



Mr David A Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street NW
Washington DC 20581

4 October 2012

Dear Mr Stawick

Please find enclosed a submission to the Commodity Futures Trading Commission by LCH.Clearnet Limited under the procedure set out in 17 CFR Section 40.6 for the self-certification of rules.

Should you have any questions regarding this submission please contact me on +44-207-426-7285 or at jay.iyer@lchclearnet.com.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Jay Iyer', written in a cursive style.

Jay Iyer
Chief Compliance Officer
LCH.Clearnet Limited

SUBMISSION OF AMENDMENTS TO THE CLEARINGHOUSE RULES

TO THE

COMMODITY FUTURES TRADING COMMISSION

SUBMITTED BY

LCH.Clearnet Limited

an English limited company

FILING AS A REGISTERED DERIVATIVES CLEARING ORGANIZATION

Pursuant to Commission Regulation § 40.6

**Submission Regarding Amendments to LCH.Clearnet Limited's
Rules and Regulations to Reflect Changes to the SwapClear
service**

Submitted: October 4, 2012

LCH.CLEARNET LIMITED SELF-CERTIFICATION OF AMENDMENTS TO LCH.CLEARNET LIMITED'S RULES AND REGULATIONS TO REFLECT CHANGES TO THE SWAPCLEAR SERVICE

LCH.Clearnet Limited ("LCH.Clearnet"), a derivatives clearing organization registered with the Commodity Futures Trading Commission (the "CFTC"), is submitting for self-certification, pursuant to CFTC Regulation §40.6, amendments to LCH.Clearnet's Rules and Regulations to reflect changes to the LCH.Clearnet SwapClear service.

Part I: Explanation and Analysis

1.1 Introduction

The following changes to the SwapClear service are planned to take effect from October 22, 2012¹:

Key functionality and business processes for the SwapClear FCM (FCM model) client clearing business were enhanced with effect from 5 December 2011.

Certain changes will be made to the SwapClear Clearing Member ("SCM" – SCM model) Rules in order to harmonise, to the extent possible provisions in the SCM Rules with the equivalent provisions in the FCM Rules (i) in relation to the booking model (ii) Trade Sources and the Trade acceptance workflow (iii) risk free netting and (iv) in terms of making BAU porting of transactions and associated collateral possible.

Part II: Extension of key functionality and business processes to the SCM Client Clearing model:

Harmonisation will be achieved by amending the SCM Client Clearing model so that it has the following features:

1.1.1 T2 Booking model

The current SCM model represents trades operationally using a T4 model where there are effectively four (4) trade sides booked in SwapClear for each original trade between a Client and its Executing broker ("EB"). SwapClear is planning to introduce a T2 model where only two trade sides are required and each side is cleared upon acceptance by the relevant SCM Clearing Member.

Under the T2 model SwapClear will represent and manage individual matched trade allocations / instructions through the clearing workflow to register as two trade sides booked between house and SCM client account. Following registration, it will allow management of the two (2) trade sides independently.

1.1.2 Multiple Trade Feeds and Trade Acceptance workflow:

There are two linked changes to consider for acceptance and registration:

¹ subject to regulatory approval by the UK Financial Services Authority (FSA)

- the introduction of multiple Trade Sources for the SwapClear SCM Client Clearing model;
- and the receipt of matched trade records by SwapClear ahead of Clearing Broker acceptance.

The introduction of the use of multiple trade sources (SEFs/Affirmation platform) for the purposes of conveying matched trades to LCH.Clearnet, will require Clearing Brokers to acknowledge and accept client trades directly with LCH.Clearnet. LCH.Clearnet will check the trade eligibility and then notify the Clearing Broker of the economic terms related to each individual client trade allocation. SwapClear will only consider trades for clearing where the Clearing Broker has consented to the relevant allocation.

Where a Clearing Broker rejects an allocation, the rejected allocation will be sent back to the Swap Execution Facility SEF/allocation platform for reallocation. If, in these circumstances a client still wants to clear a trade included in the rejected allocation at LCH.Clearnet, it will need to select an alternative Clearing Broker to clear through.

1.1.3 Risk Free Netting Process (Risk-Free Compression):

Risk free compression will enable clients to consolidate trades with identical economic terms, previously held as separate contracts, into a single aggregated or netted position. The process is optional (clients and/or EBs can choose whether trades will be compressed automatically or on a case-by-case basis). Compression is only available for trades booked via a Client Broker using the T2 workflow.

- i) SwapClear will enable a SwapClear Clearing Client to instruct the netting or aggregation of contracts with the same economic details into a single position, irrespective of the treatment of the contract which was the other leg to the original SwapClear Transaction;
- ii) Clients can elect for all compressible transactions to be automatically compressed, or it can elect for transactions to be compressed only when specifically selected for compression;
- iii) Compression can occur in respect of a transaction at any time from the point of registration of the relevant contract.

1.1.4 Enhanced business-as-usual (BAU) portability of Client positions:

The enhanced business-as-usual (BAU) portability of Client positions involving the transfer of (i) a client's trades from a "Carrying Clearing Member" to a "Receiving Clearing Member" (absent the default of either such Clearing Members) and (ii) in the case of a full portfolio transfer, associated collateral (if requested by the relevant client and accepted by the relevant Receiving Clearing Member).

1.1.5 Migration of existing cleared SCM Client model trades to the post-harmonization T2 model.

1.1.6 Clearing Broker Acceptance workflow via API:

This system allows for (i) individual trade allocation details to be delivered to SCMs, (ii) SCMs to deliver a single acceptance or rejection message in return, and (iii) for SCMs to be updated on the status of registered contracts.

1.1.7 Client to client trading

The client to client trading provides support of client to client trading where neither entity to the trade is a direct member of SwapClear.

1.1.8 Conversion of existing T4 client trades

The existing population of T4 client trades will be converted to T2 model trade sides. This will be an internal conversion within LCH.Clearnet with the trades not leaving clearing. All members trade populations, trade economics and risk positions will remain the same.

Part III: Amendments to the General Regulations (SCM Rulebook) (at Exhibit A-1)

To reflect the changes outlined above, the following Rules and Regulations have been amended:

Definitions

The definitions have been amended to reflect the inclusion of the definition for Account Assets, Associated Account Assets, Carrying Clearing Member, Executing Party, Execution Terms, Rate X and Rate Y, Receiving Clearing Member, Relevant SwapClear Contracts.

The following definitions were amended: Individual Segregated Account, Omnibus Net Segregated Account Balance, Individual Segregated Account Balance, Registration Time, Swapclear Transaction.

The following definitions were removed: SwapClear Participants.

Registration of SwapClear Contracts

The mechanism by which transactions between a SwapClear Clearing Client and the counterparty acting as its executing broker are registered with LCH under the SCM model are to be amended in order to harmonise it with the FCM registration process. The new registration process is as follows:

1. When EB and Client enter into a transaction it is presented to LCH for registration as either two SwapClear Contracts or one SwapClear Contract and one FCM SwapClear Contract.
2. With the exception of where the Executing Party is a SwapClear Dealer, where a Clearing Member other than the EB has been nominated to clear the SwapClear Contracts arising from the registration of a SwapClear Transaction, LCH shall notify such Clearing Member (the "CB") of the nomination. If the CB accepts the SwapClear Transaction for clearing and the conditions precedent set out in Regulation 47(d) are fulfilled, LCH.Clearnet shall register the SwapClear Contracts arising from the SwapClear Transaction, unless it has not received sufficient cover in

respect of the SwapClear Contracts, in which case it may decline to register the SwapClear Transaction.

3. Upon registration, the original SwapClear Transaction between the EB and the Client is replaced by (i) a SwapClear Contract between the CB and LCH (booked in CB's client account), which is required to be mirrored in the clearing agreement between Client and CB, and (iii) an offsetting SwapClear Contract between the EB and LCH (booked in EB's house account).
4. If the original transaction is not cleared, it remains outstanding between EB and Client and its treatment will be subject to the Execution Terms between EB and Client to which LCH is not party and by which LCH is not bound.
5. Following registration of a SwapClear Contract, if LCH determines that it should not have been registered due to the eligibility criteria not, in fact, having been fulfilled at the time of registration, LCH.Clearnet shall set aside both SwapClear Contracts.

These provisions are located in Regulation 47.

Compression

Regulation 48, which addresses the subject of compression, was extensively amended. The new regulation allows (to the extent permitted by the Procedures) for several SwapClear Contracts to be compressed into one (following a request by a Clearing Member) under the following conditions:

- If one or more SwapClear Contracts registered by the Clearing Member on one account have substantially similar Economic Terms (they are based on the same underlying currencies and have the same economic attributes which influence the amount, value date and direction of cashflows); and
- The Contracts in question are either registered on the behalf of the Clearing Member or on behalf of the same SwapClear Clearing Client.

When two or more SwapClear Contracts are compressed, the resulting SwapClear Contract will either (a) have a notional amount equal to the total notional amount of the compressed SwapClear Contracts if the position of the SwapClear Member is in the same direction on each SwapClear Contract, or (b) have a notional amount equal to the net notional amount of the compressed SwapClear Contracts, if the position of the SwapClear Member is in the opposite direction on the two SwapClear Contracts, or (c) have a notional amount equal to zero if the SwapClear Contracts are equal but in opposite directions to each other, so the SwapClear Member will have a zero position.

The Regulation 48 forbids the compression of a SwapClear Contract registered in the Proprietary Account of a SwapClear Clearing Member with a SwapClear Contract registered in the client account of that SwapClear Clearing Member.

Transfer of SwapClear Contracts in respect of Client Business (BAU Porting)

Regulation 52C introduces the ability to carry out “Business As Usual” porting of SwapClear Contracts carried by a SwapClear Clearing Member in respect of client business.

Regulation 52C(b), (c) and (d) address, respectively, the mechanisms by which (i) the entire portfolio of an Individual Segregated Account Clearing Client is ported, (ii) the entire portfolio of each Omnibus Net Segregated Account Clearing Client sharing an Omnibus Net Segregated Account is ported, and (iii) either (A) a portion of an Individual Segregated Account Clearing Client is ported, or (B) a port in respect of an Omnibus Net Segregated Account but which doesn’t fall under (ii) above is carried out. The transfers are carried out by way of novation.

The transfer of Associated Account Assets is addressed by Regulation 52C(e).

Part IV: Amendments to Section 2 of the SwapClear Procedures (at Exhibit A-2)

Corrections of typos, updating contact details and similar changes

In the several sections of the Procedures there are changes that have been made in order to correct typos (such as spelling errors, incorrect cross-references etc), update contact telephone numbers, and create consistency in the use of certain terms. Such changes occur in 2C.1, 2C.3, 2C.4, 2C.6, 2C.7.12.3, 2C.12, 2C.13, 2C.14, 2C.15, 2C.16, 2C.17, 2C.19, and 2C.20.

Registration of SwapClear Contracts

2C.3 of the Procedures addresses the registration of SwapClear Transactions. This has been amended extensively to reflect the new registration mechanism described above, including the backloading of existing trades.

Transfer of SwapClear Contracts between Client Accounts and Proprietary Accounts

Procedure 2C.10 is currently entitled “Declearing”. This will be replaced by a new Procedure 2C.10 entitled “Transfers of SwapClear Contracts between Client Accounts and Proprietary Accounts”. It sets out the circumstances in which a SwapClear Member may instruct LCH.Clearnet to transfer SwapClear Contracts from its client account to its Proprietary Account. There are two such situations:

- (a) When an early termination date occurs in respect of a transaction between a SwapClear Clearing Member and a SwapClear Clearing Client then, as long as the Clearing Member is not a Defaulting SCM, the Clearing Member may instruct LCH.Clearnet to transfer the Related SwapClear Contract from the client account to its Proprietary Account. The transfer is subject to certain conditions precedent being satisfied.
- (b) In all other circumstances, a SwapClear Clearing Member may only instruct LCH.Clearnet to make such a transfer if LCH.Clearnet has received from the SwapClear Clearing Member (i) evidence of the SwapClear Clearing Client’s consent to such transfer and (ii) an indemnity.

Position Transfers

Minor amendments have been made to Procedure 2C.11 to take into account the new Regulation 52C and Procedure 2C.15.5.

Give-Up Agreement

The Procedure related to give-up agreements (currently 2C.15.2) will be deleted as give-up agreements are not used under the post-Harmonisation registration model.

Transfer of SwapClear Contracts in respect of Client Business (BAU Porting)

A new Procedure 2C.15.5 will be included to address BAU Porting, as described above. 2C.15.5.4 included a table setting out the timings of the various stages involved in carrying out a BAU port.

Appendix 2C.K

Appendix 2C.K currently contains a form of give-up agreement. This will be replaced by Appendix 2C.K1 (which contains a form of partial transfer form), 2C.K2 (which contains a form of full transfer form), and 2C.K3 (which contains a form of Clearing Member response form) (each to be used in the BAU porting process).

Part V: Amendments to the FCM Regulations (at Exhibit A-3)

Amendments were made to the FCM regulation in order to incorporate consequential changes to the FCM regulation in relation to the FCM/SCM Harmonization:

Therefore Regulation 5 has been amended to cater for situations where, when registered for clearing, a transaction gives rise to one SCM SwapClear Contract and one FCM SwapClear Contract. The provisions in the SCM Regulations and FCM Regulations that set out the conditions that need to be fulfilled before a transaction can be registered cross-refer to each other. Because they cross-refer, the FCM Regulations must contain the provisions that the SCM Regulations anticipates them containing, in terms of the correct conditions precedent.

Related changes have also been made to the definitions of Executing Party, FCM Approved Trade Source System and FCM SwapClear Transaction.

Part V: Certification by LCH.Clearnet

LCH.Clearnet certifies to the CFTC, in accordance with CFTC Regulation §40.6, that the amended rules, comply with the Commodity Exchange Act and the CFTC Regulations promulgated thereunder. In addition, LCH.Clearnet certifies that LCH.Clearnet has posted a notice of pending certification with the CFTC and a copy of the submission on LCH.Clearnet's website at

http://www.lchclearnet.com/rules_and_regulations/ltd/proposed_rules.asp

A signed certification is attached to this submission as Exhibit B.

Part VI: Compliance with Core Principles

LCH.Clearnet will continue to comply with all Core Principles following the introduction of these proposed amendments into the LCH.Clearnet Rulebook. LCH.Clearnet has concluded that its compliance with Core Principles would not be adversely affected by these changes.

