOR Contract on the basis that such USD LIBOR Contract is not amended pursuant to this Annex. If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.~~

~~**In-Scope Floating Rate Option** means USD LIBOR (as defined in the ISDA 2021 Interest Rate Definitions).~~

~~**ISDA Definitions** means the ISDA 2021 Interest Rate Definitions, as published by the International Swaps and Derivatives Association, Inc.~~

~~**Legacy LIBOR End Date** means June 30, 2025, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Legacy LIBOR Transaction** means an FCM SwapClear Transaction that meets the following conditions:~~

- ~~(c) it is eligible under the Product Specific Contract Terms and Eligibility Criteria Manual in effect from time to time;~~
- ~~(d) it specifies the In-Scope Floating Rate Option as the floating rate or uses the In-Scope Floating Rate Option to calculate the floating amount thereunder;~~
- ~~(e) it is presented to the Clearing House after the applicable Conversion Date; and~~
- ~~(f) if it is presented to the Clearing House after June 30, 2023 either (i) in the case of FCM SwapClear Transactions other than those referred to in (ii) below, the FCM SwapClear Transaction was entered into prior to the June 30, 2023, or (ii) in the case of an FCM SwapClear Transaction resulting from the exercise of a swaption, that swaption was entered into prior to June 30, 2023.~~

~~**LIBOR Basis Swap** means each FCM SwapClear Contract that is recorded as a “basis swap” in the books and records of the Clearing House and references the In-Scope Floating Rate Option.~~

~~**Operational Straddle Period USD LIBOR Booking** means an Operational Booking which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.~~

~~**Relevant Number of Business Days** means two London Banking Days (as defined in the ISDA Definitions).~~

~~**RFR Value** means, in relation to a USD LIBOR Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that USD LIBOR Contract on the basis that such USD LIBOR Contract is an Amended USD LIBOR Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.~~

~~**Straddle Period USD LIBOR Contract** means a USD LIBOR Contract which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option specified in that USD LIBOR Contract and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the applicable Conversion Date.~~

~~**Tranche 1 USD LIBOR Contract** means each USD LIBOR Contract that is recorded in the books and records of the Clearing House as either a “FedFunds—USD LIBOR basis swap”, a “variable notional swap” or a “zero coupon swap”, or such other USD LIBOR Contracts as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Tranche 2 USD LIBOR Contract** means each USD LIBOR Contract that is not a Tranche 1 USD LIBOR Contract, or such other USD LIBOR Contracts as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~3. AMENDMENTS TO USD LIBOR CONTRACTS~~

- ~~(a) Pursuant to Regulation 48B of the FCM Regulations, with effect from, and including, the applicable Conversion Date each USD LIBOR Contract shall be amended in accordance with this Section 3.~~

~~*Floating Rate Option:*~~

- ~~(b) From and including the first Reset Date falling after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Options, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to USD LIBOR in the FCM SwapClear Contract Terms shall be deemed to be replaced for all purposes with USD SOFR-OIS Compound.~~

Bloomberg Spread:

~~(c) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract, the "Floating Rate" under each USD LIBOR Contract will, in addition to any "Spread" (as defined in the ISDA Definitions) already existing under the terms of the USD LIBOR Contract, include the Bloomberg Spread applicable to that In-Scope Floating Rate Option.~~

Payment Date Delay:

~~(d) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" and the number of days specified for such purposes shall be two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant USD LIBOR Contract). The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant USD LIBOR Contract) after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions); as applicable.~~

No Observation Period Shift:

~~(e) For the avoidance of doubt, the Clearing House and the FCM Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each "Floating Rate" under each USD LIBOR Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions and the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited shall not apply to the calculation of the "Floating Rate" under each USD LIBOR Contract.~~

Amendments to Zero Coupon Swaps:

~~(f) If the USD LIBOR Contract is recorded in the books and records of the Clearing House as a "zero coupon swap" then, in addition to the amendments above, on the applicable Conversion Date:~~

~~(i) the "Effective Date" under such USD LIBOR Contract will be amended so that it is equal to the first "Period End Date" (as defined in the ISDA Definitions) falling after the "Index Cessation Effective Date (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract;~~

~~(ii) the "Notional Amount" of such USD LIBOR Contract will be amended so that it is equal to the sum of (x) the "Notional Amount" of the USD LIBOR Contract as of the applicable Conversion Date and (y) the "Floating Amounts" accrued under the USD LIBOR Contract to, and including, the first "Period End Date" (as defined in the ISDA Definitions) falling after the Index Cessation Effective Date related to the In-Scope Floating Rate Option referenced in the relevant USD LIBOR Contract (the amount in (y) being the **Accrued USD LIBOR Amount**); and~~

~~(iii) an amount equivalent to the Accrued USD LIBOR Amount shall be an additional amount payable by the “Floating Amount Payer” under the USD LIBOR Contract on the “Termination Date” of such USD LIBOR Contract.~~

Consequential Amendments:

~~(g) The Clearing House shall make any consequential amendments to the terms of each USD LIBOR Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.~~

~~(h) Unless expressly referenced herein, all other terms of each USD LIBOR Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the “Fixed Rate”, “Day Count Fraction”, “Business Days” and any “Spread” (each as defined in the ISDA Definitions).~~

4. OPERATIONAL BOOKINGS

- (i) ~~(a)~~ In order to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to ~~this Annex in the FCM SwapClear Service~~ a Rate Change Notice, the Clearing House shall record certain bookings in the FCM SwapClear ~~Service~~ service (each an **Operational Booking**) in the manner described in this ~~Section 4~~ section 2.1.26. Any bookings referred to in this ~~Section 4~~ section 2.1.26 are solely to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to ~~this Annex~~ a Rate Change Notice and the Clearing House and each FCM SwapClear Clearing Member agree and acknowledge that they shall not result in the registration of any new FCM SwapClear Contracts and shall have no legal effect and are for operational purposes only.

Main Operational Booking

- (ii) ~~(b)~~ On the applicable Conversion Date in relation to each ~~USD LIBOR~~ Impacted Contract, the Clearing House shall record an Operational Booking (each an **Operational RFR Booking**) that is on the same terms as the ~~USD LIBOR~~ Impacted Contract to which it relates except that, from the “Effective Date” of the Operational RFR Booking (which shall be prior to the applicable Conversion Date) any “Floating Amounts” reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to ~~Section 3 of this Annex~~ section 2.1.26. On the applicable Conversion Date in relation to ~~a USD LIBOR~~ each Impacted Contract, the Clearing House shall terminate the operational booking relating to that ~~USD LIBOR~~ Impacted Contract that was recorded in the FCM SwapClear ~~Service~~ service immediately prior to the applicable Conversion Date. ~~For the avoidance of doubt, this paragraph (b) shall apply to all USD LIBOR Contracts, including any LIBOR Basis Swaps that have not been split pursuant to section 2.1.15 of the FCM Procedures as of the applicable Conversion Date.~~

Operational Overlay Bookings

- (iii) ~~(e)~~ In addition to the Operational ~~RFR~~ Bookings referred to ~~in (b)~~ above, with respect to each Straddle Period ~~USD LIBOR~~ Contract and Operational Straddle Period ~~USD LIBOR~~ Booking in relation to which the FCM SwapClear Clearing Member would receive a “Floating Amount” calculated using the In-Scope Floating Rate Option under the Straddle Period ~~USD LIBOR~~ Contract or Operational Straddle Period ~~USD LIBOR~~ Booking (such amount, the ~~USD LIBOR~~ Floating Amount), on the applicable Conversion Date the Clearing House shall record the following Operational Bookings (each an **Operational Overlay Booking**) in the FCM SwapClear ~~Service~~ service:
- (A) ~~(i)~~ In relation to a Straddle Period ~~USD LIBOR~~ Contract or any Operational Straddle Period ~~USD LIBOR~~ Booking that is not of the type specified in ~~(ii)~~ (B) below:
- I. ~~(A)~~ an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the FCM SwapClear Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the **Overlay Fixed Amount**) and (Y) an amount that would be payable to the FCM SwapClear Clearing Member equal to the ~~USD LIBOR~~ Floating Amount it would be entitled to receive under the Straddle Period ~~USD LIBOR~~ Contract if it was not amended pursuant to ~~Section 3~~ paragraph (c) above (or, if applicable, as reflected in the ~~relevant~~ Operational Straddle Period ~~USD LIBOR~~ Booking); and
- II. ~~(B)~~ an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable by the FCM SwapClear Clearing Member equal to the “Floating Amount” the FCM SwapClear Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking,
- (B) ~~(ii)~~ in relation to a Straddle Period ~~USD LIBOR~~ Contract that is recorded in a Proprietary Account (or any Operational Straddle Period ~~USD LIBOR~~ Booking that would be recorded in a Proprietary Account) an Operational Overlay Booking reflecting (X) a “Floating Amount” that would be payable by the FCM SwapClear Clearing Member equal to the “Floating Amount” it would be entitled to receive as reflected under the Operational RFR Booking and (Y) an amount that would be payable to the FCM SwapClear Clearing Member equal to the ~~USD LIBOR~~ Floating Amount it would be entitled to receive under the Straddle Period ~~USD LIBOR~~ Contract if it was not amended pursuant to ~~Section 3~~ paragraph (c) above (or, if

applicable, as reflected in the Operational Straddle Period ~~USD LIBOR-Booking~~).

- (iv) ~~(d)~~ In addition to the Operational RFR Bookings referred to in ~~(b)~~ above, with respect to each Straddle Period ~~USD LIBOR-Contract~~ and Operational Straddle Period ~~USD LIBOR-Booking~~ in relation to which the FCM SwapClear Clearing Member would pay the ~~USD LIBOR~~Floating Amount, on the applicable Conversion Date the Clearing House shall record the following Operational Overlay Bookings in the FCM SwapClear ~~Service~~service:
- (A) ~~(i)~~ in relation to a Straddle Period ~~USD LIBOR-Contract~~ or any Operational Straddle Period ~~USD LIBOR-Booking~~ that is not of the type specified in ~~(iiB)~~ below:
- I. ~~(A)~~ an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM SwapClear Clearing Member and (Y) an amount that would be payable by the FCM SwapClear Clearing Member equal to the ~~USD LIBOR~~Floating Amount it would be obliged to pay under the Straddle Period ~~USD LIBOR-Contract~~ if it was not amended pursuant to ~~Section 3 paragraph (c)~~ above (or, if applicable, as reflected in the Operational Straddle Period ~~USD LIBOR-Booking~~); and
- II. ~~(B)~~ an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the ~~FCM~~SwapClear Clearing Member and (Y) a “Floating Amount” that would be payable to the FCM SwapClear Clearing Member equal to the “Floating Amount” that would be payable by the FCM SwapClear Clearing ~~Member~~ as reflected under the related Operational RFR Booking,
- (B) ~~(ii)~~ in relation to a Straddle Period ~~USD LIBOR-Contract~~ that is recorded in a Proprietary Account (or any Operational Straddle Period ~~USD LIBOR-Booking~~ that would be recorded in a Proprietary Account) an Operational Overlay Booking reflecting (X) an amount payable by the FCM SwapClear Clearing Member equal to the ~~USD LIBOR~~ Amount the FCM SwapClear Clearing Member would be obliged to pay under the Straddle Period ~~USD LIBOR-Contract~~ if it was not amended pursuant to ~~Section 3 paragraph (c)~~ above (or, if applicable, as reflected in the Operational Straddle Period ~~USD LIBOR-Booking~~) and (Y) a “Floating Amount” payable to the FCM SwapClear Clearing Member equal to the “Floating Amount” the FCM SwapClear Clearing Member would be obliged to pay as reflected under the related Operational RFR Booking.

- (v) ~~(e)~~ The Operational Overlay Bookings in relation to a Straddle Period ~~USD LIBOR~~ Contract and Operational Straddle Period ~~USD LIBOR~~ Booking will terminate as of the time when they are no longer required for the Clearing House's operational purposes, which is expected to be on the first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.

~~5. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS~~

Subsequent Actions ~~Generally~~ with Respect to Operational Bookings

- (vi) ~~(a)~~ If the Clearing House receives an instruction from an FCM SwapClear Clearing Member to take a permitted action with respect to some but not all of the rights and obligations under any Amended ~~USD LIBOR~~ Contract (including, but not limited to, compression) and such rights and obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with ~~Section 4~~ this section 2.1.26 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:
- (A) ~~(i)~~ pursuant to its powers under ~~FCM~~ Regulation 48B, register one or more new FCM SwapClear Contract(s) in the name of that FCM SwapClear Clearing Member with the same terms as such Operational Booking(s); and
- (B) ~~(ii)~~ amend the Amended ~~USD LIBOR~~ Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.

Splitting of Basis Swaps ~~after the applicable Conversion Date~~

- (vii) ~~(b)~~ FCM ClearingSwapClear Members and FCM Clients may request that the Clearing House split their ~~LIBOR~~ Basis Swaps prior to the applicable Conversion Date in accordance with section 2.1.15 of the FCM Procedures. ~~To the extent that an FCM Clearing Member or an FCM Client has not requested the Clearing House to split its LIBOR Basis Swaps pursuant to section 2.1.15 of the FCM Procedures by the applicable Conversion Date, such FCM Clearing Member or FCM Client may, from time to time thereafter, request that the Clearing House split one or more of its LIBOR Basis Swaps using the process set out in section 2.1.15 of the FCM Procedures. If the Clearing House accepts the FCM Clearing Member's or FCM Clearing Client's request and re-registers the relevant LIBOR Basis Swaps in accordance with section 2.1.15 of the FCM Procedures, then it shall also amend the Amended USD LIBOR Contract, the Operational RFR Booking, and, if relevant, any Operational Overlay Bookings related to the LIBOR Basis Swaps which have been split pursuant to section 2.1.15 of the FCM Procedures to the extent it deems necessary in connection with such re-registration.~~

Basis Swap Operational Splitting

- (viii) On the Basis Swap Operational Split Date, the Clearing House will terminate each booking in relation to each Basis Swap and will record two Operational Bookings in respect of each Basis Swap (each an **Operational Outright Booking**), which will have terms which are each identical to the Basis Swap to which they relate, except that:
- (A) the first **Operational Outright Booking** shall have a “Floating Rate” (as defined in the ISDA Definitions) equal to the first “Floating Rate” referenced in that Basis Swap, a “Fixed Rate” (as defined in the ISDA Definitions) determined by the Clearing House (the **Split Fixed Rate**), and the "Floating Rate Payer" or “Floating Amount Payer” (as defined in the ISDA Definitions) shall be the same as the "Floating Rate Payer" or "Floating Amount Payer" in relation to the first "Floating Rate" under the corresponding **Basis Swap**; and
- (B) the second **Operational Outright Booking** shall have a “Floating Rate” (as defined in the ISDA Definitions) equal to the second “Floating Rate” referenced in that Basis Swap, a “Fixed Rate” (as defined in the ISDA Definitions) equal to the Split Fixed Rate, and the "Floating Rate Payer" or "Floating Amount Payer” (as defined in the ISDA Definitions) shall be the same as the "Floating Rate Payer" or "Floating Amount Payer" in relation to the second "Floating Rate" under the corresponding **Basis Swap**.
- (ix) The Clearing House shall determine the Split Fixed Rate in its sole and absolute discretion and shall make any consequential amendments to each **Operational Outright Booking** that it deems necessary in connection with, and to give effect to, the foregoing.

~~6. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to FCM Regulation 48B of the FCM Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are “Conversion Payments” for purposes of FCM Regulation 48B), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~7. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION~~

~~(a) On the applicable Conversion Date the Clearing House shall calculate the following amounts:~~

- ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) registered in each Proprietary Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date; and~~

~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) registered in each FCM Client Sub Account as of the end of the business day in New York on the applicable Conversion Cut Off Date.~~

~~(x) (b) On the applicable Conversion Date in relation to an In-Scope Floating Rate Option the Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) in each Proprietary Account and each FCM Client Sub Account as follows. If:~~ will terminate each Operational Outright Booking that has a "Floating Amount" calculated using that In-Scope Floating Rate Option and shall record an Operational Booking in accordance with this section 2.1.26.

(h) **Miscellaneous**

~~(i) the aggregate RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) exceeds the aggregate Fallback RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) then the Cash Compensation Amount in relation to the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) shall be equal to the absolute value of the excess, and shall be an amount in favor of the FCM Clearing Member in relation to such Proprietary Account or FCM Client Sub Account (as applicable); and~~

~~(ii) the aggregate RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) is less than the aggregate Fallback RFR Value in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) then the Cash Compensation Amount in relation to all Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub Account (as applicable).~~

~~(e) The Clearing House shall, pursuant to FCM Regulation 48B, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account). Each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two "business days" after the applicable Conversion Cut Off Date, and an obligation on the Clearing House or the FCM Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the Tranche 1 USD LIBOR Contracts or Tranche 2 USD LIBOR Contracts (as applicable) in the relevant Proprietary Account or FCM Client Sub Account, in each case as determined pursuant to Section 7(b) above. However, neither the Clearing House nor an FCM Clearing~~

~~Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~

~~(d) Each FCM Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 7, which shall, when registered, constitute an FCM SwapClear Contract between the Clearing House and the relevant FCM Clearing Member that has arisen by reason of the application of the FCM Regulations to the USD LIBOR Contracts.~~

~~(e) Each FCM Clearing Member agrees (and in the case of (e)(iv) below, each FCM Clearing Member and the Clearing House agrees):~~

~~(i) to use reasonable endeavors to provide each of its FCM Clients with (i) information on the change to the USD LIBOR Contracts pursuant to the terms of FCM Regulation 48B and this Annex, and (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that FCM Client's FCM Client Sub Account pursuant to the terms of this Annex. Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to FCM Clients;~~

~~(ii) that it, and each FCM Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~

~~(iii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law;~~

~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of certain of the changes to the USD LIBOR Contracts pursuant to this Annex; and~~

~~(v) that it will take reasonable steps to ensure that any FCM SwapClear Transaction referencing the In Scope Floating Rate Option and submitted after June 30, 2023 meets the conditions in the definition of Legacy LIBOR Transaction.~~

8. DETERMINATIONS BINDING

(i) ~~Subject to Section 12, all~~All determinations and calculations made by the Clearing House pursuant to this ~~Annex~~section 2.1.26 or a Rate Change Notice shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.