Part VII: Opposing Views

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

**Exhibit A – 1
General Regulations**

See Attached

CONTENTS

GENERAL REGULATIONS OF THE CLEARING HOUSE	1
Scope	1
Definitions	2
<i>Regulation 1</i> Obligations of the Clearing House to each Member	32
<i>Regulation 2</i> Performance by the Clearing House of its Obligations under the Terms of an Open Contract	33
<i>Regulation 3</i> Novation	34
<i>Regulation 4</i> Clearing Member Status of the Clearing House	35
<i>Regulation 5</i> Accounts	36
<i>Regulation 6</i> Presentation of Particulars of Original Exchange Contracts and Confirmation of Original Exchange Contracts	38
<i>Regulation 7</i> Allocation of Original Exchange Contracts	39
<i>Regulation 8</i> Designation	40
<i>Regulation 9</i> Registration	41
<i>Regulation 10</i> Trading Information	42
<i>Regulation 11</i> Transfer	43
<i>Regulation 12</i> Margin and Cover for Margin	44
<i>Regulation 13</i> Premium under Option Contracts and Payments under LIFFE Credit Default Swap Index Contracts	47
<i>Regulation 14</i> Official Quotations and Reference Price	48
<i>Regulation 15</i> Daily Settlement or Marking to Market	49
Regulation 15A Settlement and Revaluation: Clearing Processing System	51
<i>Regulation 16</i> Other Modes of Settlement and Revaluation	52
<i>Regulation 17</i> Exercise of Options	53
<i>Regulation 18</i> Delivery Contract Arising upon the Exercise of an Option and Event Protection Contracts	54
<i>Regulation 19</i> Obligation to Make and Accept Tender under Cleared Exchange Contracts	56
Regulation 19A Delivery Contracts	58
<i>Regulation 20</i> Open Contracts Subject to Tender	59
<i>Regulation 21</i> Arrangements for Delivery and Payment of Price	61
<i>Regulation 22</i> Restrictions on Clearing House's Obligations and Liability	62
<i>Regulation 23</i> Arbitration: Cleared Exchange Contracts, Turquoise Derivatives Cleared Exchange Contracts, EquityClear Contracts or LCH EnClear OTC Contracts (for Physical Delivery)	63
<i>Regulation 24</i> Cover in Event of a Claim	66
<i>Regulation 25</i> Default of a Member: Substituted Obligation	67
<i>Regulation 26</i> Market Disorders, Impossibility of Performance, Trade Emergency	68
<i>Regulation 27</i> Force Majeure	70

<i>Regulation 28</i>	Invoicing Back.....	71
<i>Regulation 29</i>	Currency Conversion	73
<i>Regulation 30</i>	Disclosure.....	74
<i>Regulation 31</i>	Fees and Other Charges	75
<i>Regulation 32</i>	Records	76
<i>Regulation 33</i>	Procedures	77
<i>Regulation 34</i>	Alteration of Regulations and the Procedures	78
<i>Regulation 35</i>	Interpretation of these Regulations	79
<i>Regulation 36</i>	Waiver	80
<i>Regulation 37</i>	Validity of Regulations and Action.....	81
<i>Regulation 38</i>	Governing Law and Jurisdiction	82
<i>Regulation 39</i>	Exclusion of Liability.....	83
<i>Regulation 39A</i>	Netting	86
<i>Regulation 39B</i>	Distribution of Assets	88
LINK REGULATIONS		89
<i>Regulation 40</i>	Application of Link Regulations	89
<i>Regulation 41</i>	Transfer of Contracts on the terms of a Linked Exchange Contract	90
<i>Regulation 41A</i>	Transfer to the Clearing House of Participating Exchange Contracts	92
<i>Regulation 42</i>	Default Affecting Transfer	93
<i>Regulation 43</i>	Margin.....	96
<i>Regulation 44</i>	Impossibility of Transfer	97
<i>Regulation 45</i>	Cross-Margining Regulations	98
SWAPCLEAR REGULATIONS		99
<i>Regulation 46</i>	Application of SwapClear Regulations	99
<i>Regulation 47</i>	Registration of SwapClear Contracts	100
<i>Regulation 48</i>	SwapClear Contracts <u>Compression</u>	106
<i>Regulation 48A</i>	Termination by Automated Service	108
<i>Regulation 49</i>	SwapClear Dealers.....	110
<i>Regulation 50</i>	Settlement and Daily Revaluation of SwapClear Contracts	111
<i>Regulation 51</i>	The reset rate for, and the net present value of, a SwapClear Contract	112
<i>Regulation 52</i>	Withdrawal of the SwapClear Service by the Clearing House	113
<i>Regulation 52A</i>	SwapClear Clearing Client Business.....	114
<i>Regulation 52B</i>	Default Management in respect of SwapClear Clearing Client Business...	117
SCHEDULE TO THE SWAPCLEAR REGULATIONS		Regulation 52C
Part A.....	SwapClear Contract Terms	SCHEDULE
Part B.....	Product Eligibility Criteria for Registration of a A.... SwapClear Contract Terms	126
REPOCLEAR REGULATIONS.....		Part B
Regulation 53.....	Application of RepoClear Regulations	REPOCLEAR

~~Regulation 54 — Submission of details~~⁵³~~Application~~ of RepoClear ~~Transactions and RepoClear GC Trans~~

~~Regulation 55 — Registration~~⁵⁴~~Submission of details~~ of RepoClear ~~Contracts~~^{Transactions} and RepoClear

~~Regulation 56 —~~⁵⁵~~Registration of~~ RepoClear ~~transactions entered into by~~^{Contracts and} RepoClear ~~Cleari~~

~~Regulation 56A~~⁵⁶RepoClear transactions entered into by RepoClear ~~Dealers~~^{Clearing Members} through an ar

~~Regulation 57~~^{56A}RepoClear ~~transactions entered into by RepoClear~~ Dealers ~~through an Automated Tradi~~

~~Regulation 57A — Authorisation to act as a~~⁵⁷.....RepoClear ~~Clearing Member~~^{Dealers} 160

~~Regulation 58 — Daily Margining of~~^{57A}~~Authorisation to act as a~~ RepoClear ~~Contracts and RepoClear GC~~

~~Regulation 59 — Delivery (or Other) Failures~~⁵⁸~~Daily Margining of RepoClear Contracts and RepoClear GC~~

~~Regulation 60 — Withdrawal of RepoClear Service by the Clearing House~~⁵⁹~~Delivery (or Other) Failures~~

~~SCCHEDULE TO THE REPOCLEAR REGULATIONS~~ ~~Regulation 60~~ ~~Withdra~~

~~Part A~~RepoClear Contract Terms: RepoClear Contracts arising from RepoClear Transactions, Repo Trades or

~~Part B —~~ ~~Product Eligibility Criteria for Registration of a~~^ARepoClear Contract ~~Terms: RepoClear C~~

~~Part C —~~ ~~LCH GC Repo~~^B~~Product Eligibility Criteria for Registration of a RepoClear~~ Contract ~~Terms~~

~~Part D —~~ ~~Product Eligibility Criteria for Registration of a~~^C~~LCH GC Repo Contract~~ ~~Terms~~ 180

~~Part E —~~ ~~RepoClear SGC Contract Terms: RepoClear SGC Contracts arising from~~
~~RepoClear SGC Transactions or SGC Trades~~.....~~Part D~~ ~~Produc~~

~~Part F —~~ ~~Product Eligibility Criteria for Registration of a~~^ERepoClear SGC Contract ~~Terms: RepoC~~

~~Part G —~~ ~~F~~^{Product Eligibility Criteria for Registration of a} RepoClear ~~GC~~^{SGC} Contract ~~Terms: Rep~~

~~Part H —~~ ~~Product Eligibility Criteria for Registration of A~~^GRepoClear ~~€GC Contract~~ ~~Terms: RepoC~~

~~EQUITYCLEAR REGULATIONS~~ ~~Part H~~ ~~Produc~~

~~Regulation 61~~ ~~Application of EquityClear Regulations~~ ~~EQUIT~~

~~Regulation 62 —~~⁶¹..... ~~Application of EquityClear~~ ~~Regulations~~ 202

~~Regulation 62A~~⁶²..... ~~EquityClear (Equities) Open Offer for EquityClear (Equities) ATP Matches~~ 203

~~Regulation 62B~~^{62A}~~EquityClear~~ ~~Novation Transactions~~^{(Equities) Open Offer for EquityClear (Equities) ATP}

~~Regulation 62C~~^{62B}~~EquityClear~~ ~~Open Offer for EquityClear (ccCFD) ATP Matches ("EquityClear (ccCFD) C~~

~~Regulation 63~~^{62C}~~EquityClear~~ ~~NGMs~~^{Open Offer for EquityClear (ccCFD) ATP Matches ("EquityClear (ccCFD)}

~~Regulation 64 — Delivery (or Other) Failures~~⁶³..... ~~EquityClear~~ ~~NCMs~~ 217

~~Regulation 65 — Suspension of the EquityClear service~~⁶⁴~~Delivery (or the EquityClear Open Offer~~^{Other) F}

~~Regulation 66 — Withdrawal~~⁶⁵~~Suspension~~ of ~~the~~ EquityClear ~~Service by~~^{service or the Clearing House}~~Equ~~

~~Regulation 67 — Rejection of ATP Matches and~~⁶⁶~~Withdrawal~~ of EquityClear ~~Novation Transactions~~^{Service}

~~Regulation 67A~~⁶⁷~~Rejection of~~ ~~ATP Matches and of~~ EquityClear ~~(ccCFD) ATP Matches~~^{Novation Transactio}

~~SCCHEDULE TO THE EQUITYCLEAR REGULATIONS~~ ~~Regulation 67A~~ ~~Rejecti~~

~~Part A~~..... ~~EquityClear (Equities) Contract Terms~~ ~~SCHED~~

~~Part BA~~ ~~EquityClear~~ ~~Eligible (Equities)~~ ~~Contract Terms~~..... 223

~~Part CB~~ ~~EquityClear~~ ~~(ccCFD) Contract Terms~~^{Eligible (Equities)} 225

~~LCH ENCLEAR OTC REGULATIONS~~ ~~Part C~~ ~~EquityC~~

~~Regulation 68~~ ~~Application of LCH EnClear~~^{ENCLEAR} ~~OTC Regulations~~^{REGULATIONS} 230

~~Regulation 69 — Registration~~⁶⁸..... ~~Application~~ of LCH EnClear ~~Contracts~~^{OTC Regulations} 230

Regulation 70—69	Registration of LCH EnClear Contracts	231
Regulation 7170 LCH EnClear Third Party Clearing Participants Contracts		232
Regulation 72—Daily Settlement 71	LCH EnClear Third Party Clearing Participants	233
Regulation 73—Withdrawal of the LCH EnClear Service by the Clearing House 72Daily Settlement		234
Regulation 73A—Registration 73Withdrawal of the LCH EnClear OTC Contracts Service by the Clearing Ho		
Regulation 73B—73A	Registration of LCH EnClear OTC Contracts	236
Regulation 73C—Daily Settlement 73B	LCH EnClear OTC Contracts	237
Regulation 73D [This provision has been left blank intentionally] 73C	Daily Settlement	239
Regulation 73E—Withdrawal of the LCH EnClear OTC Services by the Clearing House 73D [This provision		
SCHEDULE TO THE LCH ENCLEAR OTC REGULATIONS	Regulation 73E	Withdra
Part A	SCHEDULE TO THE LCH EnClear ENCLEAR OTC Contract Terms REGULATIONS	242
Part B	Product Eligibility Criteria for Registration of a LCH EnClear OTC Contract Terms	
Turquoise Derivatives REGULATIONS	Part B	Produc
Regulation 74	Application of Regulations for TGH market	Turquo
Regulation 75—Turquoise Derivatives Orderbook Matches made on 74	Application of Regulations for TGH	
Regulation 76—Reported Trades and 75	Turquoise Derivatives OTC Trades Reported to Orderbook Match	
Regulation 77—Registration of Turquoise Derivatives Cleared Exchange Contracts following	Submission of Details of a 76	Reported Trade of Trades and Turquoise Derivatives OTC T
Regulation 78—Delivery (or Other) Failures	Regulation 77	Registr
Regulation 79—Suspension of the Open Offer for Turquoise Derivatives 78	Delivery (or Other) Failures	
Regulation 80—Withdrawal 79	Suspension of Clearing House the Open Offer for Turquoise Derivatives Ser	
Regulation 81—Cancellation, variation etc 80	Withdrawal of Clearing House Turquoise Derivatives Clearee	
Regulation 82—Rejection 81	Cancellation, variation etc of Orderbook Matches Turquoise Derivatives Clear	
Regulation 83—Cross-Border Transfers to the Clearing House of Contracts Executed by a	Member of a Co-operating Exchange—Automatic Transfers.....	Regulation 82
Regulation 84—Default affecting a 83	Cross-Border Transfer Transfers to the Clearing House of Contracts	
Regulation 85—Impossibility of 84	Default affecting a Cross-Border Transfer	305
Regulation 86—Options 85	Impossibility of Transfer	306
Regulation 87—Re-registration of Contracts 86	Options	307
SCHEDULE TO THE Turquoise Derivatives REGULATIONS	Regulation 87	Re-reg
Part A	SCHEDULE TO THE Turquoise Derivatives Cleared Exchange Contract Terms arising from Turquoise D	
Part B	Product Eligibility Criteria for Registration of an A Turquoise Derivatives Cleared Exchange	
HKMEx REGULATIONS	Part B	Produc
Regulation 88	Introduction and Application	HKMEx
Regulation 89—Presentation, allocation of HKMEx Transactions 88	Introduction and registration of HKMEx	
Regulation 90—89	Presentation, allocation of HKMEx Transactions and registration of HKMEx Contracts	
Regulation 91—Daily Settlement or Marking to Market 90	HKMEx Contracts	319
NODAL REGULATIONS	Regulation 91	Daily S
Regulation 92	Introduction and Application	NODAL

Regulation 93 — Presentation, Allocation of Nodal Transactions 92 Introduction and Registration of Nodal C	
Regulation 94 — 93 Presentation, Allocation of Nodal Transactions and Registration of Nodal Contracts	
Regulation 95 — Daily Settlement or Marking to Market 94 Nodal Contracts	327
NYSE LIFFE CLEARING REGULATIONS Regulation 95	Daily S
Regulation 96 Introduction and Application — NYSE I	
Regulation 97 — NYSE Liffe Clearing Membership 96 Introduction and Application	331
Regulation 98 — Default of a 97 NYSE Liffe Clearing Member Membership	332
RESERVED — Regulation 98 Default of a NYSE Liffe Clearing Member	334
Regulation 99 RESERVED	335
Regulation 100 RESERVED	335
Regulation 101 RESERVED	335
Regulation 102 RESERVED	335
FOREXCLEAR REGULATIONS Regulation 102	RESEF
Regulation 103 Application of ForexClear Regulations — FOREX	
Regulation 104 — Registration 103 Application of ForexClear Contracts Regulations	336
Regulation 105 — 104 Registration of ForexClear Contracts	339
Regulation 106 — Cancellation of 105 ForexClear Contracts	341
Regulation 107 — 106 Cancellation of ForexClear Dealers Contracts	343
Regulation 108 — Variation Margin 107 ForexClear Dealers	344
Regulation 109 — Withdrawal of the ForexClear Service by the Clearing House 108 Variation Margin	345
SCHEDULE TO THE FOREXCLEAR REGULATIONS Regulation 109	Withdra
Part A ForexClear Contract Terms — SCHED	
Part B — Product Eligibility Criteria for Registration of a A... ForexClear Contract Terms	347
Part B — Product Eligibility Criteria for Registration of a ForexClear Contract.....	352

LCH.CLEARNET LIMITED

GENERAL REGULATIONS OF THE CLEARING HOUSE

Scope

Save where expressly stated to the contrary in these Regulations or the Procedures, these Regulations govern clearing services provided by LCH.Clearnet Limited. They do **not** cover clearing services provided by LCH.Clearnet SA which are governed by a separate set of rules.