9. RECORDS

(ii) The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements. Where the Clearing House determines appropriate, the Clearing House will update its books and records or

governance and booking procedures to provide that all Operational Bookings booked pursuant to this [Annex section 2.1.26](#) and a [Rate Change Notice](#) do not affect the rights and obligations of FCM [SwapClear](#) Clearing Members regardless of anything to the contrary in any reports issued by the Clearing House.

10. LEGACY LIBOR TRANSACTIONS

~~(a) Notwithstanding anything to the contrary in the Product Specific Contract Terms and Eligibility Criteria Manual:~~

- ~~(i) from and including the Conversion Date in relation to Tranche 1 USD LIBOR Contracts, other than “variable notional swaps” the Clearing House shall not accept for clearing or registration any FCM SwapClear Transaction that would, if registered, be a Tranche 1 USD LIBOR Contract and is not a Legacy LIBOR Transaction; and~~
- ~~(ii) from and including the Conversion Date in relation to Tranche 2 USD LIBOR Contracts, the Clearing House shall not accept for clearing or registration any FCM SwapClear Transaction that would, if registered, be a “variable notional swap” or a Tranche 2 USD LIBOR Contract and is not a Legacy LIBOR Transaction.~~

~~(b) An FCM Clearing Member may present Legacy LIBOR Transactions for registration at the Clearing House from, and including, the applicable Conversion Date up to, and including, the Legacy LIBOR End Date. No Legacy LIBOR Transactions will be eligible for clearing after the Legacy LIBOR End Date and no FCM Clearing Member shall present a Legacy LIBOR Transaction for registration after the Legacy LIBOR End Date.~~

~~(c) If an FCM Clearing Member presents a Legacy LIBOR Transaction to the Clearing House after June 30, 2023 on behalf of a an FCM Clearing Client, that FCM Clearing Client shall be deemed to represent and warrant to the Clearing House on the day it presents that Legacy LIBOR Transaction to the Clearing House that:~~

- ~~(i) either (a) the Legacy LIBOR Transaction was entered into prior to June 30, 2023, or (b) in the case of a Legacy LIBOR Transaction which results from the exercise of a swaption, that swaption was entered into prior to June 30, 2023;~~
- ~~(ii) the FCM SwapClear Transaction incorporates either the Fallbacks Supplement pursuant to the ISDA 2020 IBOR Fallbacks Protocol, Supplement 70 to the ISDA 2006 Definitions or the equivalent provisions under the ISDA 2021 Definitions, in each case prior to it being presented to the Clearing House; and~~
- ~~(iii) the Legacy LIBOR Transaction or, if applicable, the related physically settled swaption, was entered into in accordance with (i) the “Statement on LIBOR Transition” dated November 30, 2020 issued by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation or any analogous notice, guidance or statement in any jurisdiction applicable to the FCM Clearing Member and the Legacy LIBOR Transaction, and (ii) Applicable Law.~~

~~The FCM Clearing Member shall immediately notify the Clearing House if it becomes aware that any of the foregoing representations made by any of its FCM Clearing Clients are incorrect, untrue or misleading.~~

- ~~(d) A Legacy LIBOR Transaction will only be registered by the Clearing House on a business day if it is presented to the Clearing House prior to 4 p.m. London time on such business day (or such other cut off time as may be separately communicated by the Clearing House to the FCM Clearing Members). If a Legacy LIBOR Transaction is presented after this time, the Clearing House may decline to register the Legacy LIBOR Transaction.~~
- ~~(e) When a Legacy LIBOR Transaction is presented to the Clearing House by an FCM Clearing Member the presentation of such Legacy LIBOR Transaction shall constitute an irrevocable instruction from that FCM Clearing Member to the Clearing House to (i) register the Legacy LIBOR Transaction (subject to any other rights of the Clearing House, or obligations of the FCM Clearing Members in relation to the presentation or submission of FCM SwapClear Transactions and registration of FCM SwapClear Contracts generally pursuant to the FCM Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual) and (ii) immediately at the point of, and as part of, registration amend the Legacy LIBOR Transaction in accordance with Section 3(b) (f) (inclusive) as applicable and as if such provisions applied to Legacy LIBOR Transactions, *provided however that*, notwithstanding anything to the contrary in Section 3, in relation to Legacy LIBOR Transactions only, the applicable amendments in Section 3(b) (f) shall be made at the point of, and as part of, registration of the Legacy LIBOR Transaction at the Clearing House and any reference in Section 3 to such amendments being made on any other date (including on any future Reset Date or number of days before a future Reset Date) shall be disregarded and shall not apply to Legacy LIBOR Transactions and Section 3 shall be read accordingly in relation to Legacy LIBOR Transactions.~~
- ~~(f) The FCM Clearing Member agrees that the Legacy LIBOR Transaction will be amended pursuant to (e) above at the point of, and as part of, registration at the Clearing House and, for the avoidance of doubt, there shall be no Operational Overlay Bookings in relation to Legacy LIBOR Transactions. The Clearing House shall have the right to make any consequential amendments to the terms of each Legacy LIBOR Transaction as it deems necessary in connection with, and to give effect to, the amendments in this Section 10. Unless expressly referenced herein, all other terms of each Legacy LIBOR Transaction shall remain in full force and effect and shall continue to apply, including, but not limited to, the “Fixed Rate”, “Day Count Fraction” “Business Days” and any “Spread” (each as defined in the ISDA Definitions).~~
- ~~(g) At close of business in New York on each business day on which one or more Legacy LIBOR Transactions are presented to the Clearing House and accepted by the Clearing House, the Clearing House shall calculate the following amounts in relation to those Legacy LIBOR Transactions that were registered by the Clearing House on that business day:~~
- ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day and are registered in each Proprietary Account as of the end of the business day in New York; and~~
 - ~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all Legacy LIBOR Transactions that were registered by the Clearing House on that business day and are registered in each FCM Client Sub Account as of the end of the business day in New York.~~
- ~~(h) The Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the Legacy LIBOR Transactions registered with the Clearing House on that business~~

day separately with respect to each Proprietary Account and each FCM Client Sub Account as follows. If:

- ~~(i) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day exceeds the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the FCM Clearing Member in relation to such Proprietary Account or FCM Client Sub Account (as applicable); and~~
- ~~(ii) the aggregate RFR Value in relation to all such Legacy LIBOR Transactions that were registered with the Clearing House on that business day is less than the aggregate Fallback RFR Value in relation to all such Legacy LIBOR Transactions then the Cash Compensation Amount in relation to such Legacy LIBOR Transactions shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub Account (as applicable).~~
- ~~(i) The Clearing House shall, pursuant to FCM Regulation 48B, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub Account in relation to each Cash Compensation Amount calculated under (g) above (to the extent such amounts are applicable to such account). Each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two "business days" after the date it is registered, and an obligation on the Clearing House or the FCM Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the Legacy LIBOR Transactions in the relevant Proprietary Account or each FCM Client Sub Account, in each case as determined pursuant to (g) above. However, neither the Clearing House nor an FCM Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~
- ~~(j) Each FCM Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 10 which shall, when registered, constitute an FCM SwapClear Contract between the Clearing House and the relevant FCM Clearing Member that has arisen by reason of the application of the FCM Regulations to the Legacy LIBOR Transactions.~~
- ~~(k) This Section 10 is without prejudice to any other rights of the Clearing House, or obligations of the FCM Clearing Members, in relation to the presentation of FCM SwapClear Transactions and registration of FCM SwapClear Contracts generally pursuant to the FCM Rulebook or the Product Specific Contract Terms and Eligibility Criteria Manual.~~

11. MISCELLANEOUS

- ~~(iii)~~ (a) The obligations of the Clearing House to each FCM [SwapClear](#) Clearing Member [under this section 2.1.26 and a Rate Change Notice](#) shall be to perform its obligations as principal to such FCM [SwapClear](#)

Clearing Member in accordance with the FCM Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the FCM Rulebook ~~and Section 12.~~

- (iv) ~~(b)~~ The terms of ~~this Annex~~ each Rate Change Notice are without prejudice to the Clearing House's rights under the FCM Regulations and the FCM Procedures to change the terms of any open FCM SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.
- (v) ~~(e)~~ The performance by the Clearing House of its obligations ~~hereunder~~ under a Rate Change Notice shall always be subject to the provisions of the FCM Rulebook. The benefit of the performance by the Clearing House of its obligations under a Rate Change Notice is conferred upon FCM SwapClear Clearing Members only, as principal, and a person who is not a party to the FCM Rulebook has no right to enforce any term of a Rate Change Notice.
- (vi) ~~(d)~~ Section 42.1.26(c) is provided for FCM SwapClear Clearing Members operational convenience only and the Clearing House is under no obligation to update ~~this Annex~~ the Procedures or any Rate Change Notice in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.

12. LIMITATION OF LIABILITY

~~12.1 Without prejudice to the generality of FCM Regulation 44, each FCM Clearing Member agrees:~~

- ~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~
- ~~(ii) to waive any claim against the Clearing House or any member of the LCH Group; arising or that may arise in connection with:~~
- ~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~
- ~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex;~~
- ~~(iii) any of the operational bookings made pursuant to Section 4 of this Annex; or~~
- ~~(iv) the registration of any Legacy LIBOR Transaction or whether an FCM SwapClear Transaction is eligible to be registered as a Legacy LIBOR Transaction;~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~12.2 Without prejudice to the generality of FCM Regulation 44 and clause 12.1 above, each FCM Clearing Member further agrees:~~

~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

~~(ii) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~12.3 Each FCM Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from an FCM Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any FCM Clearing Member or FCM Client in connection with this Annex or any FCM SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), an FCM Clearing Member or FCM Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each FCM Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

(i) **Defined Terms relevant to Rate Change Notices:**

~~12.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, an FCM Clearing Member.~~

For the purposes of this section 2.1.26 and each Rate Change Notice:

(i) **Amended Contract** means, in relation to each Impacted Contract specified in a Rate Change Notice, each such Impacted after giving effect to the amendments made pursuant to section 2.1.26 and the relevant Rate Change Notice.

- (ii) **Basis Swap** means each FCM SwapClear Contract that is recorded as a “basis swap” in the books and records of the Clearing House and references an In-Scope Floating Rate Option.

SCHEDULE 2.1F**~~FCM SWAPCLEAR SERVICE – FLOATING RATE CONVERSION ANNEX – SGD SOR~~****~~1. SCOPE AND INTERPRETATION~~**

~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the FCM Regulations and supplements and forms part of the FCM Rulebook.~~

~~(b) The terms of this Annex shall apply to all open FCM SwapClear Contracts that (i) specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the end of the “business day” in New York on the applicable Conversion Cut-Off Date (each such FCM SwapClear Contract, a **SGD SOR Contract**). For the avoidance of doubt, (A) no other FCM SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all FCM SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the FCM SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.~~

~~(c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the FCM Regulations. The term “business day” has the meaning given to it in the FCM Regulations.~~

~~(iii)~~ ~~(d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time~~ **Basis Swap Operational Split Date** ~~has the meaning given to it in the relevant Rate Change Notice, or such other date as may be specified by the Clearing House in its sole discretion~~ from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.

2. DEFINITIONS

For the purposes of this Annex:

~~**Adjustment Spread** means, in relation to the In-Scope Floating Rate Option, the spread relating to that In-Scope Floating Rate Option for a period of the Designated Maturity (as defined in the ISDA Definitions) of that SGD SOR Contract provided by the Association of Banks in Singapore (“ABS”) and the Steering Committee for SOR & SIBOR Transition to SORA (“SC-STS”) (or a successor provider).~~

~~**Amended SGD SOR Contract** means each SGD SOR Contract after giving effect to the amendments made pursuant to Section 3 below.~~

~~(iv)~~ **Cash Compensation Amount** means, in relation to all **SGD SOR Impacted** Contracts that specify ~~the~~an In-Scope Floating Rate Option as the floating rate or use ~~the~~an In-Scope Floating Rate Option to calculate the floating amount thereunder in a Proprietary Account or ~~an~~a FCM Client Sub-Account, the amount determined in accordance with ~~Section 7 below~~section 2.1.26(b) above.

- (v) **Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account or FCM Client Sub-Account pursuant to ~~Section 7 below~~section 2.1.26(b) above.
- (vi) **Conversion Cut-Off Date** means, ~~with respect to a SGD SOR Contract,~~ the business day immediately prior to the Conversion Date ~~applicable to such SGD SOR Contract as determined in accordance with the definition of “Conversion Date” below,~~ or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.
- (vii) **Conversion Date** ~~means June 10, 2023~~ has the meaning given to it in the relevant Rate Change Notice, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.
- (viii) **Fallback RFR Value** means, in relation to ~~a SGD SOR~~ each Impacted Contract specified in a Rate Change Notice, the net present value, determined by the Clearing House as of the ~~applicable~~ Conversion Date, of all future cash flows under that ~~SGD SOR~~ Impacted Contract on the basis that such ~~SGD SOR~~ Impacted Contract is not amended pursuant to this ~~Annex~~ section 2.1.26 and the relevant Rate Change Notice. If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.
- (ix) **In-Scope Floating Rate Option** has the meaning given to it in the relevant Rate Change Notice.
- (x) **Index Cessation Effective Date** means, in relation to an In-Scope Floating Rate Option ~~means SGD SOR (as defined,~~ the date specified as such in the ISDA Definitions).
- (xi) **ISDA Definitions** means the ISDA 2021 Interest Rate Derivatives Definitions, ~~as published by the International Swaps and Derivatives Association, Inc.~~
- (xii) **Operational Straddle Period** ~~SGD SOR Booking~~ means an Operational ~~Booking~~ Outright Booking that reflects an In-Scope Floating Rate Option as the floating rate or uses an In-Scope Floating Rate Option to calculate the floating amount and which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as

defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.

- (xiii) **Relevant Number of Business Days** ~~means two Singapore Business Days (as defined in the ISDA Definitions)~~ has the meaning given to it in the relevant Rate Change Notice.
- (xiv) **Replacement Floating Rate Option** has the meaning given to it in the relevant Rate Change Notice.
- (xv) **RFR Value** means, in relation to ~~a SGD-SOR~~ each Impacted Contract specified in a Rate Change Notice, the net present value, determined by the Clearing House as of the ~~applicable~~ Conversion Date, of all future cash flows under that ~~SGD-SOR~~ Impacted Contract on the basis that such ~~SGD-SOR~~ Impacted Contract is an Amended ~~SGD-SOR~~ Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.

~~**Straddle Period SGD-SOR Contract** means a SGD-SOR Contract which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option specified in that SGD-SOR Contract and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the applicable Conversion Date.~~

~~3. AMENDMENTS TO SGD-SOR CONTRACTS~~

- ~~(a) Pursuant to Regulation 48B of the FCM Regulations, with effect from, and including, the applicable Conversion Date each SGD-SOR Contract shall be amended in accordance with this Section 3.~~

~~*Floating Rate Option:*~~

- ~~(b) From and including the first Reset Date falling after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to SGD-SOR in the FCM SwapClear Contract Terms shall be deemed to be replaced for all purposes with SGD-SORA-OIS Compound.~~

~~*Adjustment Spread:*~~

- ~~(c) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant SGD-SOR Contract, the “Floating Rate” under each SGD-SOR Contract will, in addition to any “Spread” (as defined in the ISDA Definitions) already existing under the terms of the SGD-SOR Contract, include the Adjustment Spread applicable to that In-Scope Floating Rate Option.~~

Payment Date Delay:

~~(d) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant SGD-SOR Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" and the number of days specified for such purposes shall be two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant SGD-SOR Contract). The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant SGD-SOR Contract) after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions), as applicable.~~

No Observation Period Shift:

~~(e) For the avoidance of doubt, the Clearing House and the FCM Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each "Floating Rate" under each SGD-SOR Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions shall not apply to the calculation of the "Floating Rate" under each SGD-SOR Contract.~~

Consequential Amendments:

~~(f) The Clearing House shall make any consequential amendments to the terms of each SGD-SOR Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.~~

~~(g) Unless expressly referenced herein, all other terms of each SGD-SOR Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction", "Business Days" and any "Spread" (each as defined in the ISDA Definitions).~~

4. OPERATIONAL BOOKINGS

~~(a) In order to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to this Annex in the FCM SwapClear Service, the Clearing House shall record certain bookings in the FCM SwapClear Service (each an **Operational Booking**) in the manner described in this Section 4. Any bookings referred to in this Section 4 are solely to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to this Annex and the Clearing House and each FCM Clearing Member agree and acknowledge that they shall not result in the registration of any new FCM SwapClear Contracts and shall have no legal effect and are for operational purposes only.~~

Main Operational Booking

~~(b) On the applicable Conversion Date in relation to each SGD-SOR Contract, the Clearing House shall record an Operational Booking (each an **Operational RFR Booking**) that is on the same terms as the SGD-SOR Contract to which it relates except that, from the "Effective Date" of the Operational RFR Booking (which shall be prior to the applicable Conversion Date) any "Floating Amounts" reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to Section 3 of this Annex. On the~~

~~applicable Conversion Date in relation to a SGD SOR Contract, the Clearing House shall terminate the operational booking relating to that SGD SOR Contract that was recorded in the FCM SwapClear Service immediately prior to the applicable Conversion Date. For the avoidance of doubt, this paragraph (b) shall apply to all SGD SOR Contracts.~~

Operational Overlay Bookings

~~(c) In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period SGD SOR Contract and Operational Straddle Period SGD SOR Booking in relation to which the FCM Clearing Member would receive a “Floating Amount” calculated using the In Scope Floating Rate Option under the Straddle Period SGD SOR Contract or Operational Straddle Period SGD SOR Booking (such amount, the **SGD SOR Amount**), on the applicable Conversion Date the Clearing House shall record the following Operational Bookings (each an **Operational Overlay Booking**) in the FCM SwapClear Service:~~

~~(i) an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the FCM Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the **Overlay Fixed Amount**) and (Y) an amount that would be payable to the FCM Clearing Member equal to the SGD SOR Amount it would be entitled to receive under the Straddle Period SGD SOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the relevant Operational Straddle Period SGD SOR Booking); and~~

~~(ii) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM Clearing Member and (Y) a “Floating Amount” that would be payable by the FCM Clearing Member equal to the “Floating Amount” the FCM Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking;~~

~~(d) In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period SGD SOR Contract and Operational Straddle Period SGD SOR Booking in relation to which the FCM Clearing Member would pay the SGD SOR Amount, on the applicable Conversion Date the Clearing House shall record the following Operational Overlay Bookings in the FCM SwapClear Service:~~

~~(i) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM Member and (Y) an amount that would be payable by the FCM Member equal to the SGD SOR Amount it would be obliged to pay under the Straddle Period SGD SOR Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period SGD SOR Booking); and~~

~~(ii) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the FCM Clearing Member and (Y) a “Floating Amount” that would be payable to the FCM Clearing Member equal to the “Floating Amount” that would be payable by the FCM Clearing Member as reflected under the related Operational RFR Booking;~~

~~(e) The Operational Overlay Bookings in relation to a Straddle Period SGD SOR Contract and Operational Straddle Period SGD SOR Booking will terminate as of the time when they are no longer required for the Clearing House’s operational purposes, which is expected to be on~~

~~the first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.~~

~~5. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS~~

~~Subsequent Actions Generally~~

- ~~(a) If the Clearing House receives an instruction from an FCM Clearing Member to take a permitted action with respect to some but not all of the rights and obligations under any Amended SGD SOR Contract (including, but not limited to, compression) and such rights and obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with Section 4 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:~~
- ~~(i) pursuant to its powers under FCM Regulation 48B, register one or more new FCM SwapClear Contract(s) in the name of that FCM Clearing Member with the same terms as such Operational Booking(s); and~~
 - ~~(ii) amend the Amended SGD SOR Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.~~

~~6. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS~~

~~Pursuant to FCM Regulation 48B of the FCM Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are “Conversion Payments” for purposes of Regulation 48B), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

~~7. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION~~

- ~~(a) On the applicable Conversion Date the Clearing House shall calculate the following amounts:~~
- ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the SGD SOR Contracts registered in each Proprietary Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date; and~~
 - ~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the SGD SOR Contracts registered in each FCM Client Sub-Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date.~~
- ~~(b) On the applicable Conversion Date the Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the SGD SOR Contracts in each Proprietary Account, and each FCM Client Sub-Account as follows. If:~~
- ~~(i) the aggregate RFR Value in relation to all SGD SOR Contracts exceeds the aggregate Fallback RFR Value in relation to all SGD SOR Contracts then the Cash Compensation Amount in relation to the SGD SOR Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the FCM Clearing Member in relation to such Proprietary Account or FCM Client Sub-Account (as applicable); and~~

- ~~(ii) the aggregate RFR Value in relation to all SGD SOR Contracts is less than the aggregate Fallback RFR Value in relation to all SGD SOR Contracts then the Cash Compensation Amount in relation to all SGD SOR Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub Account (as applicable).~~
- ~~(e) The Clearing House shall, pursuant to FCM Regulation 48B, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account). Each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two "business days" after the applicable Conversion Cut-Off Date, and an obligation on the Clearing House or the FCM SwapClear Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the SGD SOR Contracts in the relevant Proprietary Account or FCM Client Sub Account in each case as determined pursuant to Section 7(b) above. However, neither the Clearing House nor an FCM Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~
- ~~(d) Each FCM Clearing Member agrees to be bound by each Cash Compensation Contract registered pursuant to this Section 7, which shall, when registered, constitute an FCM Contract between the Clearing House and the relevant FCM Clearing Member that has arisen by reason of the application of the FCM Regulations to the SGD SOR Contracts.~~
- ~~(e) Each FCM Clearing Member agrees (and in the case of (e)(iv) below, each FCM Clearing Member and the Clearing House agrees):~~
- ~~(i) to use reasonable endeavors to provide each of its FCM Clients with (i) information on the change to the SGD SOR Contracts pursuant to the terms of FCM Regulation 48B and this Annex, and (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that FCM Client's FCM Client Sub Account pursuant to the terms of this Annex. Such information shall be set out in 'Risk Notices' or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to FCM Clients;~~
 - ~~(ii) that it, and each FCM Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~
 - ~~(iii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law; and~~
 - ~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder~~

~~are for the sole purpose of addressing the value impact of certain of the changes to the SGD SOR Contracts pursuant to this Annex.~~

8. DETERMINATIONS BINDING

~~Subject to Section 11, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

9. RECORDS

~~The Clearing House shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records of the Clearing House in such manner as the Clearing House determines is necessary to meet its operational requirements. Where the Clearing House determines appropriate, the Clearing House will update its books and records or governance and booking procedures to provide that all Operational Bookings booked pursuant to this Annex do not affect the rights and obligations of FCM Clearing Members regardless of anything to the contrary in any reports issued by the Clearing House.~~

10. MISCELLANEOUS

- ~~(a) The obligations of the Clearing House to each FCM Clearing Member shall be to perform its obligations as principal to such FCM Clearing Member in accordance with the FCM Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the FCM Rulebook and Section 11.~~
- ~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the FCM Regulations and the FCM Procedures to change the terms of any open FCM SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~
- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the FCM Rulebook.~~
- ~~(d) Section 4 is provided for FCM Clearing Members operational convenience only and the Clearing House is under no obligation to update this Annex in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.~~

11. LIMITATION OF LIABILITY

~~11.1 Without prejudice to the generality of FCM Regulation 44, each FCM Clearing Member agrees:~~

- ~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~

- ~~(ii) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

- ~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~
- ~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex; or~~
- ~~(iii) any of the operational bookings made pursuant to Section 4 of this Annex.~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~11.2 Without prejudice to the generality of FCM Regulation 44 and clause 12.1 above, each FCM Clearing Member further agrees:~~

- ~~(i) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and~~
- ~~(ii) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~11.3 Each FCM Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from an FCM Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any FCM Clearing Member or FCM Client in connection with this Annex or any FCM SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), an FCM Clearing Member or FCM Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each FCM Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~11.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, an FCM Clearing Member.~~

12. PROVISION OF CERTAIN DATA TO THE CLEARING HOUSE

~~12.1 In connection with the Clearing House's determination of the Cash Compensation Amounts, at 9am London time on the Conversion Cut-Off Date, or such other time as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate, each Major SGD-SOR Swap Market Participant (as defined below) shall submit non-executable two-way pricing (i.e. bid and offer) for each tenor of each of the basis swaps identified in the table below:~~

Product Type	Basis Swap	Basis Swap	Basis Swap
Floating Leg 1-FRO	SGD-SORA	SGD-SORA	SGD-SORA
Floating Leg 1-FRO Payment Frequency	1-year	1-year	1-year
Floating Leg 2-FRO	SGD-SOR	SGD-SOR	SGD-SOR
Floating Leg 2-FRO Payment Frequency	1-month	3-months	6-months
Day-Count Fraction	Act/365 for both legs	Act/365 for both legs	Act/365 for both legs
Price Quotation	Leg-1 spread	Leg-1 spread	Leg-1 spread
Required Tenors	1-Year, 2 Years, 3 Years, 4 Years and 5 Years	1-Year, 2 Years, 3 Years, 4 Years and 5 Years	1-Year, 2 Years, 3 Years, 4 Years and 5 Years

~~12.2 The pricing referred to in paragraph 12.1 shall be submitted via the SwapClear Portal in accordance with the instructions set out on the SwapClear Portal and the terms governing use of the SwapClear Portal. Each time a Major SGD-SOR Swap Market Participant submits pricing to the Clearing House it represents and warrants to the Clearing House that all price submissions have been suitably verified by appropriate members of its senior management prior to submission to the Clearing House.~~

~~12.3 The Clearing House shall establish representative market notional amounts for each of the basis swaps set out in paragraph 12.1 and shall notify the Major SGD-SOR Swap Market Participants of such amounts ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.~~

~~12.4 Once the Clearing House has received the submissions pursuant to paragraph 12.1, the Clearing House shall take the following steps with respect to each tenor of each basis swap listed in paragraph 12.1:~~

- ~~(i) first, it shall rank all prices received that are bids in descending order (i.e. starting with the highest bid) and all prices received that are offers in ascending order (i.e. starting with the lowest offer) (as applicable), provided that, if two or more bids or offers are identical, the those bids or offers shall be ranked in the order in which they were first received by the Clearing House;~~
- ~~(ii) second, the Clearing House shall exclude the crossing side of any crossing price submissions (meaning that if the highest bid is equal to or is greater than the lowest offer then both shall be deemed as "crossing" and be excluded, and the process repeated until all remaining bids are below all remaining offers);~~
- ~~(iii) third, the Clearing House shall determine the mid price for each tenor of each basis swap by taking the arithmetic mean of (i) the highest quarter of the remaining bids for that tenor of the relevant basis swap and (ii) the lowest quarter of the remaining offers for that tenor of the relevant basis swap. To determine the number of prices comprising the highest or lowest quarter of bids or offers (as applicable), the Clearing House will round up to the nearest whole number of bids or offers (as applicable); and~~
- ~~(iv) fourth, the Clearing House shall use the mid prices determined pursuant to the foregoing to construct the SOR curve which the Clearing House shall use to determine the Fallback RFR Value of SGD SOR Contracts pursuant to paragraph 7(a).~~

~~12.5 For purposes of this paragraph 12, a "**Major SGD SOR Swap Market Participant**" is each FCM Clearing Member or FCM Client who, as of the Conversion Date, satisfies the criteria to be published by the Clearing House ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.~~

SCHEDULE 2.1G**~~FCM SWAPCLEAR SERVICE – FLOATING RATE CONVERSION ANNEX –
THB-THBFIX~~****~~1. SCOPE AND INTERPRETATION~~**

- ~~(a) This Annex constitutes a “Floating Rate Conversion Annex” as defined in and pursuant to the FCM Regulations and supplements and forms part of the FCM Rulebook.~~
- ~~(b) The terms of this Annex shall apply to all open FCM SwapClear Contracts that (i) specify the In-Scope Floating Rate Option as the floating rate or use the In-Scope Floating Rate Option to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the end of the “business day” in New York on the applicable Conversion Cut-Off Date (each such FCM SwapClear Contract, a **THB-THBFIX Contract**). For the avoidance of doubt, (A) no other FCM SwapClear Contract shall be subject to, or affected by, the terms of this Annex and all FCM SwapClear Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Annex, the FCM SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Annex.~~
- ~~(c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the FCM Regulations. The term “business day” has the meaning given to it in the FCM Regulations.~~
- ~~(d) The terms of this Annex relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~2. DEFINITIONS~~

For the purposes of this Annex:

~~**Amended THB-THBFIX Contract** means each THB-THBFIX Contract after giving effect to the amendments made pursuant to Section 3 below.~~

- ~~(xvi) **Cash Compensation Amount**Spread Adjustment means, in relation to ~~all THB-THBFIX Contracts that specify~~ the In-Scope Floating Rate Option ~~as,~~ the ~~floating rate or use the~~spread relating to that In-Scope Floating Rate Option ~~to calculate the floating amount thereunder in a Proprietary Account or an FCM Client Sub Account, the amount determined in accordance with Section 7 below.~~for a period of the relevant Designated Maturity (as defined in the ISDA Definitions) provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time), or such other spread adjustment as specified in the relevant Rate Change Notice.~~

~~**Cash Compensation Contract** means each contract determined by the Clearing House and registered in the relevant Proprietary Account or FCM Client Sub Account pursuant to Section 7 below.~~

~~**Conversion Cut-Off Date** means, with respect to a THB THBFX Contract, the business day immediately prior to the Conversion Date applicable to such THB THBFX Contract as determined in accordance with the definition of “Conversion Date” below.~~

~~**Conversion Date** means June 10, 2023, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~**Fallback RFR Value** means, in relation to a THB THBFX Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that THB THBFX Contract on the basis that such THB THBFX Contract is not amended pursuant to this Annex. If the net present value represents an asset or positive value for the Clearing House, such Fallback RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such Fallback RFR Value shall be a negative amount.~~

~~**In-Scope Floating Rate Option** means THB THBFX (as defined in the ISDA Definitions).~~

~~**ISDA Definitions** means the ISDA 2021 Interest Rate Definitions, as published by the International Swaps and Derivatives Association, Inc.~~

~~**Operational Straddle Period THB THBFX Booking** means an Operational Booking which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to that In-Scope Floating Rate Option and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the Conversion Date in relation to that In-Scope Floating Rate Option.~~

~~**Relevant Number of Business Days** means two Bangkok Business Days (as defined in the ISDA Definitions).~~

~~**RFR Value** means, in relation to a THB THBFX Contract, the net present value, determined by the Clearing House as of the applicable Conversion Date, of all future cash flows under that THB THBFX Contract on the basis that such THB THBFX Contract is an Amended THB THBFX Contract. If the net present value represents an asset or positive value for the Clearing House, such RFR Value shall be a positive amount and if the net present value represents a liability or negative value for the Clearing House, such RFR Value shall be a negative amount.~~

- (xvii) **Straddle Period THB THBFX Contract** means ~~a THB THBFX Contract~~ an Impacted Contract that specifies an In-Scope Floating Rate Option as the floating rate or uses an In-Scope Floating Rate Option to calculate the floating amount thereunder and which has a “Reset Date” (as defined in the ISDA Definitions) which falls on, or prior to, the Relevant Number of Business Days from the “Index Cessation Effective Date” (as defined in the ISDA Definitions) in relation to ~~the~~ that In-Scope Floating Rate Option ~~specified in that THB THBFX Contract~~ and relates to a Period End Date (as defined in the ISDA Definitions) that falls after the ~~applicable~~ Conversion Date in relation to that In-Scope Floating Rate Option.

~~3. AMENDMENTS TO THB THBFIX CONTRACTS~~

- ~~(a) Pursuant to Regulation 48B of the FCM Regulations, with effect from, and including, the applicable Conversion Date each THB THBFIX Contract shall be amended in accordance with this Section 3.~~

Floating Rate Option:

- (b) From and including the first Reset Date falling after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) in relation to the In-Scope Floating Rate Option, and notwithstanding anything to the contrary in the FCM SwapClear Contract Terms, including for the avoidance of doubt, any fallbacks in the ISDA Definitions in so far as they relate to such In-Scope Floating Rate Options, any references to THB THBFIX in the FCM SwapClear Contract Terms shall be deemed to be replaced for all purposes with THB THOR OIS Compound.

Payment Date Delay:

- (c) From and including the first Reset Date which falls on or after the Relevant Number of Business Days from the "Index Cessation Effective Date" (as defined in the ISDA Definitions) related to the In-Scope Floating Rate Option referenced in the relevant THB THBFIX Contract, "Delayed Payment" (as defined in the ISDA Definitions) shall be "Applicable" and the number of days specified for such purposes shall be two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant THB THBFIX Contract). The Clearing House and the FCM Clearing Members acknowledge and agree that pursuant to the ISDA Definitions such election means that each Payment Date (as defined in the ISDA Definitions) shall fall two (2) Business Days (with Business Days having the meaning specified in the terms of the original relevant THB THBFIX Contract) after the relevant Period End Date or the Termination Date (each as defined in the ISDA Definitions); as applicable.

No Observation Period Shift:

- (d) For the avoidance of doubt, the Clearing House and the FCM Clearing Members acknowledge and agree that as a result of the amendment made in paragraph (b) above, each "Floating Rate" under each THB THBFIX Contract shall be calculated over the relevant "Calculation Period" without any shift, adjustment or "observation shift" and all of the provisions relating thereto in the ISDA Definitions shall not apply to the calculation of the "Floating Rate" under each THB THBFIX Contract.