For the purposes of these Regulations, LCH.Clearnet Limited is referred to as “the Clearing House”. The terms “Member” or “Clearing Member” are used to refer to an undertaking which is entitled to receive clearing services from LCH.Clearnet Limited (see “Definitions”). They do not mean “shareholder” of LCH.Clearnet Limited or of any other undertaking in the LCH.Clearnet Group.

Any Regulation or group of Regulations expressly stated not to apply to a category, or categories, of Contract shall not apply to such category, or categories, of Contract.

The Link Regulations set out in Regulations 40 to 44 apply only to Contracts on the terms of a Linked Exchange Contract as further provided in Regulation 40.

The SwapClear Regulations set out in Regulations 46 to 52 apply only to SwapClear Contracts. Save as provided in Regulation 46, the provisions of Regulations 1 to 39A shall not apply to SwapClear Contracts.

The RepoClear Regulations set out in Regulations 53 to 60 apply only to RepoClear Contracts. Save as provided in Regulation 53, the provisions of Regulations 1 to 39A shall not apply to RepoClear Contracts.

The EquityClear Regulations set out in Regulations 61 to 67 apply only to EquityClear Contracts. Save as provided in Regulation 61, the provisions of Regulation 1 to 39A shall not apply to EquityClear Contracts.

LCH EnClear OTC Regulations set out in Regulation 68 and Regulations 73A to 73D respectively apply only to LCH EnClear OTC Contracts. Save as provided in Regulation 68, the provisions of Regulation 1 to 39A shall not apply to LCH EnClear OTC Contracts.

The Turquoise Derivatives Regulations set out in Regulations 74 to 87 apply only to Turquoise Derivatives Cleared Exchange Contracts which are eligible for clearing pursuant to these Regulations and the Turquoise Derivatives Rules.

The HKMEx Regulations set out in Regulations 88 to 91 apply only to HKMEx Contracts.

The Nodal Regulations set out in Regulations 92 to 95 apply only to Nodal Contracts.

The ForexClear Regulations set out in Regulations 103 to 109 apply only to ForexClear Contracts. Save as provided in Regulation 103, the provisions of Regulations 1 to 39A shall not apply to ForexClear Contracts.

Definitions

In these Regulations and the Procedures, except where the context otherwise requires, the following words and expressions shall have the following meanings:

- Account Assets - Means all cash, margin, securities, receivables, rights, intangibles and any other collateral or assets deposited or held with the Clearing House by a Clearing Member in connection with an account carried by such Clearing Member on behalf of a SwapClear Clearing Client: (i) as cover for and in respect of the clearing of SwapClear Contracts for such SwapClear Clearing Client; and (ii) in the form of Additional Collateral.
- Account Balance* - Means, in relation to the SwapClear Clearing Client Business of a defaulter, an Individual Segregated Account Balance or an Omnibus Net Segregated Account Balance.
- Additional Collateral* - Means, in relation to SwapClear Clearing Client Business, collateral delivered by a SwapClear Clearing Member to the Clearing House in respect of a SwapClear Clearing Client which is in excess of the Required Collateral relating to the SwapClear Clearing Client Business undertaken by the relevant SwapClear Clearing Member in respect of the relevant SwapClear Clearing Client and which has been designated by that SwapClear Clearing Member as being Additional Collateral to be held in the Additional Collateral Account held in respect of that SwapClear Clearing Client.
- Additional Collateral Account* - Means, in relation to SwapClear Clearing Client Business, a sub-account opened by a SwapClear Clearing Member with the Clearing House in respect of a SwapClear Clearing Client for the purposes of holding Additional Collateral.
- approved agent* - A person appointed by the Clearing House to perform certain functions on its behalf in respect of an ATP.
- Approved Broker* - A person authorised by the Clearing House to participate as a broker in the LCH EnClear OTC service.
- Approved Trade Source System - Means a system or facility, such as an exchange, a clearing house, a swap execution facility, a designated contract market or other similar venue, approved by the Clearing House for executing SwapClear Transactions (and excludes, for the avoidance of doubt, the SwapClear API).
- Approved Turquoise Derivatives Settlement Provider* - The securities depository or securities settlement system (or an operator thereof) approved by the Clearing House from time to time for the provision of settlement services in connection with the Turquoise Derivatives Service.
- Approved EquityClear Clearing Agreement* - An agreement prescribed as such by the Clearing House from time to time between an EquityClear Clearing Member, an EquityClear NCM and the Clearing House.
- Approved EquityClear Settlement Provider ("ASP")* - The operator of the securities depository and/or securities settlement system prescribed by the Clearing House from time to time for the provision of settlement services in

- respect of specified EquityClear Contracts.
- Approved EquityClear Trading Platform ("ATP")* - Any trading platform approved as such from time to time by the Clearing House in respect of the EquityClear service.
- Associated Account Assets* - The cover to be transferred to the Receiving Clearing Member in respect of the Account Assets of (i) an Individual Segregated Account Client or (ii) all of the Omnibus Net Segregated Clearing Clients within an Omnibus Net Segregated Account (as applicable).
- Associated Clearing House* - The clearing house appointed from time to time by a Co-operating Exchange to act as the central counterparty to some or all transactions made on, or under the rules of the Co-operating Exchange.
- ATP Market Rules* - The rules, regulations, administrative procedures, Memorandum and Articles of Association or bye-laws which regulate an ATP and the market administered by it as notified from time to time to the Clearing House.
- Auction Portfolio* - Has the meaning assigned to it in the Default Rules.
- Automated Trading System* - An automated trading system in respect of which the Clearing House has an agreement with the operator thereof and in respect of which the Clearing House has notified RepoClear Participants in accordance with the Procedures.
- Backup SwapClear Clearing Member* - Means, in relation to SwapClear Clearing Client Business, the SwapClear Clearing Member(s) indicated by a SwapClear Clearing Client as acting as such and notified to the Clearing House from time to time.
- Board* - The board of directors or other governing body (whether ~~called~~ called a board, a committee or otherwise) of an Exchange.
- Bond Trade* - A trading activity in which a RepoClear Participant offers to sell RepoClear Eligible Securities, and another RepoClear Participant offers to purchase those RepoClear Eligible Securities, and a trade subsequently ensues.
- business day* - In respect of a Cleared Exchange Contract, an OTC Contract (except where specified otherwise in the relevant OTC Contract Terms), an LCH EnClear OTC Contract (except where specified otherwise in the LCH EnClear OTC Contract Terms), and an EquityClear Contract a day on which the Clearing House is open for business.
- buyer* - A Member (or the Clearing House where the context so requires) who is a buyer under the terms of an exchange contract, a Cleared Exchange Contract, an Turquoise Derivatives Cleared Exchange Contract, a RepoClear Transaction, a RepoClear Contract, a RepoClear GC Transaction, a RepoClear GC Contract, an EquityClear ATP Match, an EquityClear Novation Transaction, EquityClear (ccCFD) ATP Match or an Eligible OTC Trade, as the case

may be.

- Carrying Clearing Member* - A SwapClear Clearing Member carrying an account for a SwapClear Clearing Client, and in respect of which Relevant SwapClear Contracts and Associated Account Assets in respect of Account Assets held in such account may be transferred to a Receiving Clearing Member pursuant to Regulation 52C of these Regulations and in accordance with the Procedures.
- CEA* - Has the meaning assigned to it in the Default Rules.
- CFTC* - Has the meaning assigned to it in the Default Rules.
- Cleared Exchange Contract* - A Contract entered into by the Clearing House on the terms of an exchange contract.
- Clearing House* - LCH.Clearnet Limited whose registered office is located at Aldgate House, 33 Aldgate High Street, London EC3N 1EA, United Kingdom.
- Clearing House Prescribed Language* - Means, in relation to SwapClear Clearing Client Business, the wording prescribed by the Clearing House for inclusion in the SwapClear Clearing Agreements entered into by SwapClear Clearing Members with their clients.
- Clearing Membership Agreement* - The agreement so designated under which, inter alia, the Clearing House agrees to make available clearing services in respect of Contracts together with any extension letter or other agreement; in these Regulations and the Procedures the expressions "Clearing Member Agreement", "Member Agreement" and "Membership Agreement" shall have the same meaning as "Clearing Membership Agreement"; and in the Default Rules and the Default Fund Rules "Clearing Membership Agreement" includes the FCM Clearing Membership Agreement and FCM Default Fund Agreement.
- client account* - Means a segregated account with the Clearing House opened in the name of a Member in which Contracts relating to contracts made by the Member with one or more segregated clients are registered and to which monies in respect of such Contracts are credited.
- closing-out contract* - For the purposes of these Regulations, a contract effected by or on behalf of the Clearing House and registered in a Member's name, being a contract on the same terms (except as to price or premium) as an open contract in the Member's name, save that where the Clearing House is a buyer or a fixed rate payer, as the case may be, under the terms of such open contract the Clearing House shall be a seller or floating rate payer, as the case may be, under the terms of such closing-out contract and vice-versa.
- Co-operating Clearing House* - (i) a Co-operating Exchange or Associated Clearing House party to a Link Agreement with the Clearing House; or (ii) a clearing house party to an agreement with the Clearing House in respect of the co-clearing of an Exchange pursuant to which such organisation co-clears specific types of

	Contract and agrees to be bound by these Regulations as a Member to the extent and subject to any variations agreed in such agreement.
<i>Co-operating Exchange</i>	- An exchange (which may also act as a central counterparty) which is party to a co-operation agreement with TGHL.
<i>Combined Turquoise Derivatives Orderbook</i>	- Means the electronic Orderbook operated by TGHL. and one or more Co-operating Exchanges.
<i>Commodity</i>	- Any kind of property, currency, documents, right or interest (including an option) which is the subject matter of an exchange contract or an LCH EnClear OTC Contract.
<i>confirmed contract</i>	- An original exchange contract which has been confirmed to the Clearing House by or on behalf of a buyer and a seller pursuant to Regulation 6 or 7 and the Procedures, save that where one or more allocations of an original exchange contract have taken place in accordance with Regulation 7 and the Procedures a "confirmed contract" shall only arise when the last allocation of such original exchange contract has been made and confirmed by a Member pursuant to Regulation 7 and the Procedures.
<i>Contract</i>	- (i) A contract subject to the Regulations entered into by the Clearing House with a Member for the purposes of or in connection with the provision of clearing services including, without limitation, an open contract, settlement contract, re-opening contract or closing-out contract; and also (ii) in the case of the Default Rules (including the SwapClear DMP Annex and ForexClear DMP Annex), the Default Fund Rules, the FCM Default Fund Agreement, and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM SwapClear Contract.
<i>contract for differences</i>	- A Cleared Exchange Contract, a Turquoise Derivatives Cleared Exchange Contract, an OTC Contract or an LCH EnClear OTC Contract which is to be performed by cash settlement only.
<i>Contribution</i>	- In relation to the Default Fund Rules, has the meaning assigned to it in rule 17 of the Default Fund Rules.
<i>cover</i>	- An amount determined by the Clearing House of cash or, with the approval of the Clearing House, security in a currency and a form acceptable to the Clearing House as prescribed by the Procedures.
<i>Cross-Border Transfers</i>	- The automatic transfers of Turquoise Derivatives Cleared Exchange Contracts from an account of a Linked Member maintained with a Co-operating Exchange to an account of a Member with the Clearing House.
<i>Cross-Margining Affiliate</i>	- A Member or a member of a Cross-Margining Exchange who has been accepted as eligible to be a Cross-Margining Participant by the Clearing House or the Cross-Margining Exchange, as the case may be, and who is an affiliate (as defined in a Cross-Margining Agreement) of a Cross-

- Margining Participant of the other exchange or clearing organisation.
- Cross-Margining Agreement* - An agreement entered into between the Clearing House and a Cross-Margining Exchange (together or with other parties, as the case may be) pursuant to which the Clearing House agrees to take into account, in calculating cover for initial margin to be furnished to the Clearing House by a Member who is a Cross-Margining Participant, contracts entered into between the Cross Margining Exchange and the Cross-Margining Participant or his Cross-Margining Affiliate and pursuant to which the Clearing House is liable to make payments to the Cross-Margining Exchange (and, as the case may be, the Cross-Margining Exchange is liable to make payments to the Clearing House) of amounts calculated in accordance with the terms of the loss-sharing arrangements set forth in such Cross-Margining Agreement.
- Cross-Margining Exchange* - An exchange, clearing house or organisation party to a Cross-Margining Agreement with the Clearing House.
- Cross-Margining Participant* - A Member or a member of a Cross-Margining Exchange, which the Clearing House or the Cross-Margining Exchange, as the case may be, has accepted may participate in the cross-margining arrangements set forth in the Cross-Margining Agreement as a Cross-Margining Participant or Cross-Margining Affiliate.
- daily settlement amounts* - Amounts due to the Clearing House from a Member or to a Member from the Clearing House, as the case may be, arising out of settlement of open contracts pursuant to Regulation 15 or Regulation 73c, and the Procedures.
- Day Position Balances* - For the purposes of the Link Regulations, the meaning attributed to it in the Procedures in respect of Contracts on the terms of a Linked Exchange Contract referred to in Regulation 41(b) or, in respect of contracts on the terms of a Participating Exchange Contract referred to in Regulation 41A, the meaning attributed to it in the relevant Link Agreement.
- Deed of Assignment* - Means a deed of assignment entered into between a SwapClear Clearing Member and a SwapClear Clearing Client (or, notwithstanding any description to the contrary, such SwapClear Clearing Client's security trustee) in respect of a SwapClear Clearing Agreement. For this purpose, where the Deed of Assignment is entered into with the Clearing House acting as security trustee for the benefit of a SwapClear Clearing Client, any reference to the exercise of rights by a SwapClear Clearing Client pursuant to such Deed of Assignment shall be a reference to the Clearing House exercising such rights in its capacity as a security trustee for the benefit of the SwapClear Clearing Client
- Default Management Process Agreement Amendment Agreement* - Has the meaning assigned to it in General Regulation 52A.

- defaulter* - Has the meaning assigned to it in rule 4 of the Default Rules.
- Default Fund Rules* - The Clearing House's Default Fund Rules from time to time in force which, for the avoidance of doubt, form part of the General Regulations and of the Default Rules.
- Default Rules* - The Clearing House's Default Rules from time to time in force pursuant to Part IV of The Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001 which, for the avoidance of doubt, form a part of these General Regulations.
- Defaulting SCM* - Has the meaning assigned to it in the Default Fund Rules.
- Defaulting SCM FXCCM* - Has the meaning assigned to it in the Default Fund Rules.
- delivery contract* - A Cleared Exchange Contract or Turquoise Derivatives Cleared Exchange Contract between the Clearing House and a Member:
- (i) for the immediate sale and purchase of a commodity arising on the exercise of an option pursuant to these Regulations; or
 - (ii) for the sale and purchase of a commodity for delivery on the date specified in the contract or on the date agreed between the parties, in either case being an open contract under which tender is not required to be given.
- delivery month* - In respect of an exchange contract, the meaning ascribed to it in the Exchange Rules governing such contract or, in respect of an LCH EnClear OTC Contract, the meaning ascribed to it in the LCH EnClear OTC Procedures, or in respect of a Turquoise Derivatives Cleared Exchange Contract, an expiration month as defined in the Turquoise Derivatives Rules.
- Economic Terms* - That part of the SwapClear Contract Terms, RepoClear Contract Terms, RepoClear GC Contract Terms, EquityClear Contract Terms, LCH EnClear OTC Contract Terms, or ForexClear Contract Terms as the case may require, designated as Economic Terms by the Clearing House from time to time.
- Eligibility Criteria* - With regard to an EquityClear Open Offer, the conditions set out in Regulation 62A(c) or 62C(c).
- Eligible OTC Trade* - A trade eligible for registration in the LCH EnClear OTC Services.
- EquityClear ATP Match* - An EquityClear (Equities) ATP Match or EquityClear (ccCFD) ATP Match.
- EquityClear Clearing Member* - A Member who is designated by the Clearing House as an EquityClear Clearing Member eligible to clear EquityClear

Contracts.

- EquityClear(ccCFD) Contract Terms* - The terms applicable to each EquityClear (ccCFD) Contract, where such terms are not specified by the ATP, as set out from time to time in the Schedule to the EquityClear Regulations or the Procedures.
- EquityClear (ccCFD) ATP Match* - An EquityClear ATP Match where the relevant ATP Market Rules permit the matching of Trading Platform Particulars that consist of the sale or purchase of an EquityClear Eligible ccCFD and the corresponding purchase or sale, as the case may be, of an EquityClear Eligible ccCFD.
- EquityClear (ccCFD) Open Offer* - The open offer made by the Clearing House in respect of an EquityClear (ccCFD) ATP Match meeting the EquityClear (ccCFD) Open Offer Eligibility Criteria.
- EquityClear (ccCFD) Contract* - An EquityClear Contract entered into by the Clearing House with an EquityClear Clearing Member on the EquityClear (ccCFD) Contract Terms or such other terms specified by the relevant ATP.
- EquityClear Clearing Member* - a Member who is designated by the Clearing House as an EquityClear Clearing Member eligible to clear EquityClear Contracts.
- EquityClear Contract* - An EquityClear (Equities) Contract and/or an EquityClear (ccCFD) Contract as the case may be.
- EquityClear Contract Terms* - The EquityClear (Equities) Contract Terms and/or the EquityClear (ccCFD) Contract Terms as the case may be.
- EquityClear Eligible ccCFD* - A contract for difference in respect of an EquityClear Eligible Underlying Instrument prescribed by the Clearing House and eligible for those prescribed parts of the EquityClear service and which appear in the list or lists published for this purpose from time to time by the Clearing House.
- EquityClear Eligible ccCFD Underlying Instruments* - The security, index, commodity, currency pair or other asset or product that is the subject matter of an EquityClear (ccCFD) and which appear in the list or lists published for this purpose from time to time by the Clearing House.
- EquityClear Eligible Equities* - Securities prescribed from time to time by the Clearing House which are eligible for any part or parts of the EquityClear service and which appear in the list or lists published from time to time by the Clearing House.
- EquityClear (Equities) ATP Match* - The matched Trading Platform Particulars resulting from the matching on an ATP, in accordance with the relevant ATP Market Rules, of Trading Platform Particulars received from, or on behalf of: (i) two EquityClear Clearing Members (with one as buyer and one as seller); or (ii) one EquityClear Clearing Member and one member of a relevant Co-operating Clearing House (with one as buyer and one as seller).

- EquityClear (Equities) Contract* - An EquityClear Contract entered into by the Clearing House with an EquityClear Clearing Member on the EquityClear (Equities) Contract Terms or such other terms specified by the relevant ATP.
- EquityClear (Equities) Contract Terms* - The terms applicable to each EquityClear (Equities) Contract, where such terms are not specified by the ATP, as set out from time to time in the Schedule to the EquityClear Regulations or the Procedures.
- EquityClear (Equities) Open Offer* - The open offer made by the Clearing House in respect of an EquityClear (Equities) ATP Match meeting the EquityClear (Equities) Open Offer Eligibility Criteria.
- EquityClear Mixed Member Match* - (i) An ATP Match reflecting two sets of matched Trading Platform Particulars submitted by, or on behalf of, one EquityClear Clearing Member and one member of a relevant Co-operating Clearing House (with one as buyer and one as seller), or (ii) an EquityClear Novation Transaction between one EquityClear Clearing Member and one member of a relevant Co-operating Clearing House (with one as buyer and one as seller).
- EquityClear Non-Clearing Member (EquityClear NCM)* - A person who is not a Member but is party to an Approved EquityClear Clearing Agreement with an EquityClear Clearing Member/s and the Clearing House, and is included by the Clearing House on the Register of EquityClear NCMs as eligible to submit Trading Platform Particulars to such one or more Approved EquityClear Trading Platform/s as may be approved by the Clearing House with regard to that person, and any resulting EquityClear ATP Matches to the Clearing House, on behalf of the relevant EquityClear Clearing Member pursuant to, and in accordance with, such Approved EquityClear Clearing Agreement, the relevant ATP Market Rules, the Regulations and the Procedures.
- EquityClear Novation Transaction* - The matched Trading Platform Particulars representing a bilateral transaction and either:
- (i) concluded other than through the orderbook of a relevant ATP which is capable of being cleared in accordance with the relevant ATP Market Rules and the Regulations; or
 - (ii) concluded through an orderbook of an ATP, where the relevant ATP Market Rules specify that transactions executed there will be cleared via novation; and
 - (iii) in either case is submitted for registration by, or on behalf of, one EquityClear Clearing Member (or, in respect of an EquityClear Mixed Member Match, one member of the relevant Co-operating Clearing House) identified as, or as acting as clearing member for, the buyer and the same or another EquityClear Clearing Member identified as, or as acting as clearing member for, the seller.

- EquityClear Open Offer* - An EquityClear (Equities) Open Offer or EquityClear (ccCFD) Open offer
- EquityClear Participants* - EquityClear Clearing Members and EquityClear NCMs.
- EquityClear Regulations* - The Clearing House's Regulations, applicable to EquityClear Contracts only, from time to time in force.
- €GC Trade* - A trading activity in which a RepoClear Participant ("the First Participant") offers to sell (or buy) an agreed value of securities comprised in a €GC Basket, to be allocated in accordance with the RepoClear Procedures applicable to RepoClear €GC Contracts, and another RepoClear Participant ("the Second Participant") offers to buy (or sell, as the case may be) the securities so allocated, on the conditions that:
- (i) at the end of a specified period of time, the Second Participant sells (or buys, as the case may be) Equivalent Securities (as such term is used in the RepoClear €GC Contract Terms) and the First Participant buys (or sells, as the case may be) those Equivalent Securities; and
 - (ii) the understanding of the parties is that their obligations during the term of the transaction will be represented by a series of overnight repurchase transactions effected either through CBL's service under the AutoAssign Supplement, Euroclear's AutoSelect service or any other equivalent service provided by a Triparty Agent, as the case may be, as contemplated by the RepoClear Procedures applicable to RepoClear €GC Contracts,
- and a trade subsequently ensues.

Execution Terms

Means the terms (if any) that apply to a SwapClear Transaction relating to the registration or non-registration of such SwapClear Transaction.

- Event Protection Contract* - A Cleared Exchange Contract between the Clearing House and a Member arising in connection with a LIFFE Credit Default Swap Index Contract pursuant to Regulation 18.
- Excess Collateral* - Means, in relation to SwapClear Clearing Client Business, collateral, other than Additional Collateral, delivered to the Clearing House by a SwapClear Clearing Member in respect of its SwapClear Clearing Client Business which is in excess of the Required Collateral in respect of such SwapClear Clearing Client Business.
- Exchange* - An organisation (whether an exchange, association, company or otherwise) responsible for administering a futures, options, stock or other market, to which the Clearing House provides clearing services.
- exchange contract* - A class of contract (1) on the terms published from time to time by an Exchange and permitted to be made by a

member of such Exchange on the market administered by that Exchange or otherwise in accordance with Exchange Rules, or (2) eligible for submission to the Clearing House for registration pursuant to the Exchange Rules. For the purposes of these Regulations “exchange contract” shall not include any class of contract capable of being made on the London Stock Exchange, or on any ATP.

Exchange Rules

- The rules, regulations, administrative procedures, Memorandum and Articles of Association or bye-laws which regulate an Exchange and the market administered by it as notified from time to time to the Clearing House and, without prejudice to the generality of the foregoing, any regulations or directions made by the Board and any procedures, practices and administrative requirements of the Exchange. The term “Exchange Rules” shall include the Turquoise Derivatives Rules, as the case may be, save where the context otherwise requires.

Executing Party

- ~~Has the meaning assigned to it in the FCM Regulations.~~ Means each person described as a party to a SwapClear Transaction or a FCM SwapClear Transaction (as applicable) in the details submitted to the Clearing House via the relevant Approved Trade Source System or FCM Approved Trade Source System (as applicable).

expiry date or month

- A date or month prescribed by Exchange Rules in respect of an option contract.

FCM Approved Trade Source System

- Has the meaning assigned to it in the FCM Regulations

FCM Clearing Member

- Has the meaning assigned to it in the FCM Regulations.

FCM Clearing Membership Agreement

- Has the meaning assigned to it in the FCM Regulations.

FCM Client

- Has the meaning assigned to it in the FCM Regulations

FCM Default Fund Agreement

- Has the meaning assigned to it in the FCM Regulations

FCM Omnibus OTC Client Account with LCH

- Has the meaning assigned to it in the FCM Regulations.

FCM Procedures

- Has the meaning assigned to it in the FCM Regulations.

FCM Regulations

- Means the Clearing House's FCM Regulations.

FCM SwapClear Clearing Services

- Has the meaning assigned to it in the FCM Regulations.

FCM SwapClear Contract

- Has the meaning assigned to it in the FCM Regulations.

FCM SwapClear Transaction

- Has the meaning assigned to it in the FCM Regulations.

ForexClear Clearing Member (FXCCM)

- A Member who is designated by the Clearing House as a ForexClear Clearing Member eligible to clear ForexClear

	Contracts.
<i>ForexClear Contract</i>	- A Contract entered into by the Clearing House with a ForexClear Clearing Member on the ForexClear Contract Terms.
<i>ForexClear Contract Terms</i>	- The terms applicable to each ForexClear Contract as set out from time to time in the Schedule to the ForexClear Regulations or the Procedures.
<i>ForexClear Dealer (FXD)</i>	- A person admitted by the Clearing House to the Register of ForexClear Dealers and who has not been removed from the Register of ForexClear Dealers.
<i>ForexClear Dealer Clearing Agreement (FDC Agreement)</i>	- A written agreement, in the form and on the terms prescribed by the Clearing House between an FXD, an FXCCM and the Clearing House which has the function, amongst other things, of setting out the terms on which the FXCCM agrees to clear ForexClear Transactions for the ForexClear Dealer.
<i>ForexClear DMG</i>	- Has the meaning assigned to it in the Default Rules.
<i>ForexClear DMP</i>	- Has the meaning assigned to it in the Default Rules.
<i>ForexClear Eligibility Criteria</i>	- With regard to ForexClear Transactions, the product criteria set out in Part B of the Schedule to the ForexClear Regulations.
<i>ForexClear Matcher</i>	A party which has been notified in writing by the Clearing House to ForexClear Participants from time to time as being a matching provider for the ForexClear Service.
<i>ForexClear Participants (FXPs)</i>	- ForexClear Clearing Members, and ForexClear Dealers, and "ForexClear Participant" means either of them.
<i>ForexClear Regulations</i>	- The Regulations entitled as such, applicable to ForexClear Contracts only, from time to time in force.
<i>ForexClear Service</i>	- The service provided by the Clearing House under the ForexClear Regulations.
<i>ForexClear Transaction</i>	- A contract, meeting the ForexClear Eligibility Criteria for registration as a ForexClear Contract, entered into between two ForexClear Clearing Members, of which particulars are presented to the Clearing House for registration in the name of ForexClear Clearing Members in accordance with the Regulations.
<i>Reference Currency Buyer</i>	- Means in relation to ForexClear Contract that is a Non-Deliverable FX Transaction, the party specified as the 'Reference Currency Buyer' in the Economic Terms.
<i>Reference Currency Seller</i>	Means in relation to ForexClear Contract that is a Non-Deliverable FX Transaction, the party specified as the 'Reference Currency Seller' in the Economic Terms.