Consequential Amendments:

SCHEDULE 2.1A
CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN
THE DEFAULT MANAGEMENT GROUP

- (e) The Clearing House shall make any consequential amendments to the terms of each THB THBFIX Contract as it deems necessary in connection with, and to give effect to, the amendments in this Section 3.
- (f) Unless expressly referenced herein, all other terms of each THB THBFIX Contract shall remain in full force and effect and shall continue to apply, including, but not limited to, the "Fixed Rate", "Day Count Fraction", "Business Days" and any "Spread" (each as defined in the ISDA Definitions).

1. 4. OPERATIONAL BOOKINGS **Definitions**

- (a) In order to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to this Annex in the FCM SwapClear Service, the Clearing House shall record certain bookings in the FCM SwapClear Service (each an **Operational Booking**) in the

~~manner described in this Section 4. Any bookings referred to in this Section 4 are solely to facilitate and/or reflect the legal amendments made to each FCM SwapClear Contract pursuant to this Annex and the Clearing House and each FCM Clearing Member agree and acknowledge that they shall not result in the registration of any new FCM SwapClear Contracts and shall have no legal effect and are for operational purposes only.~~

- 1.1 “Confidential Material” means data (including but not limited to portfolio data) and documents, which are not in the public domain and which are disclosed to the FCM Clearing Member, its associated companies and advisers, or to which the FCM Clearing Member, its associated companies and advisers obtains or otherwise has access as a result of participation in the Rates Service DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the FCM Clearing Member).
- 1.2 “DMG Member” means an individual appointed by a Nominating FCM Clearing Member.
- 1.3 “Nominating FCM Clearing Member” means a SwapClear Member who, through their obligations under the Rates Service DMP, makes available a representative to serve on the Rates Service DMG.
- 1.4 “Permitted Purpose” means proper fulfillment by the FCM Clearing Member of its duties under the Rates Service DMP Annex and includes, after the completion of the Auction, the use by the FCM Clearing Member, its associated companies and advisers (to be determined by it at its discretion) of any data or documents related to portfolios successfully won through the Auction, for the purposes of its own on-going portfolio management and to enable it to comply with on-going legal or regulatory requirements.
- 1.5 References denoting the masculine (including “his” and “he”) shall be construed as the feminine if the DMG Member is female.
- 1.6 All other terms have the meaning ascribed to them in the FCM Rulebook, which includes the Default Rules (including the Rates Service DMP Annex).

General Obligations of the FCM Clearing Member

The obligations of an FCM Clearing Member set forth in this Schedule shall only apply in the event such FCM Clearing Member does not have an affiliated SwapClear Clearing Member that has agreed to participate in the Rates Service DMP on behalf of such FCM Clearing Member.

Main Operational Booking

- ~~(b) On the applicable Conversion Date in relation to each THB THBFIX Contract, the Clearing House shall record an Operational Booking (each an **Operational RFR Booking**) that is on the same terms as the THB THBFIX Contract to which it relates except that, from the “Effective Date” of the Operational RFR Booking (which shall be prior to the applicable Conversion Date) any “Floating Amounts” reflected in the Operational RFR Booking shall be calculated after giving effect to the amendments made pursuant to Section 3 of this Annex. On the applicable Conversion Date in relation to a THB THBFIX Contract, the Clearing House shall terminate the operational booking relating to that THB THBFIX Contract that was recorded in the FCM SwapClear Service immediately prior to the applicable Conversion~~

~~Date. For the avoidance of doubt, this paragraph (b) shall apply to all THB THBFIX Contracts.~~

~~Operational Overlay Bookings~~ **Confidentiality and Non-Disclosure**

~~(c) In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period THB THBFIX Contract and Operational Straddle Period THB THBFIX Booking in relation to which the FCM Clearing Member would receive a “Floating Amount” calculated using the In-Scope Floating Rate Option under the Straddle Period THB THBFIX Contract or Operational Straddle Period THB THBFIX Booking (such amount, the **THB THBFIX Amount**), on the applicable Conversion Date the Clearing House shall record the following Operational Bookings (each an **Operational Overlay Booking**) in the FCM SwapClear Service:~~

~~(i) an Operational Overlay Booking reflecting (X) a fixed amount that would be payable by the FCM Clearing Member, such amount determined by the Clearing House in its sole and absolute discretion (the **Overlay Fixed Amount**) and (Y) an amount that would be payable to the FCM Clearing Member equal to the THB THBFIX Amount it would be entitled to receive under the Straddle Period THB THBFIX Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the relevant Operational Straddle Period THB THBFIX Booking); and~~

~~(ii) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM Clearing Member and (Y) a “Floating Amount” that would be payable by the FCM Clearing Member equal to the “Floating Amount” the FCM Clearing Member would be entitled to receive as reflected under the related Operational RFR Booking;~~

~~(d) In addition to the Operational RFR Bookings referred to in (b) above, with respect to each Straddle Period THB THBFIX Contract and Operational Straddle Period THB THBFIX Booking in relation to which the FCM Clearing Member would pay the THB THBFIX Amount, on the applicable Conversion Date the Clearing House shall record the following Operational Overlay Bookings in the FCM SwapClear Service:~~

~~(i) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable to the FCM Clearing Member and (Y) an amount that would be payable by the FCM Clearing Member equal to the THB THBFIX Amount it would be obliged to pay under the Straddle Period THB THBFIX Contract if it was not amended pursuant to Section 3 above (or, if applicable, as reflected in the Operational Straddle Period THB THBFIX Booking); and~~

~~(ii) an Operational Overlay Booking reflecting (X) the Overlay Fixed Amount that would be payable by the FCM Clearing Member and (Y) a “Floating Amount” that would be payable to the FCM Clearing Member equal to the “Floating Amount” that would be payable by the FCM Clearing Member as reflected under the related Operational RFR Booking;~~

~~(e) The Operational Overlay Bookings in relation to a Straddle Period THB THBFIX Contract and Operational Straddle Period THB THBFIX Booking will terminate as of the time when they are no longer required for the Clearing House’s operational purposes, which is expected to be on the first Period End Date (as defined in the ISDA Definitions) after the Index Cessation Effective Date.~~

5. SUBSEQUENT ACTIONS WITH RESPECT TO OPERATIONAL BOOKINGS

2. *Subsequent Actions Generally* Confidentiality

~~(a) If the Clearing House receives an instruction from an FCM Clearing Member to take a permitted action with respect to some but not all of the rights and obligations under any Amended THB-THBFIX Contract (including, but not limited to, compression) and such rights and obligations have been operationally reflected in one or more of the Operational Bookings booked in accordance with Section 4 and not terminated, then the Clearing House shall deem this to be an instruction to take the following steps contingent on the effectiveness or occurrence of the permitted action:~~

- ~~(i) pursuant to its powers under FCM Regulation 48B, register one or more new FCM SwapClear Contract(s) in the name of that FCM Clearing Member with the same terms as such Operational Booking(s); and~~
- ~~(ii) amend the Amended THB-THBFIX Contract to reflect the rights and obligations remaining after giving effect to the instruction referred to above.~~

6. OBLIGATIONS TO MAKE CERTAIN CALCULATIONS AND ENTER INTO CERTAIN CONTRACTS

~~Pursuant to FCM Regulation 48B of the FCM Regulations, this Annex sets out the method for (i) calculating the Cash Compensation Amounts (which are “Conversion Payments” for purposes of FCM Regulation 48B), and (ii) determining the terms of the Cash Compensation Contracts which shall be registered in order to effect the payment of the Cash Compensation Amounts.~~

7. DETERMINATION OF THE CASH COMPENSATION AMOUNT AND THE CASH COMPENSATION CONTRACTS FOLLOWING THE CONVERSION

~~(a) On the applicable Conversion Date the Clearing House shall calculate the following amounts:~~

- ~~(i) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the THB-THBFIX Contracts registered in each Proprietary Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date; and~~
- ~~(ii) the aggregate Fallback RFR Value and the aggregate RFR Value in relation to all of the THB-THBFIX Contracts registered in each FCM Client Sub-Account as of the end of the business day in New York on the applicable Conversion Cut-Off Date.~~

~~(b) On the applicable Conversion Date the Clearing House shall determine a single Cash Compensation Amount separately in respect of all of the THB-THBFIX Contracts in each Proprietary Account, and each FCM Client Sub-Account as follows. If:~~

- ~~(i) the aggregate RFR Value in relation to all THB-THBFIX Contracts exceeds the aggregate Fallback RFR Value in relation to all THB-THBFIX Contracts then the Cash Compensation Amount in relation to the THB-THBFIX Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the FCM Clearing Member in relation to such Proprietary Account or FCM Client Sub-Account (as applicable); and~~

- (ii) ~~the aggregate RFR Value in relation to all THB THBFIX Contracts is less than the aggregate Fallback RFR Value in relation to all THB THBFIX Contracts then the Cash Compensation Amount in relation to all THB THBFIX Contracts shall be equal to the absolute value of the excess, and shall be an amount in favor of the Clearing House in relation to such Proprietary Account or FCM Client Sub Account (as applicable).~~
- (c) ~~The Clearing House shall, pursuant to FCM Regulation 48B, register a separate Cash Compensation Contract in each Proprietary Account and each FCM Client Sub Account in relation to each Cash Compensation Amount (to the extent such amounts are applicable to such account). Each FCM Clearing Member and the Clearing House (as applicable) irrevocably agrees that it shall be bound to pay each Cash Compensation Amount to the other pursuant to the terms of the related Cash Compensation Contract. Each Cash Compensation Contract shall be registered for the sole purpose of effecting the payment of the Cash Compensation Amount to which it relates. It shall operationally be recorded as having a "Notional Amount" (as defined in the FCM SwapClear Contract Terms) of USD 1, a "Termination Date" (as defined in the FCM SwapClear Contract Terms) falling two "business days" after the applicable Conversion Cut Off Date, and an obligation on the Clearing House or the FCM Clearing Member (as applicable) to pay to the other on that "Termination Date" an amount equal to the Cash Compensation Amount related to the THB THBFIX Contracts in the relevant Proprietary Account or FCM Client Sub Account, in each case as determined pursuant to Section 7(b) above. However, neither the Clearing House nor an FCM Clearing Member shall be required to pay any amounts under a Cash Compensation Contract other than the Cash Compensation Amount to which such Cash Compensation Contract relates.~~
- 2.1 (d) ~~Each~~The FCM Clearing Member agrees ~~to be bound by each Cash Compensation Contract registered pursuant to this Section 7, which shall, when registered, constitute an FCM SwapClear Contract between the Clearing House and the relevant~~ that, in consideration of being given Confidential Material, it will keep all such Confidential Material in the strictest confidence, adhere to the provisions of this Schedule in respect thereof and, subject to paragraph 2.3, will not disclose it to any person without the prior written permission of the Managing Director, Risk of the Clearing House or a Director of Risk Management of the Clearing House, providing always that the FCM Clearing Member that has arisen by reason of the application of the FCM Regulations to the THB THBFIX Contracts, shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if:

2.1.1 it comes into the public domain other than through a breach by the FCM Clearing Member of this Schedule; or

2.1.2 the FCM Clearing Member is expressly obliged to do so by order of a court of competent jurisdiction upon the application of a third party, or as a result of any request to disclose such part or parts of the Confidential Material in connection with any inquiry or other request by a regulatory authority or self-regulatory authority asserting jurisdiction over the FCM Clearing Member.

- 2.2 The FCM Clearing Member further agrees that it will not use any Confidential Material for any purpose other than the Permitted Purpose. In this regard the FCM Clearing Member expressly acknowledges and agrees that the Confidential Material may contain commercially sensitive information which if used inappropriately or

otherwise than in accordance with this Schedule might result in the gaining of an unfair commercial advantage by the FCM Clearing Member over other members of the Clearing House SwapClear Service.

2.3 Subject to paragraph 2.5, the FCM Clearing Member may disclose any Confidential Material to any of its employees, representatives, associated companies and advisers on a “strictly need to know” basis, in the event that any such person needs that Confidential Material for the Permitted Purpose (and to that extent only).

2.4 The FCM Clearing Member agrees to establish and adhere to adequate procedures (including, without limitation, the establishment of information barriers) to ensure that any employee or representative to whom any Confidential Material is disclosed shall not use any part or all of that Confidential Material for any proprietary purpose outside the scope of the Permitted Purpose.

2.5 This paragraph and the duties hereunder shall survive the termination of this Agreement and, in relation to any Confidential Material, shall expire on the second anniversary of the date the Confidential Material was first provided to the FCM Clearing Member.

~~(e) Each FCM Clearing Member agrees (and in the case of (e)(iv) below, each FCM Clearing Member and the Clearing House agrees):~~

~~(i) to use reasonable endeavors to provide each of its FCM Clients with (i) information on the change to the THB THBFIX Contracts pursuant to the terms of FCM Regulation 48B and this Annex, and (ii) information on the amounts payable pursuant to the terms of the Cash Compensation Contracts which may be allocated to that FCM Client’s FCM Client Sub Account. Such information shall be set out in ‘Risk Notices’ or other materials from the Clearing House in connection with this Annex (or any applicable Floating Rate Conversion Notice(s)) expressly marked for distribution to FCM Clients;~~

~~(ii) that it, and each FCM Client, shall be bound by the terms of any Cash Compensation Contracts registered pursuant to this Annex and all payment obligations thereunder (as determined by the Clearing House pursuant to this Annex);~~

~~(iii) to perform all obligations and exercise all rights under or pursuant to this Annex in accordance with Applicable Law; and~~

~~(iv) that each Cash Compensation Contract is being registered in the relevant account in connection with the matters specified in this Annex and the obligations thereunder are for the sole purpose of addressing the value impact of certain of the changes to the THB THBFIX Contracts pursuant to this Annex.~~

8. DETERMINATIONS BINDING

~~Subject to Section 11, all determinations and calculations made by the Clearing House pursuant to this Annex shall be binding and may in no circumstances (other than in the case of manifest error) be called into question by any person.~~

3. **9. RECORDS** Secrecy

3.1 Except in accordance with the terms of this Annex, the FCM Clearing Member agrees that it shall treat as strictly confidential and shall not disclose or allow to be divulged to any person:

3.1.1 **Confidential Material;**

3.1.2 the fact that it has received any Confidential Material;

3.1.3 the existence of any discussions or negotiations between the parties in this matter;

3.1.4 details of the Permitted Purpose and any of the proposals, terms, conditions, facts or other matters relating to any of the foregoing. Subject only to the FCM Clearing Member being relieved of such an obligation because of the circumstances covered in paragraphs 2.1.1 and 2.1.2.

3.2 The Clearing House undertakes to ensure that the FCM Clearing Member is fully apprised of information on the Rates Service DMP that it makes public and which is accordingly of relevance to the FCM Clearing Member's obligations.

4. **Property**

4.1 The parties acknowledge that the property in the Confidential Material (or any part of it) shall not pass to the FCM Clearing Member or any FCM Clearing Member, and the property in the media on which it is conveyed to the receiving party shall not pass to the FCM Clearing Member or any FCM Clearing Member unless expressly so agreed by the Clearing House in writing.

5. **Return of Confidential Material**

5.1 Upon request by the Clearing House, and in any event upon fulfillment of the Permitted Purpose, the FCM Clearing Member shall promptly return to the Clearing House by a secure method of transportation all or any part of the Confidential Material and all copies thereof in its possession or control or that of its employees or representatives, including all other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so **provided that** the FCM Clearing Member is permitted to retain copies of any Confidential Material which it requires as part of its portfolio management or otherwise for legal or regulatory reasons.

6. **No Representations or Warranties; No Conflict of Interest**

6.1 Subject to paragraph 7, the Confidential Material is disclosed by the Clearing House without any representation or warranty whatsoever as to its accuracy or completeness or otherwise.

6.2 The Clearing House acknowledges and agrees that, subject to compliance with the terms of this Schedule by the FCM Clearing Member and any of its employees or representatives to whom Confidential Material is provided in accordance with this Schedule, the FCM Clearing Member's participation in the Rates Service DMP shall

not prevent the FCM Clearing Member from carrying out any transaction, or otherwise providing investment services in respect of, investments that the FCM Clearing Member may subsequently learn are the subject of Confidential Material and, furthermore, the Clearing House agrees that it shall not be able to assert that the FCM Clearing Member has a conflict of interest in doing so nor shall the Clearing House have a claim or action in respect of the foregoing against the FCM Clearing Member or any of its directors, employees or other representatives.

7. Liability

7.1 Subject to FCM Regulation 44 (Exclusion of Liability), the parties agree and acknowledge that neither the Clearing House nor any of its employees or representatives shall have any liability whatsoever to the FCM Clearing Member or any of employees or representatives, for any loss or damage of whatsoever kind howsoever arising directly or indirectly out of or in connection with the disclosed Confidential Material or its use.