<i>Register of ForexClear Dealers</i>	- The register which lists ForexClear Dealers regarded by the Clearing House as for the time being eligible to submit contracts for registration as ForexClear Contracts by the Clearing House.
<i>GC Trade</i>	- A €GC Trade or a SGC Trade.
<i>HKMEx</i>	- The Hong Kong Mercantile Exchange Limited of 1905 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, and such of its affiliates as may operate the HKMEx Trading System from time to time.
<i>HKMEx Contract</i>	- A Contract entered into by the Clearing House with a HKMEx Service Clearing Member pursuant to the HKMEx Regulations.
<i>HKMEx Contract Terms</i>	- The terms of a HKMEx Contract as set out in the HKMEx contract specification provided in HKMEx's Rules.
<i>HKMEx Eligible Product</i>	- A product prescribed from time to time by the Clearing House as eligible for the HKMEx Service.
<i>HKMEx Non-Clearing Member</i>	- A person other than a HKMEx Service Clearing Member who is party to an agreement with HKMEx allowing such person to be a participant in the HKMEx Trading System and subjecting such person to the provisions of HKMEx's Rules.
<i>HKMEx Participants</i>	- HKMEx Service Clearing Members and HKMEx Non-Clearing Member.
<i>HKMEx Regulations</i>	- The Clearing House's Regulations applicable to HKMEx Contracts from time to time in force.
<i>HKMEx's Rules</i>	- The rules, practices, procedures, trading protocols and arrangements of the HKMEx Trading System as may be prescribed from time to time relating to HKMEx Eligible Products.
<i>HKMEx Service</i>	- The service provided by the Clearing House under the HKMEx Regulations.
<i>HKMEx Service Clearing Member</i>	- A Member who is designated by the Clearing House as eligible to clear HKMEx Contracts.
<i>HKMEx Trading System</i>	- The facility, trading system or systems operated directly or indirectly by HKMEx on which HKMEx Eligible Products may be traded.
<i>HKMEx Transaction</i>	- A contract in a HKMEx Eligible Product between HKMEx Service Clearing Members arising or registered on a HKMEx Trading System meeting the requirements of the Regulations and the Procedures.
<i>Individual Segregated Account</i>	- Means, in relation to SwapClear Clearing Client Business, a sub-account opened within the Clearing House by a SwapClear Clearing Member in respect of Individual Segregated Account Business.

- Individual Segregated Account Balance* - Means, in respect of an Individual Segregated Account Clearing Client, the sum of: (1)~~(i)~~(i) the Required Collateral attributed by the Clearing House in accordance with its rules and procedures to that client; (ii) the Excess Collateral attributed by the Clearing House in accordance with its rules and procedures to that client; and (iii) the Additional Collateral held in the Additional Collateral Account in respect of that client; minus (2) in respect of any Individual Segregated Account Clearing Client in respect of whom the Clearing House acts as security trustee under a Deed of Assignment, that client's share (if any) of amounts required to discharge fees incurred by the security trustee (acting in that capacity) allocated between that SwapClear Clearing Client and the other SwapClear Clearing Clients in respect of whom the Clearing House acts as security trustee under such Deed of Assignment, by the Clearing House pro rata as it sees fit in its sole discretion.
- Individual Segregated Account Business* - Has the meaning ascribed to such term in sub-paragraph (i) of paragraph (c) of Regulation 52A.
- Individual Segregated Account Clearing Client* - Means, in relation to SwapClear Clearing Client Business, a client in respect of whom a SwapClear Clearing Member engages in Individual Segregated Account Business.
- initial margin* - An amount determined and published from time to time by the Clearing House with regard to each category of contract, in respect of which Members may be required to provide to the Clearing House cover in accordance with these Regulations and the Procedures as a condition of registration of a contract by the Clearing House and otherwise in respect of all Contracts registered with the Clearing House, as prescribed by these Regulations and the Procedures.
- LCH Approved Outsourcing Party* - Means a party approved for these purposes by the Clearing House, as set out in the FCM Procedures.
- LCH.Clearnet Group* - The group of undertakings consisting of LCH.Clearnet Limited, LCH.Clearnet Group Limited and Banque Centrale de Compensation S.A. trading as LCH.Clearnet SA. (Reference to a "member" of LCH.Clearnet Group within these Regulations is to be construed accordingly).
- LCH EnClear OTC Clearing Member* - A Member who is designated by the Clearing House as an LCH EnClear OTC Clearing Member eligible to clear LCH EnClear OTC Contracts.
- LCH EnClear OTC Contract* - A Contract entered into by the Clearing House with an LCH EnClear OTC Clearing Member on any applicable set of Contract Terms prescribed in the LCH EnClear OTC Regulations.
- LCH EnClear OTC Contract Terms* - The relevant Contract Terms in respect of LCH EnClear OTC Contracts.
- LCH EnClear OTC Regulations* - The Clearing House's Regulations, applicable to LCH

	EnClear OTC Contracts only, from time to time in force.
<i>LCIA Rules</i>	The LCIA Arbitration Rules of The London Court of International Arbitration.
<i>LIFFE</i>	- LIFFE Administration and Management
<i>LIFFE Credit Default Swap Index Contract</i>	- A Cleared Exchange Contract entered into by the Clearing House and a Member on the LIFFE Credit Default Swap Index Contract Terms.
<i>LIFFE Credit Default Swap Index Contract Terms</i>	- The terms of the LIFFE Credit Default Swap Index Contract specification provided in LIFFE Rules.
<i>LIFFE Market</i>	- Any market operated by LIFFE regardless as to whether the market is an exchange, multilateral trading facility, alternative trading system, other platform or an over the counter market but excluding any market outside of the European Union operated by LIFFE.
<i>LIFFE Rules</i>	- The rules adopted by LIFFE in force from time to time and which govern the membership and operation of a LIFFE Market.
<i>Link</i>	- The trading and/or clearing arrangements established by the Clearing House and a Participating Exchange and, as the case may be, an Exchange in respect of either or both of the following: <ul style="list-style-type: none"> (i) one or more exchange contracts; (ii) one or more Participating Exchange Contracts.
<i>Link Agreement</i>	- An agreement entered into between the Clearing House and a Participating Exchange and, if applicable, an Exchange for the purposes of a Link.
<i>Link Clearing Agreement</i>	- A written agreement in one or more forms and in the terms prescribed by an Exchange, the Clearing House and a Participating Exchange to which, amongst others, a Member is party which has the function, amongst other things, of facilitating the transfer of Contracts on the terms of one or more Linked Exchange Contracts covered by such agreement in accordance with Regulation 41.
<i>Linked Exchange Contract</i>	- An exchange contract which is the subject of a Link.
<i>Linked Member</i>	- A member of a Co-operating Exchange.
<i>Link Regulations</i>	- The Clearing House's Link Regulations from time to time in force.
<i>lot</i>	- The standard unit or quantity prescribed by an Exchange, with the approval of the Clearing House, as the trading unit of an exchange contract; or <ul style="list-style-type: none"> - In relation to a contract other than an exchange contract, the standard unit or quantity prescribed by the relevant contract

	terms.
<i>LSE</i>	- The London Stock Exchange plc or any successor in title.
<i>margin</i>	- Initial margin and/or variation margin.
<i>market</i>	- A futures, options, forward, stock or other market, administered by an Exchange, or an OTC market in respect of which the Clearing House has agreed with such Exchange or, in respect of an OTC market, with certain participants in that market, to provide clearing services on the terms of these Regulations and the Procedures.
<i>market day</i>	- In respect of a commodity, a day on which the market on which that commodity is dealt in is open for trading.
<i>Member or Clearing Member</i>	- (i) Subject to (ii) means an undertaking (including a firm or company) which is entitled to be party to Contracts with the Clearing House in accordance with a Clearing Membership Agreement and the Procedures, a Participating Exchange or a Co-operating Clearing House, where so agreed with the Participating Exchange or the Co-operating Clearing House (as applicable). For the avoidance of doubt, the terms "Member" and "Clearing Member" for the purposes of these Regulations, Default Rules and Procedures, do not mean shareholder of LCH.Clearnet Limited or of any other undertaking in the LCH.Clearnet Group. - (ii) "Clearing Member" includes or means (as the case may be) FCM Clearing Member for the purpose of the Default Rules (including the SwapClear DMP Annex), the Default Fund Rules, the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time.
<i>Member Link Agreement</i>	- A Link Clearing Agreement or a Trade Allocation Agreement.
<i>Nodal</i>	- Nodal Exchange, LLC of 8065 Leesburg Pike, Suite 700, Vienna, VA 22182, United States of America.
<i>Nodal Contract</i>	- A Contract entered into by the Clearing House with a Nodal Service Clearing Member pursuant to the Nodal Regulations.
<i>Nodal Contract Terms</i>	- The terms of a Nodal Contract as set out in the Nodal contract specification provided in Nodal's Rules.
<i>Nodal Eligible Derivative Product</i>	- A derivative product prescribed from time to time by the Clearing House as eligible for the Nodal Service.
<i>Nodal Non-Clearing Participant</i>	- A person other than a Nodal Service Clearing Member who is party to an agreement with Nodal allowing such person to be a participant in the Nodal Trading Facility and subjecting such person to the provisions of Nodal's Rules.

<i>Nodal Participants</i>	- Nodal Service Clearing Members and Nodal Non-Clearing Participants.
<i>Nodal Reference Price</i>	- A Reference Price in respect of a Nodal Contract.
<i>Nodal Regulations</i>	- The Clearing House's Regulations applicable to Nodal Contracts from time to time in force.
<i>Nodal's Rules</i>	- The rules, practices, procedures, trading protocols and arrangements of the Nodal Trading Facility as the case may be and as may be prescribed from time to time relating to Nodal Eligible Derivative Products.
<i>Nodal Service</i>	- The service provided by the Clearing House under the Nodal Regulations.
<i>Nodal Service Clearing Member</i>	- A Member who is designated by the Clearing House as eligible to clear Nodal Contracts.
<i>Nodal Trading Facility</i>	- The facility, trading system or systems operated directly or indirectly by Nodal on which Nodal Eligible Derivative Products may be traded.
<i>Nodal Transaction</i>	- A contract in a Nodal Eligible Derivative Product between Nodal Service Clearing Members arising or registered on a Nodal Trading Facility meeting the requirements of the Regulations and the Procedures.
<i>Non-Deliverable FX Transaction</i>	- Has the meaning given to it in the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association, and the Foreign Exchange Committee, or any successor organisations, as amended and updated from time to time.
<i>NYSE Liffe Clearing Contract</i>	- A contract in the terms of a LIFFE exchange contract subject to the LIFFE Rules entered into by LIFFE as central counterparty with a NYSE Liffe Clearing Member including, without limitation, an open contract, settlement contract, re-opening contract or closing-out contract.
<i>NYSE Liffe Clearing Member</i>	- A Clearing Member who has been designated by LIFFE to clear NYSE Liffe Clearing Contracts and <i>NYSE Liffe Clearing Membership</i> shall be construed accordingly.
<i>NYSE Liffe Clearing Service</i>	- The central counterparty and ancillary services provided by LIFFE to NYSE Liffe Clearing Members in accordance with the LIFFE Rules.
<i>NYSE Liffe Clearing Membership Agreement</i>	- The tripartite clearing membership agreement relating to the NYSE Liffe Clearing Service between LIFFE, the Clearing House and each NYSE Liffe Clearing Member, as in force from time to time.
<i>official quotation</i>	- A price determined by the Clearing House under Regulation 14.

- Omnibus Net Segregated Account* - Means, in relation to SwapClear Clearing Client Business, a sub-account opened within the Clearing House by a SwapClear Clearing Member in respect of Omnibus Net Segregated Business.
- Omnibus Net Segregated Account Balance* - Means, in respect of an individual Omnibus Net Segregated Clearing Client, the sum of: (1) (i) the Required Collateral attributed by the Clearing House in accordance with its rules and procedures to that client; (ii) the Excess Collateral attributed by the Clearing House in accordance with its rules and procedures to that client; and (iii) the Additional Collateral held in the Additional Collateral Account in respect of that client; minus (2) in respect of any Omnibus Net Segregated Clearing Client in respect of whom the Clearing House acts as security trustee under a Deed of Assignment, that client's share (if any) of amounts required to discharge fees incurred by the security trustee (acting in that capacity) allocated between that SwapClear Clearing Client and the other SwapClear Clearing Clients in respect of whom the Clearing House acts as security trustee under such Deed of Assignment, by the Clearing House pro rata as it sees fit in its sole discretion.
- Omnibus Net Segregated Business* - Has the meaning ascribed to such term in sub-paragraph (ii) of paragraph (c) of Regulation 52A
- Omnibus Net Segregated Clearing Client* - Means, in relation to SwapClear Clearing Client Business, a client in respect of whom a SwapClear Clearing Member engages in Omnibus Net Segregated Business.
- Open Contract or open contract* - A Contract made with a Member on the terms (subject to variation of such terms as provided in the Regulations) of an original contract or a Contract made with a Member on the terms set out in the Regulations and/or any agreement entered into with the Member, which, in either case, has not been closed-out, settled or invoiced back in accordance with the Regulations and the Procedures. The term "open contract" shall include, where relevant, an option contract a delivery contract and an Event Protection Contract, but shall not include a settlement contract, a re-opening contract or a closing-out contract.
- open contract subject to tender* - A Cleared Exchange Contract made with a Member on the terms (unless otherwise provided in the Regulations) of an original exchange contract in respect of which a tender has been given, which has not been closed out, settled or invoiced back in accordance with the Regulations and the Procedures, and shall include, except where the context otherwise requires, a delivery contract.
- Open Offer for Turquoise Derivatives* - The open offer contained in Regulation 75 in relation to Orderbook Matches.
- option* - A right to enter into a contract for the sale and purchase of a commodity for future delivery, a contract for differences, or a delivery contract.

- option contract* - A contract for an option on the terms of an exchange contract; or
- original contract* - An original exchange contract, EquityClear Novation Transaction, Eligible OTC Trade, or an OTC Transaction other than a Repo Trade, Bond Trade or GC Trade.
- original exchange contract* - A contract including, where relevant, an option contract on the terms of an exchange contract which
- (i) has been entered into on a market or otherwise under or in accordance with Exchange Rules and subject to Exchange Rules of which particulars are to be presented to the Clearing House for registration in the name of members in accordance with Exchange Rules, the Regulations or the Procedures; or
 - (ii) arises pursuant to Regulation 41A(b) upon the transfer of a contract on the terms of a Participating Exchange Contract under a Link; or
 - (iii) by agreement with a Participating Exchange is to be registered in the name of a Participating Exchange in accordance with the terms of any agreement made with a Participating Exchange.

Where any such contract is for more than one lot there shall be deemed to be a separate contract in respect of each lot and the term "original exchange contract" shall be construed accordingly. The term "original exchange contract" shall include a confirmed contract, except where the context otherwise requires. For the avoidance of doubt, the term "original exchange contract" shall not include any ATP Match made pursuant to the rules of an Approved EquityClear Trading Platform.