7.2 The Clearing House ~~shall update its books and records to reflect the Cash Compensation Contracts and the amounts payable thereunder and the obligation to pay, or the right to receive, any such amounts may be reflected in the books and records~~ accepts liability for any personal injury or death caused by the negligence of the Clearing House in such manner as and any fraud or willful default on the part of the Clearing House determines is necessary to meet its operational requirements. ~~Where the Clearing House determines appropriate, the Clearing House will update its books and records or governance and booking procedures to provide that all Operational Bookings booked pursuant to this Annex do not affect the rights and obligations of FCM Clearing Members regardless of anything to the contrary in any reports issued by the Clearing House.~~ for any actions that it may take on the basis of advice given to it by the Rates Service DMG, and for the accuracy of the information (confidential material as defined in the Annex to this Agreement) that it distributes to the FCM Clearing Member in connection with the Rates Service DMP.

10. MISCELLANEOUS

- ~~(a) The obligations of the Clearing House to each FCM Clearing Member shall be to perform its obligations as principal to such FCM Clearing Member in accordance with the FCM Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the FCM Rulebook and Section 11.~~
- ~~(b) The terms of this Annex are without prejudice to the Clearing House's rights under the FCM Regulations and the FCM Procedures to change the terms of any open FCM SwapClear Contract from time to time and such terms shall not be relevant or binding on the Clearing House in respect of any such changes.~~
- ~~(c) The performance by the Clearing House of its obligations hereunder shall always be subject to the provisions of the FCM Rulebook.~~
- ~~(d) Section 4 is provided for FCM Clearing Members operational convenience only and the Clearing House is under no obligation to update this Annex in relation to any changes in its operational or booking processes generally or in relation to the matters specified herein.~~

11. LIMITATION OF LIABILITY

11.1 Without prejudice to the generality of FCM Regulation 44, each FCM Clearing Member agrees:

7.3 ~~(i) that neither~~Under no circumstances shall the Clearing House ~~nor any other member of the LCH Group will have any liability whatsoever to any~~the FCM Clearing Member or any other person (including, without limitation, any FCM Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain, ~~cost or expense~~for (a) any consequential loss or other indirect loss of whatsoever kind or (b) loss of anticipated profit (whether direct, or indirect, general, special, consequential, punitive or otherwise); and;

~~(ii) to waive any claim against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with:~~

~~(i) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in connection with this Annex;~~

~~(ii) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Annex; or~~

~~(iii) any of the operational bookings made pursuant to Section 4 of this Annex.~~

~~except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

11.2 Without prejudice to the generality of FCM Regulation 44 and clause 11.1 above, each FCM Clearing Member further agrees:

8. Remedies

8.1 Without affecting any other rights or remedies that the Clearing House may have, the FCM Clearing Member acknowledges that the Clearing House may be irreparably harmed by any breach of the terms of this Schedule and that damages alone may not necessarily be an adequate remedy. Accordingly, the Clearing House will be entitled to the remedies of injunction, specific performance and other equitable relief, or any combination of these remedies, for any threatened or actual breach of its terms, and no proof of special damages will be necessary to enforce this Schedule.

Confidentiality and Non-Disclosure and General Terms of Participation in Rates Service DMG

9. Conflict of interest

9.1 The FCM Clearing Member shall procure that, in the event that a DMG Member takes the view that a possible conflict of interest may arise with regard to any matter forming part of the business of the Rates Service DMG, he shall promptly report his view to the Chairman of the Rates Service DMG, who shall act accordingly, taking the advice of other Rates Service DMG Members as appropriate.

10. Confidentiality

- 10.1 Subject to paragraph 10.3 below, the FCM Clearing Member shall procure that the Rates Service DMG Member shall keep all Confidential Material strictly confidential to himself and will not disclose it to any person who is not a Rates Service DMG Member (including, for the avoidance of doubt, the FCM Clearing Member who recommended his appointment to the Rates Service DMG (“**the Nominating FCM Clearing Member**”) or his employer (if different) or any other employee, adviser, officer or fellow worker of that FCM Clearing Member or his employer) without the prior written permission of the Managing Director, Risk of the Clearing House or his properly authorized delegate, providing always that the Rates Service DMG Member shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if it comes into the public domain in the circumstances covered in paragraphs 2.1.1 and 2.1.2.
- 10.2 Subject to paragraph 10.3 below, the FCM Clearing Member shall procure that the Rates Service DMG Member shall not use any Confidential Material for any purpose other than the proper fulfillment of his duties as a Rates Service DMG Member.
- 10.3 The parties acknowledge that, in the event that a Default Notice is issued by the Clearing House in respect of any SwapClear Clearing Member, the Rates Service DMG Member may be required by the Nominating FCM Clearing Member and/or his employer (if different) to provide certain services to the Clearing House in the management of the default. In such event, and only in such event, the parties acknowledge that the Rates Service DMG Member shall be entitled to disclose any part or parts of the Confidential Material as may be agreed by the Clearing House, in such manner and form and in accordance with such procedures as may be prescribed by the Clearing House and/or the Rates Service DMG with regard to the management of that default.
- 10.4 ~~(i) that neither~~ Upon request by the Clearing House ~~nor any other member of the LCH Group will have any liability whatsoever to any, and in any event upon termination of the membership of the Rates Service DMG Member of the Rates Service DMG, the FCM Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and shall~~ procure that the Rates Service DMG Member shall promptly return to the Clearing House by a secure method of transportation all or any part of the Confidential Material and all copies thereof in his possession or control, including all abstracts, notes, drawings and other papers, programs and records incorporating any of that Confidential Material, or shall destroy such information and shall certify to the Clearing House in writing that it has done so, **provided that** the Rates Service DMG Member is permitted to retain a copy thereof to comply with applicable legal or regulatory requirements.

11. Warranty and Representation

11.1 The FCM Clearing Member represents and warrants that it will procure that:

11.1.1 the Nominating FCM Clearing Member and the Rates Service DMG Member's employer (if different) are aware of the obligations of confidentiality arising out of this Agreement; and

11.1.2 nothing in this Schedule will cause the Rates Service DMG Member to breach any duty or obligation (whether arising pursuant to contract or otherwise) which he owes to the Nominating FCM Clearing Member or to his employer, if different, or any other contract counterparty of the Rates Service DMG Member.

~~(ii) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;~~

~~arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations under this Annex, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.~~

~~11.3 Each FCM Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights under this Annex, save for the express contractual duties set forth in this Annex; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from an FCM Clearing Member in connection with this Annex; (iii) is acting as a fiduciary for, or as an advisor to, any FCM Clearing Member or FCM Client in connection with this Annex or any FCM SwapClear Contract registered as a result of the matters specified in this Annex; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in this Annex), an FCM Clearing Member or FCM Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Annex; or (v) has made any representation, express or implied, in relation to this Annex, and each FCM Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Annex.~~

~~11.4 For the avoidance of doubt, notwithstanding anything to the contrary herein, neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, an FCM Clearing Member.~~

12. ~~PROVISION OF CERTAIN DATA TO THE CLEARING HOUSE~~ Confidentiality and Non-Disclosure: General Obligations of the Clearing House

12.1 The Clearing House will treat all Confidential Material in the terms envisaged in this Annex to the Agreement, confining use to the Rates Service DMP, restricting its availability on a "strictly need to know basis", and exercising every duty of care required of it as a Recognised Clearing House and as a Derivatives Clearing Organization.

~~12.1 In connection with the Clearing House's determination of the Cash Compensation Amounts, at 9am London time on the Conversion Cut Off Date, or such other time as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate, each Major THB THBFX Swap Market~~

Participant (as defined below) shall submit non-executable two-way pricing (i.e. bid and offer) for each tenor of each of the basis swaps identified in the table below:

Product Type	Basis Swap
Floating Leg 1 FRO	THB-THOR-OIS Compound
Floating Leg 1 FRO Payment Frequency	3 months
Floating Leg 2 FRO	THB-THBFIX
Floating Leg 2 FRO Payment Frequency	6 months
Day Count Fraction	Act/365 for both legs
Price Quotation	Leg 1 spread
Required Tenors	1 Year, 2 Years, 3 Years, 4 Years and 5 Years

12.2 The pricing referred to in paragraph 12.1 shall be submitted via the SwapClear Portal in accordance with the instructions set out on the SwapClear Portal and the terms governing use of the SwapClear Portal. Each time a Major THB-THBFIX Swap Market Participant submits pricing to the Clearing House it represents and warrants to the Clearing House that all price submissions have been suitably verified by appropriate members of its senior management prior to submission to the Clearing House.

12.3 The Clearing House shall establish representative market notional amounts for each of the basis swaps set out in paragraph 12.1 and shall notify the Major THB-THBFIX Swap Market Participants of such amounts ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.

12.4 Once the Clearing House has received the submissions pursuant to paragraph 12.1, the Clearing House shall take the following steps with respect to each tenor of each basis swap listed in paragraph 12.1:

- (i) first, it shall rank all prices received that are bids in descending order (i.e. starting with the highest bid) and all prices received that are offers in ascending order (i.e. starting with the lowest offer) (as applicable), provided that, if two or more bids or offers are identical, the those bids or offers shall be ranked in the order in which they were first received by the Clearing House;
- (ii) second, the Clearing House shall exclude the crossing side of any crossing price submissions (meaning that if the highest bid is equal to or is greater than the lowest offer then both shall be deemed as “crossing” and be excluded, and the process repeated until all remaining bids are below all remaining offers);
- (iii) third, the Clearing House shall determine the mid price for each tenor of each basis swap by taking the arithmetic mean of (i) the highest quarter of the remaining bids for that tenor of the relevant basis swap and (ii) the lowest quarter of the remaining offers for that tenor of the relevant basis swap. To determine the number of prices comprising

~~the highest or lowest quarter of bids or offers (as applicable), the Clearing House will round up to the nearest whole number of bids or offers (as applicable); and (iv) fourth, the Clearing House shall use the mid prices determined pursuant to the foregoing to construct the THB-THBFIX curve which the Clearing House shall use to determine the Fallback RFR Value of THB-THBFIX Contracts pursuant to paragraph 7(a).~~

~~12.5 For purposes of this paragraph 12, a "Major THB-THBFIX Swap Market Participant" is each FCM Clearing Member or FCM Client who, as of the Conversion Date, satisfies the criteria to be published by the Clearing House ahead of the Conversion Date via member circular or such other method as the Clearing House shall determine is appropriate.~~

13. **Third Party Rights**

A person who is not a party to this Annex shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

*FCM Procedures**FCM Listed Interest Rates*

LONDON

Agent No :
 Account Name : AAA FUTURES
 Account No : 40256
 Notice Date : 06-JUN-2014

FSP : 113.41
 Currency Id: : EUR
 Settlement Date : 10-JUN-2014

Instr.	Clearing House Agent Name	Clearing House Agent No	Clearing House Account No	Countervalue	Stock Code	Nominal Value	Lots
51	Clearstream Luxemburg		18764	22,340,840.20	DE0001135051	20,300,000.00	203

E. & O.E

Registered in England No. 25932 Registered Office:
 Aldgate House, 33 Aldgate High Street, London EC3N 1EA
 A Recognised Clearing House under the Financial Services and Markets Act 2000

FORM-8

GERMAN GOVT. BOND (EURO BUND) FUTURE DELIVERY INSTRUCTION FOR BUYERS (EURO BUND)

06-JUN-2014

LCH LIMITED

Aldgate House, 33 Aldgate High Street, London, EC3N 1EA

Delivery from the Clearing House at CED

Delivery Month: JUN 2014
 Clearing Member: AAA Subaccount: Client

To Clearing Member's Delivery Centre : CED

AAA FUTURES LTD
 TENDER HOUSE
 FENCHURCH STREET
 LONDON

Agent Name : Clearstream Luxemburg
 Agent No :
 Account Name : AAA FUTURES
 Account No : 40256

FSP : 113.41

Notice Date : 06-JUN-2014

Currency Id: : EUR

Settlement Date : 10-JUN-2014

Instr.	Clearing House Agent Name	Clearing House Agent No	Clearing House Account No	Countervalue	Stock Code	Nominal Value	Lots
41	Clearstream Luxemburg		18764	22,340,840.20	DE0001135051	20,300,000.00	203

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FORM-11
BOBL FUTURE DELIVERY INSTRUCTION FOR SELLERS

08-SEP-2014

LCH LIMITED
Aldgate House, 33 Aldgate High Street, London, EC3N 1EA
Telephone +44 (0)20-7426 7000

Delivery Month:	SEP 2014		Delivery to the Clearing House at CED
Clearing Member:	AAA	Subaccount:	Client
AAA FUTURES LTD			From Clearing Members Del Centre : CED
TENDER HOUSE			Agent Name : Clearstream Luxemburg
FENCHURCH STREET			Agent No :
LONDON			Account Name : AAA FUTURES
			Account No : 40256
FSP	:	113.41	Notice Date : 08-SEP-2014
Currency Id:	:	EUR	
Settlement Date	:	10-SEP-2014	

Instr.	Clearing House Agent Name	Clearing House Agent No	Clearing House Account No	Countervalue	Stock Code	Nominal Value	Lots
51	Clearstream Luxemburg		18764	22,340,840.20	DE0001135051	20,300,000.00	203

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Appendix III

Product Specific Contract Terms and Eligibility Criteria Manual
Changed Pages

Product Specific Contract Terms and Eligibility Criteria Manual

OIS	EUR	Fixed	EUR-EuroSTR-OIS Compound	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	EUR	EUR-EURIBOR-Reuters	EUR-EuroSTR-COMPOUND	No	18,675 days	0.01-99,999,999,999.99
Basis swap	EUR	EUR-EURIBOR	EUR-EuroSTR-OIS Compound	No	18,675 days	0.01-99,999,999,999.99
Interest rate swap	AUD	Fixed	AUD-BBR-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	AUD	Fixed	AUD-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-BBR-BBSW	AUD-BBR-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-BBSW	AUD-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-AONIA-OIS-COMPOUND	AUD-BBR-BBSW	No	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-AONIA-OIS Compound	AUD-BBSW	No	11,375 days	0.01-99,999,999,999.99
OIS	AUD	Fixed	AUD-AONIA-OIS-COMPOUND	Yes	11,375 days	0.01-99,999,999,999.99
OIS	AUD	Fixed	AUD-AONIA-OIS Compound	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	CAD	Fixed	CAD-BA-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Interest rate swap	CAD	Fixed	CAD-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-BA-CDOR	CAD-BA-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-CDOR	CAD-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-BA-CDOR	CAD-CORRA-OIS-COMPOUND	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-CDOR	CAD-CORRA-OIS Compound	Yes	15,025 days	0.01-99,999,999,999.99
OIS	CAD	Fixed	CAD-CORRA-OIS-COMPOUND	Yes	15,025 days	0.01-99,999,999,999.99
OIS	CAD	Fixed	CAD-CORRA-OIS Compound	Yes	15,025 days	0.01-99,999,999,999.99
Interest rate swap	CZK	Fixed	CZK-PRIBOR-PRBO	Yes	5,875 days	0.01-99,999,999,999.99
Interest rate swap	CZK	Fixed	CZK-PRIBOR	Yes	5,875 days	0.01-99,999,999,999.99
Basis swap	CZK	CZK-PRIBOR-PRBO	CZK-PRIBOR-PRBO	Yes	5,875 days	0.01-99,999,999,999.99
Basis swap	CZK	CZK-PRIBOR	CZK-PRIBOR	Yes	5,875 days	0.01-99,999,999,999.99
Interest rate						



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Appendix IV

FCM Product Specific Contract Terms and Eligibility Criteria Manual
Changed Pages

FCM Product Specific Manual

Basis swap	EUR	EUR-EURIBOR-Reuters	EUR-EURIBOR-Reuters	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	EUR	EUR-EURIBOR	EUR-EURIBOR	Yes	18,675 days	0.01-99,999,999,999.99
OIS	EUR	Fixed	EUR-EuroSTR-COMPOUND	Yes	18,675 days	0.01-99,999,999,999.99
OIS	EUR	Fixed	EUR-EuroSTR-OIS Compound	Yes	18,675 days	0.01-99,999,999,999.99
Basis swap	EUR	EUR-EURIBOR-Reuters	EUR-EuroSTR-COMPOUND	No	18,675 days	0.01-99,999,999,999.99
Basis swap	EUR	EUR-EURIBOR	EUR-EuroSTR-OIS Compound	No	18,675 days	0.01-99,999,999,999.99
Interest rate swap	AUD	Fixed	AUD-BBR-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	AUD	Fixed	AUD-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-BBR-BBSW	AUD-BBR-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-BBSW	AUD-BBSW	Yes	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-AONIA-OIS-COMPOUND	AUD-BBR-BBSW	No	11,375 days	0.01-99,999,999,999.99
Basis swap	AUD	AUD-AONIA-OIS Compound	AUD-BBSW	No	11,375 days	0.01-99,999,999,999.99
OIS	AUD	Fixed	AUD-AONIA-OIS-COMPOUND	Yes	11,375 days	0.01-99,999,999,999.99
OIS	AUD	Fixed	AUD-AONIA-OIS Compound	Yes	11,375 days	0.01-99,999,999,999.99
Interest rate swap	CAD	Fixed	CAD-BA-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Interest rate swap	CAD	Fixed	CAD-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-BA-CDOR	CAD-BA-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-CDOR	CAD-CDOR	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-BA-CDOR	CAD-CORRA-OIS-COMPOUND	Yes	15,025 days	0.01-99,999,999,999.99
Basis swap	CAD	CAD-CDOR	CAD-CORRA-OIS Compound	Yes	15,025 days	0.01-99,999,999,999.99
OIS	CAD	Fixed	CAD-CORRA-OIS-COMPOUND	Yes	15,025 days	0.01-99,999,999,999.99
OIS	CAD	Fixed	CAD-CORRA-OIS Compound	Yes	15,025 days	0.01-99,999,999,999.99



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Appendix V
General Regulations of LCH Limited
Changed Pages

**GENERAL REGULATIONS OF
LCH LIMITED**

"Fixed Income Contract" means a RepoClear Contract or a RepoClear Term £GC Contract

~~**"Floating Rate Conversion Annex"** means, in relation to a change in the floating rate and calculation of the floating amounts under any SwapClear Contract which are determined by reference to LIBOR or EONIA, any annex to the Procedures identified by the Clearing House in the related Floating Rate Conversion Notice as being the "Floating Rate Conversion Annex" applicable to such change~~

"ForexClear AET Requirement" means, in respect of an FXCCM, that all of the ForexClear Contracts in the name of such FXCCM have been closed out or transferred to another Clearing Member

"ForexClear Approved Trade Source System" means a system or facility, such as an exchange, a clearing house, a swap execution facility, a designated contract market, trade or affirmation system, a ForexClear Matcher or other similar venue or system, approved by the Clearing House for submitting ForexClear Transactions to the Clearing House (and excludes, for the avoidance of doubt, the ClearLink API)

"ForexClear Business" means any transaction, obligation or liability arising out of any ForexClear Contract

"ForexClear Clearing Client" means, in respect of ForexClear Client Clearing Business, an Individual Segregated Account Clearing Client, Indirect Gross Account Clearing Client or Omnibus Segregated Clearing Client

"ForexClear Clearing House Business" means ForexClear Contracts entered into by a ForexClear Clearing Member with the Clearing House on a proprietary basis and for its own account

"ForexClear Clearing Member (FXCCM)" means a Member who is designated by the Clearing House as a ForexClear Clearing Member eligible to clear ForexClear Contracts which includes, in the case of the Default Rules (including the ForexClear DMP Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM Clearing Member

"ForexClear Client Clearing Business" means the provision of ForexClear Client Clearing Services by a ForexClear Clearing Member

"ForexClear Client Clearing Services" means the entering into of ForexClear Contracts by a ForexClear Clearing Member in respect of its Individual Segregated Account Clearing Clients, Indirect Gross Account Clearing Clients and/or Omnibus Segregated Clearing Clients

"Identified Omnibus Net Segregated Clearing Clients"	means Identified Omnibus Segregated Clearing Clients in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Identified Client Omnibus Net Segregated Account
"Identified Omnibus Segregated Clearing Clients"	means, in relation to a Relevant Client Clearing Business, (i) certain Omnibus Segregated Clearing Clients of the relevant Clearing Member or FCM whose identities have been recorded by the Onboarding department of the Clearing House and who are grouped together in a single Omnibus Segregated Account of the Clearing Member but who are not Affiliated Omnibus Segregated Clearing Clients; together with (ii) for the purposes of the Default Rules, any Determined Omnibus Net Segregated Clearing Clients who are grouped together in a single Omnibus Segregated Account
"Impacted ForexClear Option Clearing Member"	has the meaning assigned to it in Regulation 100(g)
"Impacted SwapClear Contract"	means each SwapClear Contract that is of the same type and currency as an Impacted SwapClear Contract Type
"Impacted SwapClear Contract Type"	means, in relation to any change in the rate used for calculating PAI and Price Alignment Amount and for purposes of constructing the Clearing House's zero coupon yield curves under 1.7.2 of Section 2C of the Procedures to calculate the net present value of certain SwapClear Contracts, the types and currencies of SwapClear Contracts to which such change shall apply, as identified in the related Rate Change Notice.
"Index"	has the meaning assigned to it in Chapter XIV(a)
"Index Cessation Event"	means an Index Cessation Event as defined in the ISDA Definitions, except that the Clearing House shall not constitute a "successor administrator or provider" or "successor administrator" for the purpose of such definition

"Put Currency Amount"	means, in relation to a ForexClear Option Transaction, ForexClear Option Contract, ForexClear NDO Transaction or ForexClear NDO Contract, as applicable, the amount specified as such in the ForexClear Option Contract Terms or ForexClear NDO Contract Terms (as the case may be) evidencing such ForexClear Option Transaction, ForexClear Option Contract, ForexClear NDO Transaction or ForexClear NDO Contract, as applicable
"Quarter Start Date"	has the meaning assigned to it in Regulation 60A(c)
"Rate X" and Rate "Y"	means, in relation to a SwapClear Transaction or a SwapClear Contract, the outstanding payment obligations of each party to the transaction, such that Rate X comprises the outstanding payment obligations of one party to the other and Rate Y comprises the outstanding payment obligations of the other party to the first party

"Rate Change Annex"	means, in relation to a change in the rate used for the calculation of PAI and Price Alignment Amount and for purposes of constructing the Clearing House's zero coupon yield curves under 1.7.2 of Section 2C of the Procedures to calculate the net present value of Impacted SwapClear Contracts, any annex to the Procedures identified by the Clearing House in the related Rate Change Notice as being the "Rate Change Annex" applicable to such change
"Rate Change Effective Date"	means, in relation to a change in an interest rate identified in a Rate Change Notice, the date on which such change shall take effect, as identified in the related Rate Change Notice

"Rate Change Notice"

~~means a member circular delivered by the Clearing House to all SwapClear Members pursuant to 1.12 of Section 2C of the Procedures, containing at least the following information:~~

- ~~(i) the Rate Change Effective Date;~~
- ~~(ii) the Impacted SwapClear Contract Types;~~
- ~~(iii) the interest rate to be used for purposes of calculating PAI and the Price Alignment Amount from, and including, the Rate Change Effective Date;~~
- ~~(iv) the rate to be used for purposes of constructing the Clearing House's zero coupon yield curves under 1.7.2 of Section 2C of the Procedures to calculate the net present value of the Impacted SwapClear Contracts from, and including, the Rate Change Effective Date; and~~
- ~~(iv) the Rate Change Annex (if any) that shall apply in relation to the change to the interest rate referred to above and any dates or information required to be communicated pursuant to such Rate Change Annex.~~ has the meaning given to it in Regulation 60C

"Rates Exchange"

means any trading platform approved as such from time to time by the Clearing House in respect of the Listed Interest Rates Service

"Rates Exchange Match"

means, in respect of a Rates Exchange, a match made on such Rates Exchange of Rates Exchange Particulars submitted by, or on behalf of, Listed Interest Rates Clearing Members, which is made either:

- (i) other than through an order book of the Rates Exchange; or
- (ii) through an order book of the Rates Exchange, and

in each case:

- (a) which the Clearing House and the Rates Exchange have agreed will be cleared in accordance with, and subject to, the Rates Exchange Rules and the Rulebook via the Listed Interest Rates Open Offer clearing mechanism (and not via novation under Regulation 109); and
- (b) regardless of whether such match is described or characterised as a trade, transaction or agreement in the relevant Rates Exchange Rules

REGULATION 44 ALTERATION OF REGULATIONS AND THE PROCEDURES

- (a) Unless (i) the Clearing Membership Agreement or these Regulations otherwise specifically provide in relation to any proposed amendment or extension or (ii) the alteration, amendment or extension is made pursuant to a Rate Change Notice delivered pursuant to Regulation 60C, the Rules Change Committee (acting in accordance with its terms of reference) may from time to time, by notice delivered by the Clearing House to the Exchanges and Members, alter, amend or extend these Regulations.
- (b) Any such alterations, amendments or extensions may be made with immediate effect or with such deferred effect as the Rules Change Committee shall determine. Any alterations, amendments or extensions to these Regulations may take effect so as to apply to Contracts registered in a Member's name at the time such alterations, amendments or extensions come into effect if the Rules Change Committee so determines. Any alterations, amendments or extensions made under a Rate Change Notice may take effect so as to apply to Contracts registered in a Member's name at the time such alterations, amendments or extensions come into effect if so provided by the terms of that Rate Change Notice.
- (c) Unless the Clearing Membership Agreement or these Regulations or the Procedures otherwise specifically provide in relation to any proposed alterations, amendments or extensions, the Rules Change Committee may from time to time alter, amend or extend the Procedures by notice delivered to such Exchanges and Members as may be affected.
- (d) The accidental omission to give notice under this Regulation to, or the non-receipt of notice under this Regulation by, any Exchange or Member shall not invalidate the amendment or extension with which the notice is concerned.

REGULATION 60B — ~~CHANGES TO CERTAIN INTEREST RATES IN THE SWAPCLEAR SERVICE~~ [RESERVED]

- ~~(a) From time to time, the Clearing House may, subject to the terms of the Procedures, change the rate used for calculating PAI and the Price Alignment Amount in connection with SwapClear Contracts and/or the rate used to calculate the net present value of certain SwapClear Contracts. In connection with any such change the Clearing House shall deliver a Rate Change Notice. If specified as applicable in such Rate Change Notice, a Rate Change Annex (and each document incorporated therein or supplemental thereto) shall apply to set forth the terms on which such amendment to such rate shall take effect, the manner in which the economic impact of such amendment on the Clearing House, SwapClear Clearing Members and SwapClear Clearing Clients may be addressed, and any related rights and obligations of the Clearing House, the SwapClear Clearing Members and SwapClear Clearing Clients in relation thereto, including but not limited to: (i) the creation and registration of new SwapClear Contracts to reflect the change in discounting risk, (ii) the creation and registration of new SwapClear Contracts and/or payment obligations in connection with the change in the net present value of one or more SwapClear Contracts, and/or (iii) any other procedures or mechanisms the Clearing House determines is required to give effect to such interest rate change referred to above. The Clearing House may, from time to time, amend, modify, supplement, replace, withdraw, or override the terms of a Rate Change Notice in relation to a given change in the rate used for calculating PAI and the Price Alignment Amount in connection with SwapClear Contracts and/or the rate used to calculate the net present value of certain SwapClear Contracts through a member circular or such other method as the Clearing House shall determine is appropriate.~~
- ~~(a) Following the publication of a Rate Change Annex which specifies this Regulation 60(B)(b) to be applicable, each SwapClear Clearing Member (acting individually) hereby appoints the Clearing House, with the full and power and authority of that SwapClear Clearing Member, to:~~
- ~~(i) act as its agent, to enter into, in the name of, and on behalf of, that SwapClear Clearing Member, one or more SwapClear Contracts on terms determined by that Rate Change Annex;~~
 - ~~(ii) in reliance on the deemed instructions that SwapClear Clearing Member provides on behalf of it and its SwapClear Clearing Clients pursuant to the terms of the Rate Change Annex, to register, any SwapClear Contracts so entered into under this Regulation and the Rate Change Annex in the Proprietary Account and/or the applicable Client Account held in that SwapClear Clearing Member's name (as applicable); and~~
 - ~~(iii) (A) execute in the SwapClear Clearing Member's name and on the SwapClear Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing House determines (acting reasonably) to be lawfully necessary to give effect to the SwapClear Contracts entered into pursuant to the foregoing;~~

~~provided however that, in all cases the terms of each SwapClear Contract entered into and registered pursuant to the foregoing provisions and the accounts in which such SwapClear Contracts shall be registered shall be determined pursuant to the methodology set out in the relevant Rate Change Annex pursuant to which such powers are exercised.~~

- ~~(b) Any SwapClear Contract entered into pursuant to paragraph (b) above shall be deemed to satisfy any registration requirements under these Regulations.~~
- ~~(c) Upon the publication of the Rate Change Annex there shall arise a standing instruction to the Clearing House for itself and on behalf of the SwapClear Clearing Members authorising the Clearing House to take the steps set out in that Rate Change Annex, including, if applicable under **the terms of that Rate Change Annex**, to enter into and register certain SwapClear Contracts on behalf of certain SwapClear Members and/or SwapClear Clearing Clients pursuant to paragraph (b) above and the Rate Change Annex.~~
- ~~(d) A Rate Change Annex may give rise to one or more payment obligations being owed by the Clearing House to a SwapClear Clearing Member or by a SwapClear Clearing Member to the Clearing House (including, without limitation, under the terms of the SwapClear Contracts registered pursuant to (b) above) (each, a **Rate Change Payment**). The calculation of each Rate Change Payment and the due date for payment of the Rate Change Payment in each case shall be on the terms set out in the relevant Rate Change Annex.~~
- ~~(e) Each SwapClear Clearing Member and each SwapClear Clearing Client shall be bound by the terms of the Rate Change Annex, including, without limitation, each SwapClear Contract registered or recorded to its Proprietary Account, Individual Segregated Account and "position account" within each Omnibus Segregated Account, as applicable, pursuant to each Rate Change Annex. Each SwapClear Clearing Member agrees and acknowledges that the terms of each Rate Change Annex shall be (i) binding as between it and each of its SwapClear Clearing Clients, (ii) replicated by way of back to back rights and obligations between the SwapClear Clearing Member and the relevant SwapClear Client on whose behalf the account or "position account" referred to above is held, and (iii) "Mandatory CCP Provisions" for the purposes of the Clearing Agreements between it and each of its SwapClear Clearing Clients.~~

REGULATION 60C ~~LIBOR AND EONIA CONVERSION PROVISIONS~~ CHANGES TO CERTAIN INTEREST RATES AND BENCHMARKS IN THE SWAPCLEAR SERVICE

- (a) From time to time the Clearing House may, ~~subject to the terms of the Procedures in connection with the transition from interbank offered rates to alternative, overnight risk-free rates,~~ amend the floating rate and calculation of the floating amounts under any SwapClear Contract ~~which are determined by reference to the London Interbank Offered Rate or the Euro Overnight Index Average,~~ regardless of any fallbacks that may otherwise apply in relation to the floating rate or calculation of the floating amount pursuant to the SwapClear Contract Terms of such SwapClear Contract. In furtherance of effecting ~~such change~~ the changes described above, to the extent the Clearing House determines is necessary or desirable in connection with the changes described above, the Clearing House may change, modify and/or supplement the SwapClear Contract Terms of any such SwapClear Contracts registered with the Clearing House, as specified by the Clearing House. ~~In connection with such change~~ The Clearing House shall deliver, ~~determine, via consultation with the affected SwapClear Clearing Members, whether there will be any compensation payment to account for the changes described above. Such changes shall be effected pursuant to the Procedures, as brought into effect by the terms of a written notice delivered by the Clearing House via one or more member circulars,~~ ~~a written notice~~ (a Floating Rate Conversion Change Notice) to all SwapClear Clearing Members. ~~If specified as applicable in such Floating~~
- (b) Each Rate Conversion Notice, a Floating Rate Conversion Annex (and each document incorporated therein or supplemental thereto) shall apply to Change Notice and the Procedures, as brought into effect by the relevant Rate Change Notice, shall set forth the terms on which such amendment to such floating rate provisions ~~the changes referred to in (a) above~~ shall take effect, including but not limited to: (i) ~~when and~~ how any such ~~amendment, supplement, or modification~~ changes shall take effect, (ii) the date on which such changes shall take effect, (iii) the type of SwapClear Contracts to which it applies ~~such changes apply,~~ ~~(iiiiv) if applicable,~~ the methodology for determining any amounts payable between the Clearing House and the SwapClear Clearing Members as a result of ~~the matters specified therein~~ such changes, (iv) ~~if applicable,~~ the creation and registration of any new SwapClear Contracts and/or payment obligations in connection with ~~the amendment, supplement and/or modification~~ such changes, and (v) ~~any other rights and obligations of the Clearing House, the SwapClear Clearing Members and SwapClear Clearing Clients in relation to the foregoing. A Floating Rate Conversion Annex~~ Change Notice and the Procedures shall include any other procedures or mechanisms the Clearing House determines are required to give effect to the changes referred to above, including, if applicable, certain operational procedures which will include the recording of certain operational bookings in the SwapClear service to operationally represent the SwapClear Contracts as amended pursuant to the terms of the ~~Floating Rate Conversion Annex~~ Change Notice. These operational bookings shall not have any legal effect and are for operational purposes only. Where the Clearing House determines appropriate, the Clearing House's internal governance and booking procedures will provide that such operational bookings and any reports generated by the Clearing House in connection therewith shall be interpreted accordingly.