- OTC Contract* - A Contract entered into by the Clearing House with a Member on the relevant OTC Contract Terms, as prescribed by the Clearing House from time to time, in accordance with the Regulations and the Procedures and/or any agreement entered into with the Member.
- OTC Contract Terms* - The SwapClear Contract Terms in respect of SwapClear Contracts, the RepoClear Contract Terms in respect of RepoClear Contracts, the RepoClear SGC Contract Terms in respect of RepoClear SGC Contracts and the RepoClear €GC Contract Terms in respect of RepoClear €GC, the ForexClear Contract Terms in respect of ForexClear Contracts..
- OTC market* - Any dealings in an investment (as defined in section 22(1) and Schedule 2 Part II of the Financial Services and Markets Act 2000) which are entered into otherwise than on or subject to the rules of an Exchange.
- OTC Service* - A service provided by the Clearing House for the clearing of a category of OTC Contract.

- OTC Transaction* - A transaction being a SwapClear Transaction, RepoClear Transaction, RepoClear GC Transaction, Repo Trade, Bond Trade or GC Trade, or ForexClear Transaction.
- Participating Exchange* - An organisation (whether an exchange, association, company or otherwise), other than an Exchange, responsible for administering a futures, options, stock or other market which has concluded a Link Agreement with the Clearing House including such an organisation pursuant to which Link Agreement:
- contracts on the terms of one or more Linked Exchange Contracts are to be transferred to, for clearing by, such organisation; or
 - contracts on the terms of one or more Participating Exchange Contracts are to be transferred to, for clearing by, the Clearing House.
- And, for the purposes of these Regulations, the term “Participating Exchange” shall include a Co-operating Clearing House and Co-operating Exchange and any clearing house (other than the Clearing House) which from time to time provides clearing services to such organisation.
- Participating Exchange Contract* - In respect of a Participating Exchange, means a class of contract, the terms of which are published by the Participating Exchange from time to time, permitted to be made by members of the Participating Exchange under Participating Exchange Rules and which is the subject of a Link.
- Participating Exchange Rules* - The provisions of a Participating Exchange’s Memorandum or Articles of Association or other constitutional documents, by-laws, rules, regulations, procedures, customs, practices, notices and resolutions in whatever form adopted by such Participating Exchange and any amendment, variation or addition thereto.
- Portfolios* - Has the meaning assigned to it in the Default Rules.
- premium* - The consideration for the selling of an option payable by the buyer in accordance with these Regulations and the Procedures.
- Price* - In the case of:
- (i) a contract on the terms of an exchange contract which is to be performed by delivery of a commodity, the consideration to be paid by the buyer in cash in the currency prescribed by the terms of the exchange contract, and in the case of an exchange contract which is a contract for differences, the valuation quoted as a price under its terms: or
 - (ii) an OTC Contract, the price calculated by the Clearing House in accordance with the Regulations and the

Procedures; or

- (iii) an EquityClear Contract, the consideration to be paid by the buyer in cash in the currency as set out in the ATP Match or ATP Match or EquityClear Novation Transaction information received by the Clearing House or its relevant approved agent; or
- (iv) an LCH EnClear OTC Contract, the price calculated by the Clearing House in accordance with the Regulations and Procedures.

Procedures

- One or more documents containing the working practices and administrative or other requirements of the Clearing House for the purposes of implementing or supplementing these Regulations, or the procedures for application for and regulation of membership of the Clearing House and in respect of SwapClear Dealers, RepoClear Dealers, EquityClear NCMs, and ForexClear Dealers respectively, for:
 - (i) application for admission to the Register of SwapClear Dealers and regulation of SwapClear Dealers admitted to the Register;
 - (ii) application for admission to the Register of RepoClear Dealers and regulation of RepoClear Dealers;
 - (iii) application for admission to the Register of EquityClear NCMs.
 - (iv) application for admission to the Register of ForexClear Dealers.

and "Procedures" includes FCM Procedures when used in the Default Rules and the Default Fund Rules.

prompt date

- In respect of an exchange contract, the meaning ascribed to it in the Exchange Rules governing such contract.

Proprietary Account

- Means a house account with the Clearing House opened in the name of a Member to which Contracts made by the Member for its own account are registered and to which monies in respect of such Contracts are credited.

Protest

- Has the meaning given to it in Exchange Rules.

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.

Receiving Clearing Member

- A SwapClear Clearing Member nominated by one or more SwapClear Clearing Client(s) to receive the transfer of Relevant SwapClear Contracts and, where applicable, all of the Associated Account Assets of such SwapClear Clearing

	<u>Client(s) from a Carrying Clearing Member .</u>
<u>Reference Currency Buyer</u>	- <u>Means in relation to ForexClear Contract that is a Non-Deliverable FX Transaction, the party specified as the 'Reference Currency Buyer' in the Economic Terms.</u>
<u>Reference Currency Seller</u>	<u>Means in relation to ForexClear Contract that is a Non-Deliverable FX Transaction, the party specified as the 'Reference Currency Seller' in the Economic Terms.</u>
<i>Reference Price</i>	- A price (howsoever called) by reference to which a Contract is settled to market, marked to market, settled or valued in accordance with the Regulations and Procedures.
<i>Register of EquityClear NCMs</i>	- The register which lists EquityClear NCMs.
<i>Register of ForexClear Dealers</i>	- The register which lists ForexClear Dealers regarded by the Clearing House as for the time being eligible to submit contracts for registration as ForexClear Contracts by the Clearing House.
<i>Register of RepoClear Dealers</i>	- The register which lists RepoClear Dealers regarded by the Clearing House as for the time being eligible to submit contracts for registration as RepoClear Contracts or RepoClear GC Contracts by the Clearing House or to deal through one or more Automated Trading Systems specified by the Clearing House in respect of each such RepoClear Dealer pursuant to which the Clearing House becomes a party to RepoClear Contracts or RepoClear GC Contracts, as the case may be, in accordance with the terms of the RepoClear Dealer Clearing Agreement and Regulation 56A.
<i>Register of SwapClear Dealers</i>	- The register which lists SwapClear Dealers regarded by the Clearing House as for the time being eligible to submit contracts for registration as SwapClear Contracts by the Clearing House.
<i>Registration Time</i>	- In respect of SwapClear Contracts shall have the meaning given in Regulation 47(d) or Regulation 48(d) as applicable;e); in respect of RepoClear Contracts and RepoClear SGC Contracts, shall have the meaning given in Regulation 54(d) or Regulation 55(d), as applicable; in respect of LCH EnClear OTC Contracts, shall have the meaning given in Regulation 73A, in respect of HKMEX Contracts, shall have the meaning given in Regulation 89(b), in respect of Nodal Contracts, shall have the meaning given in Regulation 93(b), in respect of ForexClear Contracts, shall have the meaning given in Regulation 104(d).
<i>Regulations</i>	- The Clearing House's General Regulations which include the Link Regulations, Default Rules, Default Fund Rules and Clearing House Settlement Finality Regulations, from time to time in force.
<i>Regulatory Body</i>	- The Secretary of State, The Financial Services Authority or professional body designated under Part XX of the Financial Services and Markets Act 2000 or other body given regulatory powers under that Act , the Bank of England, the

Commodity Futures Trading Commission of the United States (CFTC) or any department, agency, office or tribunal of a nation or state or any other body or authority which exercises a regulatory or supervisory function under the laws of the United Kingdom or under any foreign law.

- Relevant Contract* - Has the meaning assigned to it Regulation 52B.
- Relevant SwapClear Contracts* - Those SwapClear Contracts registered with a Carrying Clearing Member on behalf of one or more SwapClear Clearing Clients) that are subject to a request to be transferred to a Receiving Clearing Member.
- re-opening contract* - A contract arising pursuant to Regulation 20(c) or (d).
- Repo Trade* - A trading activity in which a RepoClear Participant (“the First Participant”) offers to sell (or buy) RepoClear Eligible Securities, and another RepoClear Participant (“the Second Participant”) offers to buy (or sell, as the case may be) those securities, on condition that, at the end of a specified period of time, the Second Participant sells (or buys, as the case may be) equivalent securities and the First Participant buys (or sells, as the case may be) those equivalent securities, and a trade subsequently ensues.
- RepoClear Clearing Member* - A Member who is designated by the Clearing House as a RepoClear Clearing Member eligible to clear RepoClear Contracts, RepoClear GC Contracts and RepoClear €GC Contract.
- RepoClear Contract* - A Contract entered into by the Clearing House with a RepoClear Clearing Member on the RepoClear Contract Terms.
- RepoClear Contract Terms* - The Terms set out or referred to in Parts A and B of the Schedule to the RepoClear Regulations.
- RepoClear Dealer* - A person admitted by the Clearing House to the Register of RepoClear Dealers and who has not been removed from the Register.
- RepoClear Dealer Clearing Agreement* - A written agreement, in the form and on the terms prescribed by the Clearing House, between a RepoClear Dealer, a RepoClear Clearing Member and the Clearing House which has the function, amongst other things, of setting out the terms on which the RepoClear Clearing Member agrees to clear RepoClear Transactions, RepoClear SGC Transactions, RepoClear €GC Transactions, Repo Trades, Bond Trades, SGC Trades and €GC Trades for the RepoClear Dealer.
- RepoClear Eligibility Criteria* - With regard to RepoClear Transactions, Bond Trades and Repo Trades the product criteria set out in Part B (“Product Criteria for registration as a RepoClear Contract”) of the Schedule to the RepoClear Regulations, and with regard to RepoClear SGC Transactions and SGC Trades, the product criteria set out in Part F (“Product Eligibility Criteria for registration as a RepoClear SGC Contract”) of the Schedule

- to the RepoClear Regulations and with regard to RepoClear €GC Transactions and €GC Trades, the product criteria set out in Part H (“Product Eligibility Criteria for the registration of a RepoClear €GC contract”) of the Schedule to the RepoClear Regulations.
- RepoClear Eligible Securities* - With regard to RepoClear Transactions, Bond Trades and Repo Trades securities of a type described in Part B to the Schedule to the RepoClear Regulations, and which appear in the list published for this purpose from time to time by the Clearing House.
- RepoClear €GC Contract* - A Contract entered into by the Clearing House with a RepoClear Clearing Member on the RepoClear €GC Contract Terms.
- RepoClear €GC Contract Terms* - The Terms set out or referred to in Parts G and H of the Schedule to the RepoClear Regulations.
- RepoClear €GC Transaction* - A contract, meeting the requirements of the Regulations and Procedures for registration as a RepoClear €GC Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable.
- RepoClear GC Contract* - A RepoClear €GC Contract or a RepoClear SGC Contract.
- RepoClear GC Transaction* - A RepoClear €GC Transaction or a RepoClear SGC Transaction.
- RepoClear Open Offer Eligibility Criteria* - With regard to Bond Trades, Repo Trades and GC Trades, the requirements set out in paragraphs (i) to (v) inclusive of Regulation 56(c) of the Regulations or in sub-paragraphs (i) to (vi) inclusive of Regulation 56A(c) of the Regulations, as applicable;
- RepoClear Participants* - RepoClear Clearing Members and RepoClear Dealers and “RepoClear Participant” means any of them.
- RepoClear Regulations* - The Clearing House’s RepoClear Regulations, applicable to RepoClear Contracts only, from time to time in force.
- RepoClear SGC Contract* - A Contract entered into by the Clearing House with a RepoClear Clearing Member on the RepoClear SGC Contract Terms.
- RepoClear SGC Transaction* - A contract, meeting the requirements of the Regulations and Procedures for registration as a RepoClear SGC Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable.

- RepoClear Transaction* - A contract, meeting the requirements of the Regulations and Procedures for registration as a RepoClear Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable. A “RepoClear Repo Transaction” is such a contract for the trade of a repo; a “RepoClear Bond Transaction” is such a contract for the trade of bond/s.
- Reported Trade* - A trade, other than a trade resulting in a Turquoise Derivatives Orderbook Match, which is reported to EDX for registration with the Clearing House in accordance with Exchange Rules or the terms of any arrangements entered into between TGHL and a Co-operating Exchange.
- Required Collateral* - Means, in relation to SwapClear Clearing Client Business, the margin required by the Clearing House from a SwapClear Clearing Member from time to time in respect of its SwapClear Client Business.
- Risk Neutralisation* - Has the meaning assigned to it in the Default Rules.
- Rulebook* - The Regulations, Default Rules, Settlement Finality Regulations, Procedures, and such other rules of the Clearing House, as published and amended from time to time.
- Rules of the Clearing House* - The Rulebook of the Clearing House including the General Regulations, Default Rules, Settlement Finality Rules, Procedures and these NYSE Liffe Clearing Regulations
- SCM Branch* - A branch or part of a SwapClear Clearing Member, not being a different legal person from the SwapClear Clearing Member, which is ~~authorized~~authorised by the Clearing House to submit to the Clearing House, in the name of that SwapClear Clearing Member, SwapClear Transactions for registration, subject to these Regulations and the Procedures, by the Clearing House as SwapClear Contracts.
- segregated client* - A person whose monies are held by a Member separately from the Member’s own monies with whom the Member has agreed (or in respect of which the Member is required) not to use such person’s monies for the Member’s own account.

- seller*
- A Member (or the Clearing House where the context so requires) who is a seller under the terms of an exchange contract, a Cleared Exchange Contract, a Turquoise Derivatives Cleared Exchange Contract, a RepoClear Transaction, a RepoClear SGC Transaction, a RepoClear Contract, a RepoClear SGC Contract, an EquityClear ATP Match, an EquityClear Novation Transaction, an EquityClear Contract, or an LCH EnClear OTC Contract, as the case may be.
- Service*
- means any one of the services made available by the Clearing House: (i) to an Exchange; (ii) under the SwapClear Regulations and the FCM Regulations; (iii) under the RepoClear Regulations; (iv) under the EquityClear Regulations; (v) under the LCH EnClear OTC Regulations; (vi) under the Turquoise Derivatives Regulations; (vii) under the HKMEx Regulations; (viii) under the Nodal Regulations; (ix) under the NYSE LIFFE Regulations; or (x) under the ForexClear Regulations.
- settlement contract*
- A contract between the Clearing House and a Member arising pursuant to Regulation 15(b), Regulation 73C(b) or Regulation 91(b) or 95(b).
- settlement price*
- One or more prices determined and issued by an Exchange in accordance with its Exchange Rules in respect of a delivery month or prompt date; or
 - In relation to a Contract other than an exchange contract, one or more prices determined in accordance with the Regulations or the Procedures.
- SGC Trade*
- A trading activity in which a RepoClear Participant (“the First Participant”) offers to sell (or buy) an agreed value of securities comprised in an SGC Basket, to be allocated in accordance with the RepoClear Procedures applicable to RepoClear SGC Contracts, and another RepoClear Participant (“the Second Participant”) offers to buy (or sell, as the case may be) the securities so allocated, on the conditions that:
 - (i) at the end of a specified period of time, the Second Participant sells (or buys, as the case may be) Equivalent Securities (as such term is used in the RepoClear SGC Contract Terms) and the First Participant buys (or sells, as the case may be) those Equivalent Securities; and
 - (ii) the understanding of the parties is that their obligations during the term of the transaction will be represented by a series of overnight repurchase transactions effected through Euroclear UK and Ireland delivery by value (DBV) functionality, as contemplated by the RepoClear Procedures applicable to RepoClear SGC Contracts,and a trade subsequently ensues.