- (c) ~~(b)~~ The Clearing House may, from time to time, amend, modify, supplement, replace, withdraw, or override the terms of a ~~Floating-Rate Conversion Notice or Floating Rate Conversion Annex~~Change Notice through a member circular or such other method as the Clearing House shall determine is appropriate.
- (d) ~~(e)~~ Following the ~~publication~~delivery of a ~~Floating-Rate Conversion Annex~~Change Notice, each SwapClear Clearing Member (acting individually) hereby appoints the Clearing House, with the full ~~and~~ power and authority of that SwapClear Clearing Member, to:
- (i) act as its agent, to enter into, in the name of, and on behalf of, that SwapClear Clearing Member, one or more SwapClear Contracts on terms determined by that ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures;
 - (ii) in reliance on the deemed instructions that SwapClear Clearing Member provides on behalf of it and its SwapClear Clearing Clients pursuant to the terms of the ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures, to register any SwapClear Contracts so entered into under this Regulation and ~~the Floating-Rate Conversion Annex~~Rate Change Notice in the Proprietary Account and/or the applicable ~~Client Account~~Client Account held in that SwapClear Clearing Member's name (as applicable); and
 - (iii) (A) execute in the SwapClear Clearing Member's name and on the SwapClear Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing ~~House determines~~House determines (acting reasonably) to be lawfully necessary to give effect to ~~the SwapClear~~the SwapClear Contracts entered into pursuant to the foregoing, *provided however* that, in all cases the terms of each SwapClear Contract ~~amended and~~amended and/or entered into and registered pursuant to the foregoing provisions and the accounts in which such SwapClear Contracts are or shall be registered shall be determined pursuant to the methodology set out in the relevant ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures pursuant to which such powers are exercised.
- (e) ~~(d)~~ Each SwapClear Clearing Member agrees and acknowledges that, notwithstanding anything to the contrary in these Regulations or any Procedure, the terms of any ~~Floating-Rate Conversion Annex and/or any Floating-Rate Conversion~~Change Notice may amend, supplement, and/or modify the terms of any SwapClear Contract to which ~~such Floating-Rate Conversion Annex and/or any Floating-Rate Conversion~~any Rate Change Notice relates, and following the ~~publication of a Floating-Rate Conversion Annex or~~ delivery of a ~~Floating-Rate Conversion~~Change Notice (or any subsequent date specified for such purpose by the Clearing House), the rights and obligations of the Clearing House and each SwapClear Clearing Member under each such SwapClear Contract shall be performed in accordance with the SwapClear Contract Terms, as amended, supplemented and/or modified by the terms of ~~that Floating-Rate Conversion Annex and/or Floating-Rate Conversion~~the Procedures and the Rate Change Notice.

- (f) ~~(e)~~ Any SwapClear Contract entered into pursuant to paragraph ~~(ed)~~ above shall be deemed to satisfy any registration requirements under these Regulations.
- (g) ~~(f)~~ Upon the ~~publication~~delivery of a ~~Floating-Rate Conversion Annex~~Change Notice there shall arise a standing instruction to the Clearing House for itself and on behalf of the SwapClear Clearing Members authorising the Clearing House to take the steps and where applicable, make the changes, including without limitation the amendments to the SwapClear Contracts set-out in that ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures, and, if applicable under the terms of that ~~Floating-Rate Conversion Annex~~Change Notice, to enter into and register certain SwapClear Contracts on behalf of certain SwapClear Members and/or SwapClear Clearing Clients pursuant to paragraph ~~(bc)~~ above ~~and~~, such ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures.
- (h) ~~(g)~~ A ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures may give rise to one or more payment obligations being owed by the Clearing House to a SwapClear Clearing Member or by a SwapClear Clearing Member to the Clearing House (each, a ~~Conversion Rate Change~~ Payment). The calculation of each ~~Conversion Rate Change~~ Payment and the due date for payment of the ~~Conversion Rate Change~~ Payment in each case shall be on the terms set out in the relevant ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures. Each SwapClear Clearing Member and each SwapClear Clearing Client shall be bound by the terms of the ~~Floating-Rate Conversion Annex~~Change Notice, including, without limitation, each SwapClear Contract registered or recorded to its Proprietary Account, Individual Segregated Account and "position account" within each Omnibus Segregated Account, as applicable, pursuant to each ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures. Each SwapClear Clearing Member agrees and acknowledges that (i) the terms of each ~~Floating-Rate Conversion Annex~~Change Notice shall be binding as between it and each of its SwapClear Clearing Clients, (ii) the amendments made to each SwapClear Contract in a Client Account made pursuant to each ~~Floating-Rate Conversion Annex~~Change Notice shall result in an identical amendment to the back-to-back rights and obligations between the SwapClear Clearing Member and the relevant SwapClear Clearing Client on whose behalf the account or "position account" referred to above is held, (iii) any new SwapClear Contract registered in a Client Account pursuant to a ~~Floating-Rate Conversion Annex~~Change Notice and the Procedures shall be replicated by back-to-back rights and obligations between the SwapClear Clearing Member and the relevant SwapClear Clearing Client on whose behalf the account or "position account" referred to above is ~~held~~, and (iv) the terms of each ~~Floating-Rate Conversion Annex~~Change Notice and Procedure 1.35 shall be "Mandatory CCP Provisions" for the purposes of the Clearing Agreements between it and each of its SwapClear Clearing Clients.
- (i) Without prejudice to the generality of Regulation 52, each SwapClear Clearing Member agrees:
- (A) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action, and whether in respect of any damages, loss or gain,

cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and

- (B) to waive any claim against the Clearing House or any member of the LCH Group;

arising or that may arise in connection with:

- (1) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in accordance with this Regulation 60C, or otherwise in connection with Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House; or
- (2) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House;

except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.

- (j) Without prejudice to the generality of Regulation 52 and paragraph (i) above, each SwapClear Clearing Member further agrees:

- (A) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and
- (B) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;

arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations in accordance with this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.

- (k) Each SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House’s duties or obligations or exercise of its rights in accordance with this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House, save for the express contractual duties set forth in this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a SwapClear Clearing Member in connection with this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House; (iii) is acting as a fiduciary for, or as an advisor to, any SwapClear Clearing Member or SwapClear Clearing Client in connection with this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House or any SwapClear Contract registered as a result of the matters specified therein; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in any Rate Change Notice), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House; or (v) has made any representation, express or implied, in relation to this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House, and each SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this Regulation 60C, Procedure 1.35, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House.
- (l) For the avoidance of doubt, notwithstanding anything herein, Procedure 1.35, or any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a SwapClear Clearing Member.



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Appendix VI
FCM Regulations of LCH Limited
Changed Pages

FCM REGULATIONS OF LCH LIMITED

FCM Regulations

	Venue.
“FDICIA”	means the Federal Deposit Insurance Corporation Improvement Act of 1991, as amended.
“First Listed Interest Rates Clearing Member”	has the meaning assigned to it in Regulation 54(c)(i).
“Floating Rate Conversion Annex”	means, in relation to a change in the floating rate and calculation of the floating amounts under any FCM SwapClear Contract which are determined by reference to LIBOR or EONIA, any annex to the FCM Procedures identified by the Clearing House in the related Floating Rate Conversion Notice as being the “Floating Rate Conversion Annex” applicable to such change.
“foreign board of trade”	means any board of trade, exchange or market located outside the United States, its territories or possessions, whether incorporated or unincorporated.
“Foreign Futures Account Class”	means the account class for foreign futures accounts (as defined in CFTC Regulation 190.01(a)(i)) for purposes of Parts 30 and 190 of the CFTC Regulations.
“Foreign Futures/Options Contract”	means the type of contract which is either (i) a contract for the purchase or sale of a commodity for future delivery made, or to be made, on or subject to the rules of a foreign board of trade, (ii) an option on any such contract or (iii) any similar type of contract, and which, in the case of any of the foregoing, requires an FCM to hold such contract (and maintain any related margin) pursuant to CFTC Rule 30.7 if cleared by an FCM for a 30.7 customer.
“Foreign Futures Product”	means a Product that constitutes a Foreign Futures/Options Contract. Such Products are: FCM Listed Interest Rates Contracts.
“ForexClear Clearing Member”	means a person who is designated as such by the Clearing House pursuant to the UK General Regulations and who is not an FCM Clearing Member.
“ForexClear Contribution”	has the meaning assigned to it in the UK General Regulations.
“ForexClear Determination Date”	has the meaning assigned to it in the UK General Regulations.
“ForexClear DMP”	has the meaning assigned to it in the ForexClear DMP Annex of the Default Rules.
“ForexClear Tolerance”	has the meaning assigned to it in the FCM Procedures.

FCM Regulations

“ForexClear NDF Contract”	has the meaning assigned to it in the UK General Regulations.
“ForexClear NDO Contract”	has the meaning assigned to it in the UK General Regulations.
“Futures Account Class”	means the account class for futures accounts (as defined in CFTC Regulation 190.01(a)(i)) for purposes of Part 190 of the CFTC Regulations and Section 4d(a) of the CEA.
“Futures/Options Contract”	means the type of contract which is either (i) a contract for the purchase or sale of a commodity for future delivery that is traded on or subject to the rules of an Exchange, (ii) an option on any such contract or (iii) any similar type of contract, and which, in the case of any of the foregoing, is required to be segregated (along with any related margin) pursuant to Section 4d(a) of the CEA if cleared by an FCM for a customer.
“Futures Product”	means a Product which constitutes a Futures/Options Contract.
“Governmental Authority”	means any: <ul style="list-style-type: none"> (a) governmental, inter-governmental, parliamentary or supranational body, entity, agency or department; or (b) regulatory, self-regulatory or other authority, in each case, which has jurisdiction over the Clearing House and/or, in respect of a Clearing Member, the relevant Clearing Member.
“Hedged Account”	has the meaning assigned to it in the FCM Procedures.
“Hedged ForexClear Service Clearing Member”	has the meaning assigned to it in the ForexClear DMP Annex in the Default Rules.
“Hedged Rates Service Clearing Member”	has the meaning assigned to it in the Rates Service DMP Annex in the Default Rules.
“Identified Off-Setting FCM Listed Interest Rates Contracts”	has the meaning assigned to it in the FCM Procedures.

~~**“Impacted FCM SwapClear Contract”** means each FCM SwapClear Contract that is of the same type and currency as an Impacted FCM SwapClear Contract Type.~~

~~“Impacted FCM SwapClear Contract Type” means, in relation to any change in the interest rate used for calculating the Price Alignment Amount and for purposes of constructing the Clearing House’s zero coupon yield curves under 2.1.7 of the FCM Procedures to calculate the net present value of certain FCM SwapClear Contracts, the types and currencies of FCM SwapClear Contracts to which such change shall apply, as identified in the related Rate Change Notice.~~

“Index Cessation Event” means an Index Cessation Event as defined in the ISDA Definitions, except that the Clearing House shall not constitute a “successor administrator or provider” or “successor administrator” for the purpose of such definition.

“Index Disruption Event” means, in respect of the rate relating to a Floating Rate Option (as defined in the ISDA Definitions) for one or more FCM SwapClear Contract(s), either of the following events:

- (a) a public statement or publication of information by the administrator of such rate, a regulatory supervisor, the central bank for the currency of such rate, a committee officially endorsed or convened by such central bank or a regulatory supervisor, an insolvency official with jurisdiction over such administrator, a resolution authority with jurisdiction over such administrator or a court or an entity with similar insolvency or resolution authority over such administrator, that the methodology for calculation of such rate has changed, or will change on and from a specified date, where such change is material, as determined by the Clearing House in its sole discretion; or
- (b) a public statement or publication of information by the administrator of such rate, a regulatory supervisor, the central bank for the currency of such rate, a committee officially endorsed or convened by such central bank or a regulatory supervisor, an insolvency official with jurisdiction over such administrator, a resolution authority with jurisdiction over such administrator or a court or an

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“Rate X and Rate Y” means, in relation to an FCM SwapClear Transaction or an FCM SwapClear Contract, the outstanding payment obligations of each party to the transaction, such that Rate X comprises the outstanding payment obligations of one party to the other and Rate Y comprises the outstanding payment obligations of the other party to the first party.

~~**“Rate Change Annex”** means, in relation to a change in the rate used for the calculation of Price Alignment Amount and for purposes of constructing the Clearing House’s zero coupon yield curves under 2.1.7 of the FCM Procedures to calculate the net present value of Impacted FCM SwapClear Contracts, any annex to the Procedures identified by the Clearing House in the related Rate Change Notice as being the “Rate Change Annex” applicable to such change.~~

~~**“Rate Change Effective Date”** means, in relation to a change in an interest rate identified in a Rate Change Notice, the date on which such change shall take effect, as identified in the related Rate Change Notice.~~

~~**“Rate Change Notice”** means a member circular delivered by the Clearing House to all SwapClear Members pursuant to 3.5.1 of the FCM Procedures, containing at least the following information:~~

~~(i) the Rate Change Effective Date;~~

~~(ii) the Impacted FCM SwapClear Contract Types;~~

~~(iii) the interest rate to be used for purposes of calculating the Price Alignment Amount from, and including, the Rate Change Effective Date;~~

~~(iv) the rate to be used for purposes of constructing the Clearing House’s zero coupon yield curves under 2.1.7 of the FCM Procedures to calculate the net present value of the Impacted FCM SwapClear Contracts from, and including, the Rate Change Effective Date; and~~

~~(iv) the Rate Change Annex (if any) that shall apply in relation to the change to the interest rate referred to above and any dates or information required to be communicated pursuant to such Rate Change Annex. [has the meaning given to it in Regulation 48B](#)~~

“Rates Exchange” means any trading platform approved as such from time to time by the Clearing House in respect of the FCM Listed Interest Rates Clearing Service.

“Rates Exchange Rules” means the rules, regulations, administrative procedures, Memorandum and Articles of Association or by-laws

REGULATION 36 ALTERATION OF FCM REGULATIONS AND THE FCM PROCEDURES

- (a) Unless (i) the FCM Clearing Membership Agreement or these FCM Regulations otherwise specifically provide in relation to any proposed amendment, alteration or extension or (ii) the alteration, amendment or extension is made pursuant to a Rate Change Notice delivered pursuant to Regulation 48B, the Rules Change Committee (acting in accordance with its terms of reference) may from time to time, by notice delivered by the Clearing House to Exchanges and FCM Clearing Members, amend, alter or extend these FCM Regulations.
- (b) Any such amendments, alterations or extensions may be made with immediate effect or with such deferred effect as the Rules Change Committee shall determine. Any amendments, alterations or extensions to these FCM Regulations may take effect so as to apply to FCM Contracts registered in an FCM Clearing Member's name at the time such amendments, alterations or extensions come into effect if the Rules Change Committee so determines. Any alterations, amendments or extensions made under a Rate Change Notice may take effect so as to apply to FCM Contracts registered in an FCM Clearing Member's name at the time such alterations, amendments or extensions come into effect if so provided by the terms of that Rate Change Notice.
- (c) Unless the FCM Clearing Membership Agreement or these FCM Regulations or the FCM Procedures specifically provide otherwise in relation to any proposed amendments, alterations or extensions, the Rules Change Committee may from time to time amend, alter or extend the FCM Procedures by notice delivered to such Exchanges and FCM Clearing Members as may be affected.
- (d) The accidental omission to give notice under this FCM Regulation 36 to, or the non-receipt of notice under this FCM Regulation 36 by, any Exchange or FCM Clearing Member shall not invalidate the amendment, alteration or extension with which the notice is concerned.

REGULATION 48A ~~CHANGES TO CERTAIN INTEREST RATES IN THE SWAPCLEAR SERVICE~~ [RESERVED]

~~(a) From time to time, the Clearing House may, subject to the terms of the Procedures, change the rate used for calculating the Price Alignment Amount in connection with FCM SwapClear Contracts and/or the rate used to calculate the net present value of certain FCM SwapClear Contracts. In connection with any such change the Clearing House shall deliver a Rate Change Notice. If specified as applicable in such Rate Change Notice, a Rate Change Annex (and each document incorporated therein or supplemental thereto) shall apply to set forth the terms on which such amendment to such rate shall take effect, the manner in which the economic impact of such amendment on the Clearing House, FCM Clearing Members and FCM Clients may be addressed, and any related rights and obligations of the Clearing House, the FCM Clearing Members and FCM Clients in relation thereto, including but not limited to: (i) the creation and registration of new FCM SwapClear Contracts to reflect the change in discounting risk, (ii) the creation and registration of new FCM SwapClear Contracts and/or payment obligations in connection with the change in the net present value of one or more FCM SwapClear Contracts, and/or (iii) any other procedures or mechanisms ~~the Clearing House determines is~~ required to give effect to such interest rate change referred to above. The Clearing House may, from time to time, amend, modify, supplement, replace, withdraw, or override the terms of a Rate Change Notice in relation to a given change in the rate used for calculating the Price Alignment Amount in connection with FCM SwapClear Contracts and/or the rate used to calculate the net present value of certain FCM SwapClear Contracts through a member circular or such other method as the Clearing House shall determine is appropriate.~~

~~(b) Following the publication of a Rate Change Annex which specifies this Regulation 48(A)(b) to be applicable, each FCM Clearing Member (acting individually) hereby appoints the Clearing House, with the full and power and authority of that FCM Clearing Member, to:~~

- ~~(i) act as its agent, to enter into, in the name of, and on behalf of, that FCM Clearing Member, one or more FCM SwapClear Contracts on terms determined by that Rate Change Annex;~~
- ~~(ii) in reliance on the deemed instructions that FCM Clearing Member provides on behalf of it and its FCM Clients pursuant to the terms of the Rate Change Annex, to register, any FCM SwapClear Contracts so entered into under this Regulation and the Rate Change Annex in the Proprietary Account and/or the applicable FCM Client Sub Account held in that FCM Clearing Member's name for the relevant FCM Client (as applicable); and~~
- ~~(iii) (A) execute in the FCM Clearing Member's name and on the FCM Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing House determines (acting reasonably) to be lawfully necessary to give effect to the FCM SwapClear Contracts entered into pursuant to the foregoing;~~

~~provided however that, in all cases the terms of each FCM SwapClear Contract entered into and registered pursuant to the foregoing provisions and the accounts in which such FCM SwapClear Contracts shall be registered shall be determined pursuant to the methodology set out in the relevant Rate Change Annex pursuant to which such powers are exercised.~~