- Special Member*
- (a) An organisation which has the necessary licences, authorisations and approvals to act as a clearing house or otherwise provide clearing services or an organisation which has the necessary licences, authorisations and approvals to administer a futures, options, stock or other market and also to act as a clearing house in respect of such market or markets.
 - (b) An organisation carrying on comparable activities as the Clearing House may determine from time to time, which has concluded a Clearing Membership Agreement with the Clearing House in such form as the parties may agree, pursuant to which such organisation clears specific types of Contract and agrees to be bound by these Regulations as a Member, to the extent and subject to any variations agreed in such Clearing Membership Agreement.
- Standard Terms*
- That part of the SwapClear Contract Terms, the RepoClear Contract Terms, the LCH EnClear OTC Contract Terms, or the ForexClear Contract Terms –designated as Standard Terms by the Clearing House from time to time.
- strike price*
- The price specified in an option contract which becomes the price of the commodity under a contract for the future sale and purchase of that commodity for future delivery or, as the case may be, under a delivery contract, in either case on the exercise of the option, the subject of such option contract, in accordance with Exchange Rules, these Regulations and the Procedures.
- SwapClear Clearing Agreement*
- Means the client clearing agreement providing for the creation of a separate ISDA Master Agreement (including any Credit Support Annex and other supplementary agreements) between a SwapClear Clearing Member and a SwapClear Clearing Client in relation to the SwapClear Clearing Services.
- SwapClear Clearing Client*
- Means an Individual Segregated Account Clearing Client or an Omnibus Net Segregated Clearing Client.
- SwapClear Clearing Client Business*
- Means Individual Segregated Account Business and Omnibus Net Segregated Business entered into by a SwapClear Clearing Member in respect of its SwapClear Clearing Clients.
- SwapClear Clearing Client Entitlement*
- Has the meaning assigned to it in Regulation 52B.
- SwapClear Clearing End-User Notice*
- Means the SwapClear Clearing End-User Notice as specified by the Clearing House from time to time.
- SwapClear Clearing House Business*
- Means SwapClear Contracts entered into by a SwapClear Clearing Member with the Clearing House on a proprietary basis and for its own account.
- SwapClear Clearing Member*
- A Member who is designated by the Clearing House as a SwapClear Clearing Member eligible to clear SwapClear

(SCM)	Contracts which includes, in the case of the Default Rules, the Default Fund Rules (including the SwapClear 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.
<i>SwapClear Clearing Services</i>	- Means the entering into of SwapClear Contracts by a SwapClear Clearing Member in respect of its Individual Segregated Account Clearing Clients and its Omnibus Net Segregated Clearing Clients.
<i>SwapClear Clearing Client Entitlement</i>	- Has the meaning assigned to it General Regulation 52B.
<i>SwapClear Contract</i>	- A Contract entered into by the Clearing House with a SwapClear Clearing Member on the SwapClear Contract Terms which includes, in the case of the Default Rules (including the SwapClear DMP Annex), the Default Fund Rules, the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM SwapClear Contract.
<i>SwapClear Contract Terms</i>	- The terms applicable to each SwapClear Contract as set out from time to time in the Schedule to the SwapClear Regulations or the Procedures.
<i>SwapClear Dealer (SD)</i>	- A person admitted by the Clearing House to the Register of SwapClear Dealers and who has not been removed from the Register.
<i>SwapClear Dealer Clearing Agreement</i>	- A written agreement, in the form and on the terms prescribed by the Clearing House between a SwapClear Dealer, a SwapClear Clearing Member and the Clearing House which has the function, amongst other things, of setting out the terms on which the SwapClear Clearing Member agrees to clear SwapClear Transactions for the SwapClear Dealer.
<i>SwapClear DMG</i>	- Has the meaning assigned to it in the Default Rules;
<i>SwapClear DMP</i>	- Has the meaning assigned to it in the Default Rules;
<i>SwapClear Participants</i>	- <i>SwapClear Clearing Members, SCM Branches and SwapClear Dealers, and "SwapClear Participant" means any of them.</i>
<i>SwapClear Regulations</i>	- The Regulations entitled as such, applicable to SwapClear Contracts only, from time to time in force.
<i>SwapClear Transaction</i>	- <i>A contract, meeting</i> <u>Means any transaction the eligibility criteria for registration as a SwapClear Contract, entered into between two SwapClear Participants, details</u> of which particulars are presented to the Clearing House for registration in <u>via an Approved Trade Source System for the name</u> <u>purpose</u> of SwapClear Clearing Members in accordance with the Regulations and the terms of any

~~agreement entered into between~~ having such transaction registered at the Clearing House and each such as two SwapClear Dealer. In addition, a Contracts or one SwapClear Transaction shall include an Contract and one FCM SwapClear Transaction where the relevant SwapClear Clearing member Contract (as the case may be), regardless of whether such transaction (a) is an Executing Party-existing swap transaction, (b) was entered into in anticipation of clearing, or (c) is contingent on clearing.

SWORD

- The system operated by the Clearing House for, inter alia, facilitating the issue, recording and electronic transfer of London Metal Exchange warrants.

tender

- A notice in writing, given by or on behalf of a seller (or buyer where Exchange Rules so require) pursuant to Exchange Rules these Regulations and the Procedures, of an intention to make (or take) delivery of a commodity.

The Clearing House Turquoise Derivatives Services -

- The services provided by the Clearing House pursuant to the Turquoise Derivatives Regulations.

TGHL.

- Turquoise Global Holding London Limited whose registered office is at 10 Paternoster Square, London EC4M 7LS.

Turquoise Derivatives Account

- An account maintained in the name of TGHL. by the Clearing House pursuant to Regulation 5 in which Turquoise Derivatives Cleared Exchange Contracts may be registered pursuant to Regulation 75, 80 or in such other circumstances as may be agreed between TGHL. and the Clearing House from time to time.

Turquoise Derivatives Cleared Exchange Contract

- A Contract entered into by the Clearing House in accordance with the Turquoise Derivatives Regulations.

Turquoise Derivatives Contract Specification

- In respect of a Turquoise Derivatives Eligible Product, the relevant contract specification set out in the Turquoise Derivatives Rules.

Turquoise Derivatives Eligible Product

- A product which TGHL has agreed from time to time with the Clearing House is to be cleared by the Clearing House pursuant to these Regulations.

Turquoise Derivatives Non-Clearing Member (Turquoise Derivatives NCM)

- A member of TGHL who is not a Member and is party to a subsisting Turquoise Derivatives NCM-GCM Agreement.

Turquoise Derivatives Orderbook

- The electronic orderbook operated by TGHL for the trading of Turquoise Derivatives Eligible Products.

Turquoise Derivatives Orderbook Match or Orderbook Match

- A match made on the Turquoise Derivatives Orderbook of two sets of Turquoise Derivatives Trade Particulars submitted by or on behalf of two Members or a match made on the Combined Turquoise Derivatives Orderbook of two sets of Turquoise Derivatives Trade Particulars submitted by or on behalf of a Member and a Linked Member.

- Turquoise Derivatives Regulations* - The Regulations set out in Regulations 74 to 87 inclusive.
- Turquoise Derivatives Trade Particulars* - Means the trade particulars of an order submitted to the Turquoise Derivatives Orderbook by or on behalf of a Member or, in the case of a Member which is a Co operating Clearing House, submitted to the Combined Turquoise Derivatives Orderbook by or on behalf of a relevant Linked Member.
- Turquoise Derivatives OTC Trade* - An OTC trade reported to TGHL London in accordance with its Rules for its OTC Service.
- Turquoise Derivatives Transactions* - An Orderbook Match, Turquoise Derivatives OTC Trade, Reported Trade, Cross-Border Re-registration and a Cross-Border Transfer.
- Trade Allocation Agreement* - An agreement in one or more forms and in the terms prescribed by an Exchange, the Clearing House and a Participating Exchange to which, amongst others, a Member is a party which has the function of facilitating, amongst other things, the transfer, in accordance with Regulation 41, of those Contracts on the terms of a Linked Exchange Contract which are permitted by the terms of such agreement to be transferred under such agreement.
- trade correction procedures* - The procedures established for the purposes of a Link to facilitate the correction of errors contemplated by such procedures.
- Trading Platform Particulars* - The orders or other trade particulars submitted in respect of the sale or purchase of EquityClear Eligible Equities or EquityClear Eligible ccCFD(s), to an ATP in accordance with the relevant ATP Market Rules by, or on behalf of, an EquityClear Clearing Member (including, where relevant, submission of such orders or other trade particulars by or on behalf of an EquityClear NCM on behalf of the relevant EquityClear Clearing Member pursuant to, and in accordance with, the relevant Approved EquityClear Clearing Agreement between them and the relevant ATP Market Rules) or, in the case of an EquityClear Mixed Member Match, by, or on behalf of a member of a relevant Co-operating Clearing House.
- Treasury Contract* - Means any contract, including a contract of deposit, entered into by the Clearing House with that Member for purposes of, in connection with or otherwise in the course of its treasury management activities.
- Treasury Account* - Means any accounting process under which an amount due under a Treasury Contract from a member to the Clearing House is set off against any amount due from the Clearing House to that Member.
- variation margin* - An amount determined by the Clearing House in accordance with the Procedures in respect of original contracts or open contracts (as the case may be) by reference to the difference between the contract value of such contracts (as

determined in accordance with the Procedures) and the value of such contracts at official quotations or at such other prices as the Clearing House may determine pursuant to the Procedures. The term "variation margin" shall include daily settlement amounts save where the context otherwise requires.

Terms not otherwise defined have the meaning given to them in the General Regulations of the Clearing House.

Any reference in these Regulations or the Procedures to statutes or statutory instruments or provisions thereof shall be to such statutes or statutory instruments or provisions thereof as amended, modified or replaced from time to time.

Reference to writing contained in these Regulations or the Procedures shall include typing, printing, lithography, photography or any other mode of representing or reproducing words in a visible form.

Words importing the singular shall, where the context permits, include the plural and vice-versa.

Any reference to time contained in these Regulations or the Procedures shall, unless otherwise stated, be to London time. Times are shown using the twenty four hour clock.

Any reference in these Regulations to a person or a party (howsoever described) shall include its successors.

Headings are used herein for ease of reference only.

Regulation 1 Obligations of the Clearing House to each Member

- (a) The Clearing House shall perform the obligations referred to in paragraph (b) below so as to ensure the performance of all open contracts in accordance with these Regulations.
- (b) The obligations of the Clearing House to each Member shall be, as a counterpart to an open contract registered in the name of a Member in accordance with these Regulations and the Procedures, to perform its obligations under the terms of such open contract as principal to such Member in accordance with the provisions of these Regulations and the Procedures, but subject to the restrictions on the Clearing House's obligations and liabilities contained in these Regulations.
- (c) The performance by the Clearing House of its obligations referred to in this Regulation 1 shall always be subject to the provisions of these Regulations. The benefit of the performance by the Clearing House of such obligations is conferred upon Members as principals and upon no other persons whatsoever. It is not the intention of the Clearing House or its members to confer any benefit on or give any right to enforce any provisions of this Regulation or any of the other Regulations to any person who is not a member. Rights of third parties to enforce any provision of any of these Regulations pursuant to the Contract (Rights of Third Parties) Act 1999 are expressly excluded.

Regulation 2 Performance by the Clearing House of its Obligations under the Terms of an Open Contract

The Clearing House's obligations under the terms of an open contract shall be performed (a) in the manner and form and by such day and time as may be prescribed in Exchange Rules (where applicable), these Regulations or the Procedures, and (b) in the case of an open contract to which the Clearing House is party with a Member which is a Participating Exchange, in accordance with the terms of any agreement made with such Member, save that (i) where Exchange Rules specify a time by which the seller or the buyer shall perform its obligations under the terms of an exchange contract, the Clearing House shall be deemed to have complied with Exchange Rules if it performs its obligations under the terms of an open contract, as seller or buyer, as the case may be, promptly after such time, unless Exchange Rules expressly provide that performance must be made by the Clearing House by such time; and (ii) where the Economic Terms of an OTC Contract, or the EquityClear Contract Terms, or the LCH EnClear OTC Contract Terms specify a time by which a party thereto shall perform its obligations, the Clearing House shall be deemed to have complied with the Economic Terms, or the EquityClear Contract Terms or the LCH EnClear OTC Contract Terms, as applicable, if it performs its obligations promptly after such time.

Regulation 3 Novation

- (a) This paragraph (a) shall not apply to contracts registered under Regulation 9(f). Upon registration of an original contract by the Clearing House, such contract shall be replaced by novation (without prejudice to the Clearing House's rights to effect further novation under paragraph (b) below) by two open contracts, one between the seller and the Clearing House as buyer, as principals to such contract, and one between the buyer and the Clearing House as seller, as principals to such contract. Each open contract shall be subject to the Regulations including the restrictions on the Clearing House's obligations and liabilities set out in the Regulations (including, without limit, Regulation 22 and Regulation 39) and otherwise on the same terms as the original contract replaced by such open contracts.
- (b) Upon the transfer of an open contract pursuant to these Regulations except pursuant to Regulation 41, such open contract shall be discharged and replaced by novation by an open contract between the Member into whose name the contract was transferred and the Clearing House, as principals to such open contract. Such open contract shall be subject to the Regulations and otherwise on the same terms as the open contract which it replaced.
- (c) Upon the exercise of an option by or on behalf of a Member or, as the case may be, by the Clearing House or upon the deemed exercise of such option pursuant to these Regulations, the option contract shall be replaced by novation by an open contract on the terms specified in the option contract at the strike price or at some other price in accordance with the terms of such option contract.