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- ~~(c) Any FCM SwapClear Contract entered into pursuant to paragraph (b) above shall be deemed to satisfy any registration requirements under these Regulations.~~
- ~~(d) Upon the publication of the Rate Change Annex there shall arise a standing instruction to the Clearing House for itself and on behalf of the FCM Clearing Members authorising the Clearing House to take the steps set out in that Rate Change Annex, including, if applicable under ~~the terms of that Rate Change Annex~~, to enter into and register certain FCM SwapClear Contracts on behalf of certain FCM Clearing Members and/or FCM Clients pursuant to paragraph (b) above and the Rate Change Annex.~~
- ~~(e) A Rate Change Annex may give rise to one or more payment obligations being owed by the Clearing House to an FCM Clearing Member or by an FCM Clearing Member to the Clearing House (including, without limitation, under the terms of the SwapClear Contracts registered pursuant to (b) above) (each, a **Rate Change Payment**). The calculation of each Rate Change Payment and the due date for payment of the Rate Change Payment in each case shall be on the terms set out in the relevant Rate Change Annex.~~
- ~~(f) Each SwapClear Clearing Member and each FCM Client shall be bound by the terms of the Rate Change Annex, including, without limitation, each SwapClear Contract registered or recorded to its Proprietary Account or FCM Client Sub-Account Client Account pursuant to each Rate Change Annex. Each SwapClear Clearing Member agrees and acknowledges that the terms of each Rate Change Annex shall be binding as between it and each of its FCM Clients.~~

REGULATION 48B LIBOR AND EONIA CONVERSION
PROVISIONS CHANGES TO CERTAIN INTEREST RATES AND BENCHMARKS

- (a) From time to time the Clearing House may, ~~subject to the terms of the FCM Procedures~~ in connection with the transition from interbank offered rates to alternative, overnight risk-free rates, amend the floating rate and calculation of the floating amounts under any FCM SwapClear Contract ~~which are determined by reference to the London Interbank Offered Rate (LIBOR) or the Euro Overnight Index Average (EONIA)~~, regardless of any fallbacks that may otherwise apply in relation to the floating rate or calculation of the floating amount pursuant to the FCM SwapClear Contract Terms of such FCM SwapClear Contract. In furtherance of effecting ~~such change~~ the changes described above, to the extent the Clearing House determines is necessary or desirable in connection with the changes described above, the Clearing House may change, modify and/or supplement the FCM SwapClear Contract Terms of any such FCM SwapClear Contracts registered with the Clearing House, as specified by the Clearing House. ~~In connection with such change the~~ The Clearing House shall deliver, determine, via consultation with the affected FCM SwapClear Clearing Members, whether there will be any compensation payment to account for the changes described above. Such changes shall be effected pursuant to the FCM Procedures, as brought into effect by the terms of a written notice delivered by the Clearing House via one or more member circulars, a written notice (a **Floating Rate Conversion Change Notice**) to all FCM SwapClear Clearing Members. ~~If specified as applicable in such Floating~~
- (b) Each Rate Conversion Notice, a Floating Rate Conversion Annex (and each document incorporated therein or supplemental thereto) shall apply to Change Notice and the FCM Procedures, as brought into effect by the relevant Rate Change Notice, shall set forth the terms on which such amendment to such floating rate provisions the changes referred to in (a) above shall take effect, including but not limited to: (i) when and how any such amendment, supplement, or modification changes shall take effect, (ii) the date on which such changes shall take effect, (iii) the type of FCM SwapClear Contracts to which it applies such changes apply, (iiiiv) if applicable, the methodology for determining any amounts payable between the Clearing House and the FCM SwapClear Clearing Members as a result of the matters specified therein such changes, (ivv) if applicable, the creation and registration of any new FCM SwapClear Contracts and/or payment obligations in connection with the amendment, supplement and/or modifications such changes, and (vvi) any other rights and obligations of the Clearing House, the FCM SwapClear Clearing Members and FCM Clients in relation to the foregoing. A Floating Rate Conversion Annex Change Notice and the FCM Procedures shall include any other procedures or mechanisms the Clearing House determines are required to give effect to the changes referred to above, including, if applicable, certain operational procedures which will include the recording of certain operational bookings in the FCM SwapClear Clearing Service service to operationally represent the FCM SwapClear Contracts as amended pursuant to the terms of the Floating Rate Conversion Annex Change Notice. These operational bookings shall not have any legal effect and are for operational purposes only. Where the Clearing House determines appropriate, the Clearing House's internal governance and booking

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procedures will provide that such operational bookings and any reports generated by the Clearing House in connection therewith shall be interpreted accordingly.

- (c) ~~(b)~~ The Clearing House may, from time to time, amend, modify, supplement, replace, withdraw, or override the terms of a ~~Floating-Rate Conversion Notice or Floating Rate Conversion Annex~~ Change Notice through a member circular or such other method as the Clearing House shall determine is appropriate.
- (d) ~~(e)~~ Following the ~~publication~~ delivery of a ~~Floating-Rate Conversion Annex~~ Change Notice, each FCM SwapClear Clearing Member (acting individually) hereby appoints the Clearing House, with the full ~~and~~ power and authority of that FCM SwapClear Clearing Member, to:
- (i) act as its agent, to enter into, in the name of, and on behalf of, that FCM SwapClear Clearing Member, one or more FCM SwapClear Contracts on terms determined by that ~~Floating-Rate Conversion Annex~~ Change Notice and the FCM Procedures;
 - (ii) in reliance on the deemed instructions that FCM SwapClear Clearing Member provides on behalf of it and its FCM SwapClear Clearing Clients pursuant to the terms of the ~~Floating-Rate Conversion Annex~~ Change Notice and the FCM Procedures, to register any FCM SwapClear Contracts so entered into under this Regulation and ~~the Floating-Rate Conversion Annex~~ Change Notice in the Proprietary Account and/or the applicable FCM Client Sub-Account held in that FCM Clearing Member's name for the relevant FCM Client (as applicable); and
 - (iii) (A) execute in the FCM SwapClear Clearing Member's name and on the FCM SwapClear Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing House determines (acting reasonably) to be lawfully necessary to give effect to the FCM SwapClear Contracts entered into pursuant to the foregoing, *provided however* that, in all cases the terms of each FCM SwapClear Contract amended and/or entered into and registered pursuant to the foregoing provisions and the accounts in which such FCM SwapClear Contracts are or shall be registered shall be determined pursuant to the methodology set out in the relevant ~~Floating-Rate Conversion Annex~~ Change Notice and the FCM Procedures pursuant to which such powers are exercised.
- (e) ~~(d)~~ Each FCM SwapClear Clearing Member agrees and acknowledges that, notwithstanding anything to the contrary in these FCM Regulations or any FCM ~~Procedures~~ Procedure, the terms of any ~~Floating-Rate Conversion Annex and/or any Floating-Rate Conversion~~ Change Notice may amend, supplement, and/or modify the terms of any FCM SwapClear Contract to which ~~such Floating-Rate Conversion Annex and/or any Floating-Rate Conversion~~ any Rate Change Notice relates, and following the ~~publication of a Floating-Rate Conversion Annex or~~ delivery of a ~~Floating-Rate Conversion~~ Change Notice (or any subsequent date specified for such purpose by the Clearing House), the rights and obligations of the Clearing House and each FCM SwapClear Clearing Member under each such FCM SwapClear Contract shall be performed in accordance with the FCM SwapClear Contract Terms, as amended, supplemented and/or modified by the terms of ~~that Floating-Rate~~

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~~Conversion Annex and/or Floating Rate Conversion~~ the FCM Procedures and the Rate Change Notice.

- (f) ~~(e)~~ Any FCM SwapClear Contract entered into pursuant to paragraph ~~(ed)~~ above shall be deemed to satisfy any registration requirements under these FCM Regulations.
- (g) ~~(f)~~ Upon the ~~publication~~ delivery of a ~~Floating-Rate Conversion Annex~~ Change Notice there shall arise a standing instruction to the Clearing House for itself and on behalf of the FCM SwapClear Clearing Members authorising the Clearing House to take the steps and where applicable, make the changes, including without limitation the amendments to the FCM SwapClear Contracts set-out in that ~~Floating-Rate Conversion Annex~~ Change Notice and the FCM Procedures, and, if applicable under the terms of that ~~Floating-Rate Conversion Annex~~ Change Notice, to enter into and register certain FCM SwapClear Contracts on behalf of certain FCM SwapClear Members and/or FCM Clients pursuant to paragraph ~~(bd)~~ above ~~and,~~ such ~~Floating Rate Conversion Annex~~ Change Notice and the FCM Procedures.
- (h) ~~(g)~~ A ~~Floating-Rate Conversion Annex~~ Change Notice and the FCM Procedures may give rise to one or more payment obligations being owed by the Clearing House to ~~ana~~ FCM SwapClear Clearing Member or by ~~ana~~ FCM SwapClear Clearing Member to the Clearing House (each, a ConversionRate Change Payment). The calculation of each ConversionRate Change Payment and the due date for payment of the ConversionRate Change Payment in each case shall be on the terms set out in the relevant ~~Floating-Rate Conversion Annex~~ Change Notice and the FCM Procedures. Each FCM SwapClear Clearing Member and each FCM Client shall ~~be bound~~ be bound by the terms of the ~~Floating-Rate Conversion Annex~~ Change Notice, including, without limitation, each FCM SwapClear Contract registered or recorded to its Proprietary Account or FCM Client Sub-Account, ~~as applicable, pursuant to each Floating-Rate Conversion Annex. Each FCM Clearing Member agrees and acknowledges that (i) the terms of each Floating Rate Conversion Annex shall be binding as between it and each of its FCM Clients, (ii) the amendments made to each FCM SwapClear Contract in a Client Account made pursuant to each Floating Rate Conversion Annex shall result in an identical amendment to the back-to-back rights and obligations between the FCM Clearing Member and the relevant FCM Client on whose behalf the account or FCM Client Sub-Account referred to above is held, (iii) any new FCM SwapClear Contract registered in a Client Account pursuant to a Floating Rate Conversion Annex shall be replicated by back-to-back rights and obligations between the FCM Clearing Member and the relevant FCM Client on whose behalf the account or FCM Client Sub-Account referred to above is held, and (iv) the terms of each Floating Rate Conversion Annex shall be "Mandatory CCP Provisions" for the purposes of the Clearing Agreements between it and each of its FCM Clients.~~ Change Notice and the FCM Procedures.
- (i) Without prejudice to the generality of FCM Regulation 44, each FCM SwapClear Clearing Member agrees:
- (A) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM SwapClear Clearing Member or any other person (including, without limitation, any FCM Client) whether in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of

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action, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and

- (B) to waive any claim against the Clearing House or any member of the LCH Group;

arising or that may arise in connection with:

- (1) any determination, calculation, notification, registration, publication, exercise of discretion, or decision, taken or not taken by the Clearing House or any other member of the LCH Group in accordance with this FCM Regulation 40B, or otherwise in connection with FCM Procedure 2.1.26, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House; or
- (2) the determination or publication of any price, curve, data, quote or other information arising from, or in connection with, this Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House;

except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.

- (j) Without prejudice to the generality of FCM Regulation 44 and paragraph (i) above, each FCM SwapClear Clearing Member further agrees:

- (A) that neither the Clearing House nor any other member of the LCH Group will have any liability whatsoever to any FCM SwapClear Clearing Member or any other person (including, without limitation, any FCM Client) in tort (including, without limitation, negligence), trust, as a fiduciary or under any other non-contractual cause of action, or under any implied contractual term, and whether in respect of any damages, loss or gain, cost or expense (whether direct, indirect, general, special, consequential, punitive or otherwise); and
- (B) to waive any non-contractual claim or claim under any implied contractual term against the Clearing House or any member of the LCH Group;

arising or that may arise in connection with the Clearing House's performance of its contractual duties or obligations in accordance with this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any “Floating Rate Conversion Annex” or “Rate Change Annex” previously published by the Clearing House, except in the case of fraud or wilful misconduct on the part of the Clearing House or any other member of the LCH Group.

- (k) Each FCM SwapClear Clearing Member agrees that neither the Clearing House nor any other member of the LCH Group (i) owes any duty of care to any person in connection with the performance of the Clearing House's duties or obligations or exercise of its rights in accordance with this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House, save for the express contractual duties set forth in this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House; (ii) is under any obligation to research, investigate, supplement, or verify the veracity of, any price, data, quote or other information received from a FCM SwapClear Clearing Member in connection with this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House; (iii) is acting as a fiduciary for, or as an advisor to, any FCM SwapClear Clearing Member or FCM Client in connection with this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House or any SwapClear Contract registered as a result of the matters specified therein; (iv) shall be under any requirement to consult with, or individually notify (other than as expressly set out in any Rate Change Notice), a SwapClear Clearing Member or SwapClear Clearing Client in connection with making its determinations, exercising its discretions or performing its duties or obligations or exercising its rights, each under this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House; or (v) has made any representation, express or implied, in relation to this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House, and each FCM SwapClear Clearing Member acknowledges that it has not relied on any representations made by the Clearing House or any other member of the LCH Group in relation to this FCM Regulation 48B, FCM Procedure 2.1.26, any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House.
- (l) For the avoidance of doubt, notwithstanding anything herein, FCM Procedure 2.1.26, or any Rate Change Notice or any "Floating Rate Conversion Annex" or "Rate Change Annex" previously published by the Clearing House neither the Clearing House nor any other member of the LCH Group shall be liable for any obligations of, or to any person who is not, a FCM SwapClear Clearing Member.



LSEG POST
TRADE

CORPORATE

LCH

Appendix VII
CAD-CDOR to CAD-CORRA
Rate Change Notice

**SWAPCLEAR SCM AND FCM SERVICE –
RATE CHANGE NOTICE FOR THE CONVERSION FROM CAD-CDOR TO CAD-
CORRA-OIS COMPOUND**

FURTHER TO THE ATTACHED CONSULTATION, THIS CIRCULAR CONTAINS IMPORTANT INFORMATION FOR SWAPCLEAR CLEARING MEMBERS, FCM SWAPCLEAR CLEARING MEMBERS AND THEIR CLIENTS IN RELATION TO THE TRANSITION FROM CAD-CDOR TO CAD-CORRA-OIS COMPOUND AND GIVES EFFECT TO CERTAIN AMENDMENTS TO THE TERMS OF REGISTERED SWAPCLEAR CONTRACTS AND FCM SWAPCLEAR CONTRACTS IN ACCORDANCE WITH PROCEDURE 1.35 AND FCM PROCEDURE 2.1.26.

1. SCOPE AND INTERPRETATION

- (a) This constitutes a “Rate Change Notice” as defined in and pursuant to the Regulations and the Procedures and the FCM Regulations and FCM Procedures.
- (b) This Rate Change Notice and the provisions of Procedure 1.35 and FCM Procedure 2.1.26 apply to all open SwapClear Contracts and FCM SwapClear Contracts that (i) specify **CAD-CDOR** as the floating rate or use **CAD-COR** to calculate the floating amount thereunder and (ii) are registered with the Clearing House as of the time on the Conversion Cut-Off Date determined by the Clearing House (each such SwapClear Contract and FCM SwapClear Contract, an **Impacted Contract**). For the avoidance of doubt, (A) no other SwapClear Contract or FCM SwapClear Contract shall be subject to, or affected by, the terms of this Rate Change Notice and all SwapClear Contracts and SwapClear FCM Contracts shall remain in full force and effect, and (B) other than as expressly set out in this Rate Change Notice, the SwapClear Contract Terms and FCM SwapClear Contract Terms shall not be amended, supplemented or modified by the terms of this Rate Change Notice.
- (c) Capitalised terms used but not otherwise defined herein have the meaning given to them in the Regulations. The term "business day" has the meaning given to it in the Regulations.
- (d) The terms of this Rate Change Notice relating to operational or procedural matters may be supplemented, modified, amended, replaced or withdrawn from time to time by the Clearing House in its sole discretion through a member circular or such other method as the Clearing House shall determine is appropriate.

2. DEFINITIONS

For the purposes of Procedure 1.35, FCM Procedure 2.1.26 and this Rate Change Notice:

Basis Swap Operational Split Date means June 8, 2024, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.

Conversion Date means June 8, 2024, or such other date as may be specified by the Clearing House from time to time through a member circular or such other method as the Clearing House shall determine is appropriate.

In-Scope Floating Rate Option means: CAD-CDOR (as defined in the ISDA 2021 Interest Rate Derivatives Definitions).

Number of Business Days for Payment Delay: Two (2) Business Days.

Relevant Number of Business Days means: zero.

Replacement Floating Rate Option means CAD-CORRA-OIS Compound (as defined in the ISDA 2021 Interest Rate Derivatives Definitions).

3. APPLICABILITY OF CERTAIN PROVISIONS IN PROCEDURE 1.35

The following sections of Procedure 1.35 and FCM Procedure 2.1.26 shall be “Applicable” and have effect in relation to the Impacted Contracts specified in this Rate Change Notice.

- (a) Cash Compensation Amounts and Cash Compensation Contracts: Applicable
- (b) Operational Bookings (including Operational Overlay Bookings): Applicable
- (c) Mandatory Basis Swap Operational Splitting: Applicable, with a Basis Swap Operational Split Date of June 8, 2024