Regulation 4 Clearing Member Status of the Clearing House

- (a) Application for clearing member status of the Clearing House shall be made in accordance with the Procedures. A Member's clearing member status of the Clearing House shall be governed by these Regulations, the Procedures and any Clearing Membership Agreement to which he is for the time being party. Clearing member status does not provide or entitle a Member to any shareholding membership of LCH.Clearnet Limited or any shareholding or other membership of any other member of the LCH.Clearnet Group or any entitlement to membership of or participation in LCH.Clearnet SA, which has separate and distinct membership requirements.
- (b) The Clearing House shall determine which categories of Contract a Member is eligible to have registered in its name from time to time. If, in its absolute discretion, the Clearing House determines that a Member no longer meets the relevant eligibility criteria for a particular category, or categories, of Contract the Clearing House may rescind that Member's eligibility to have Contracts of such category or categories registered in its name, but without prejudice to his right to have registered in his name, subject to the Regulations, the categories of Contracts in respect of which the Member does meet the eligibility criteria. The Clearing House may from time to time publish a list of Members identifying the category or categories of Contracts which each Member is eligible to have registered in its name.
- (c) A Member shall be a principal to and not an agent in respect of any Contract registered in his name with the Clearing House. In performing its obligations and exercising its rights under these Regulations, the Clearing House shall take no account of any right or interest which any person other than the Member may have in any cover furnished by such Member to the Clearing House.
- (d) Any Regulation or group of Regulations expressly stated not to apply to a Participating Exchange, and paragraph (a) above, shall not apply to a Participating Exchange, being an Exchange which is party to a trading and/or clearing agreement with an Exchange to whom the Clearing House provides clearing services and who has agreed to become a Member. The Clearing House shall enter into one or more agreements with such Participating Exchange which shall govern dealings between them and which may apply, disapply or modify, as the case may require, some or all of these Regulations with respect to such Participating Exchange.

Regulation 5 Accounts

- (a) Accounts (including, where requested, client accounts) shall be opened between each Member and the Clearing House in accordance with the Procedures. A Member shall be responsible for all obligations owed to the Clearing House in respect of every account opened in respect of such Member.
- (b) This paragraph applies to a Member's Proprietary Accounts. In the event that more than one Proprietary Account is opened in respect of a Member, the Clearing House shall have the right to combine or consolidate the balances on any or all of the Member's Proprietary Accounts, and to set off any amount or amounts standing from time to time to the credit of any one or more of such accounts in or towards payment or satisfaction of all or any of the Member's liabilities to the Clearing House on any one or more of such accounts.
- (c) This paragraph applies to a Member's client accounts. Unless the Rules of the Clearing House provide otherwise, in the event that more than one client account is opened in respect of a Member, the Clearing House shall have the right to combine or consolidate the balances on any or all of such client accounts of a Member, and to set off any amount or amounts standing to the credit of any one or more of such client accounts of a Member in or towards payment or satisfaction of all or any of the Member's liabilities to the Clearing House on any one or more of such client accounts.
- (d) Amounts standing to the credit of a Member's accounts, other than, subject to paragraphs (c) above, his client accounts, may be applied by the Clearing House towards the payment of any sum whatsoever due by the Member to the Clearing House whether or not arising under these Regulations, save that, subject to Rule 8(d) of the Default Rules, no amounts standing to the credit of such Member's accounts shall be applied in or towards payment or satisfaction of all or any of the Member's liabilities to the Clearing House on any one or more of the Member's client accounts. Amounts standing to the credit of a Member's account relating to Contributions made under the Default Fund Rules may be applied as provided for in the Default Fund Rules.
- (e) Any rights of set-off, combination of accounts or appropriation which the Clearing House may have under these Regulations or otherwise shall apply whether or not accounts are denominated in the same currency.
- (f) Interest calculated on a basis determined from time to time by the Clearing House in accordance with the Procedures may at the Clearing House's discretion (but subject to the provisions of the Default Fund Rules and to Regulation 58(d)) be paid, or, in the case of negative interest rates, be charged, on amounts standing to the credit of any of the Member's accounts.
- (g) Debit balances due to the Clearing House on any account opened in respect of a Member are payable by such Member on demand and interest may at the Clearing House's discretion be charged on debit balances remaining unpaid (whether or not demand for payment is made) on a basis and at a rate determined from time to time by the Clearing House in accordance with the Procedures.
- (h) Subject to the provisions of the Default Fund Rules, the Clearing House may at its absolute discretion alter the basis of calculating interest rates and such alteration shall be effective in respect of all current and future business on the date notified to Exchanges and to Members in accordance with the Procedures.

(i) If a Member specifies a Termination Date under Regulation 39A, the Member shall be entitled to set off any or all amounts (whether present or future, liquidated or unliquidated, actual or contingent) due as between the Clearing House and the Member.

~~(i)~~ Where a payment has been made to the Clearing House by a Member through the PPS, that payment will only be credited to the account of the Member with the Clearing House if it (i) is paid into an account of the Clearing House with an institution which is solvent, (ii) that institution has performed its concentration function (being the transfer of net funds from the institution to a central account in the name of the Clearing House) and (iii) the institution has made the relevant payments to other Members on the date when the payment was due to be received by the Clearing House.

Regulation 6 Presentation of Particulars of Original Exchange Contracts and Confirmation of Original Exchange Contracts

- (a) None of the paragraphs of this Regulation 6 shall apply to a contract on the terms of an exchange contract which arises pursuant to Regulation 41A(b) upon the transfer of a contract on the terms of a Participating Exchange Contract under a Link. Subject to paragraph (h) particulars of every original contract which is to be registered by the Clearing House in the name of a Member shall be presented to the Clearing House (i) by or on behalf of the Member who made the original contract on the market or otherwise under Exchange Rules, (ii) in the case of a party to the original contract who is not a Member, by or on behalf of the Member who acts as his clearing member or on whose instructions the original contract was made or, (iii) if made on the instructions of a member of the market who is not a Member, by or on behalf of the Member who acts as the latter's clearing member. Presentation of particulars shall be made in such form and manner and by such times as are prescribed by the Procedures or, where the Clearing House has so agreed with an Exchange, as prescribed in Exchange Rules.
- (b) The obligation contained in paragraph (a) above to present particulars of original contracts shall be in addition to and without prejudice to any obligation on any Member to present particulars of an original contract pursuant to Regulation 19(h) or 19(i).
- (c) Subject to paragraph (d) below, every original contract presented for registration in the name of a Member in accordance with paragraph (a) above shall be confirmed by or on behalf of such Member, in such manner and form and by such times as are prescribed by the Procedures or, where the Clearing House has so agreed with an Exchange, as prescribed in Exchange Rules.
- (d) Notwithstanding paragraph (c) above, an original contract may subject to Exchange Rules and the Procedures be allocated by or on behalf of a Member to another Member or to a member of an Exchange who is not a Member and shall thus be confirmed pursuant to Regulation 7(a) instead of paragraph (c) above.
- (e) If an original contract is not confirmed by or on behalf of a Member pursuant to paragraph (c) above, or is not allocated by or on behalf of such Member within the prescribed time pursuant to Regulation 7, the Clearing House may in accordance with the Procedures deem such contract as having been confirmed pursuant to paragraph (c) above.
- (f) Any changes to the prescribed methods, forms and times set out in the Procedures in respect of presentation of particulars of original contracts and confirmation of such contracts shall be made by the Clearing House only after consultation with the relevant Exchange or Exchanges, save that the Clearing House may at its absolute discretion make such changes without such consultation where it deems it necessary in the circumstances then prevailing.
- (g) Confirmation of an original contract by or on behalf of a Member pursuant to this Regulation 6 or Regulation 7 and the Procedures shall be effective immediately (unless otherwise specified in the Procedures) and shall constitute the consent of the Member to such contract being registered in his name in accordance with these Regulations.
- (h) An original contract which is to be registered in the name of a Member which is a Participating Exchange, of which details have been provided to the Clearing House by the Exchange with whom the Participating Exchange has entered into an agreement, shall be so registered under Regulation 9. The Clearing House shall treat such contract as having been confirmed by the Participating Exchange under this Regulation 6.

Regulation 7 Allocation of Original Exchange Contracts

- (a) Any Member proposing to allocate an original contract to another Member or to a member of an Exchange who is not a Member shall do so in such manner and form and by such time as may be prescribed by the Procedures. Allocation of an original contract by or on behalf of a Member pursuant to the Procedures shall constitute confirmation of the original contract by such Member.
- (b) Unless it is intended that an original contract be allocated on in accordance with the Procedures to another Member or to a member of an Exchange who is not a Member, any contract allocated to a Member or to a member of an Exchange who is not a Member shall be confirmed or, where the Procedures so prescribe, shall be deemed to have been confirmed to the Clearing House by or on behalf of such Member or, as the case may be, the Member who acts as the clearing member for such member of the Exchange, in such manner and form and by such time as may be prescribed by the Procedures. If such contract is allocated on by or on behalf of such Member to another Member or to a member of an Exchange who is not a Member, such act of allocation shall constitute confirmation of the contract by such Member.
- (c) Where an original contract is allocated to a Member or to a member of an Exchange who is not a Member pursuant to paragraph (a) or (b) above and the Clearing House does not receive confirmation of such contract from that Member or the Member acting as clearing member for such member, as the case may be, within the relevant time prescribed by the Procedures, the Clearing House shall, subject to Regulation 9, register such contract in the name of the Member who sought to allocate the contract.
- (d) Notwithstanding paragraph (c) above, a Member may from time to time agree in writing with the Clearing House that he shall accept for registration in his name any original contract allocated to him in accordance with paragraphs (a) or (b) above and such Member shall be deemed to have confirmed such contract in accordance with the Procedures.
- (e) No original contract on the terms of an exchange contract may be allocated under this Regulation 7 to any Member who is not authorised under Exchange Rules to have original contracts on the terms of that exchange contract registered in his name.
- (f) Notwithstanding the provisions of the Procedures, the Clearing House may, without assigning any reason, make any allocation of an original contract subject to any conditions stipulated by it.

Regulation 8 Designation

A Member shall designate the account of the Member in which a contract shall be registered in the manner and form and by the time prescribed by Exchange Rules or the Procedures. If the Member fails to so designate an account, the Clearing House may, at its discretion and in accordance with the Procedures, determine in which account of the Member the contract shall be entered.

Regulation 9 Registration

- (a) Paragraphs (b), (d) and (f) only of this Regulation shall apply to a contract on the terms of an exchange contract arising under Regulation 41A(b) upon the transfer of a contract on the terms of a Participating Exchange Contract under a Link. The Clearing House shall not register an original exchange contract or an Event Protection Contract in the name of a Member unless such contract has been confirmed or deemed confirmed pursuant to Regulation 6, 7 or 18 by or on behalf of a Member as a buyer and a Member as a seller who thereby have consented to such contract being registered in his name. The Clearing House shall register a contract in the name of a Member which is a Participating Exchange in accordance with the terms of any agreement made with the Participating Exchange and none of the following paragraphs shall apply in respect of a Member which is a Participating Exchange.
- (b) Where the Procedures so provide the Clearing House may require the Members in whose names one or more contracts are to be registered to furnish it with cover for initial and variation margin as a condition of registration of such contract or contracts, and such cover shall be furnished to the Clearing House in accordance with Regulation 12 and, if applicable, the SwapClear Regulations, the RepoClear Regulations, the EquityClear Regulations, the LCH EnClear Regulations, the LCH EnClear OTC Regulations, the Turquoise Derivatives Regulations, the HKMEx Regulations, the Nodal Regulations, or the ForexClear Regulations.
- (c) The Clearing House may decline to register an original contract in the name of a Member where it considers such action advisable for its own protection or the protection of the relevant market. The Clearing House may, without assigning any reason, make the registration of any contract subject to any conditions stipulated by the Clearing House including, without limitation, the furnishing of cover for margin by both Members in whose name any such contract is to be registered.
- (d) This paragraph does not apply to a Member which is a Participating Exchange. No original exchange contract for a commodity shall be registered in the name of a Member who is not entitled under Exchange Rules to have original exchange contracts for such commodity registered in his name.
- (e) The Clearing House shall be deemed to register in the name of a Member an original exchange contract, at the time prescribed in the Procedures in respect of such exchange contract or, in the case of an original exchange contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, at the time chosen by the Clearing House whereupon Regulation 3(a) shall take effect.
- (f) A contract on the terms of an exchange contract arising under Regulation 41A(b) upon the transfer of a contract on the terms of a Participating Exchange Contract under a Link shall be registered in the name of the Member referred to in Regulation 41A(b) and shall be deemed to be registered in the name of such Member upon the arising of such Contract.

Regulation 10 Trading Information

The Clearing House shall make available to a Member in the manner and by the time prescribed by the Procedures, such details of original contracts presented for registration in the name of that Member, open contracts registered in that Member's name, and cover furnished by that Member as may be prescribed in the Procedures.

Regulation 11 Transfer

- (a) A Member may not allocate or transfer a confirmed contract, or an open contract registered in his name except as provided in paragraph ~~(d) below~~(b) below, in Regulation 41 or in Regulation-~~41~~52C.
- (b) If a Member wishes to transfer an open contract from his name to be registered in the name of another Member, the Clearing House may, with the agreement of both Members and subject to such conditions as it may stipulate, at its absolute discretion and, without prejudice to any power of the Clearing House under the Default Rules, and where relevant with the consent of the Exchange whose Exchange Rules form part of the terms of such open contract, transfer the registration of such open contract into the name of the Member agreeing to have such contract registered in his name, whereupon Regulation 3(b) shall take effect.
- (c) No open contract on the terms of an exchange contract may be transferred pursuant to paragraph (b) above to any Member who is not entitled under Exchange Rules to have open contracts on the terms of that exchange contract registered in his name. No open contract, being a SwapClear Contract, may be transferred pursuant to paragraph (b) above to any Member who is not a SwapClear Clearing Member, and no open contract, being a RepoClear Contract, may be transferred pursuant to paragraph (b) above to any Member who is not a RepoClear Clearing Member. No open EquityClear Contract may be transferred pursuant to paragraph (b) above to any Member who is not an EquityClear Clearing Member. No open LCH EnClear OTC Contract may be transferred pursuant to paragraph (b) above to any Member who is not an LCH EnClear OTC Clearing Member. No open ForexClear Contract may be transferred pursuant to paragraph (b) above to any Member who is not a ForexClear Clearing Member.
- (d) Rights under an open contract shall not be capable of assignment by a Member. Any such purported assignment by a Member, or any purported transfer that is not in compliance with this Regulation, shall be void.

Regulation 12 Margin and Cover for Margin

- (a) The Clearing House may in accordance with the Procedures require a Member to furnish it with cover, and to keep the Clearing House furnished with sufficient cover at all times, in an amount determined by the Clearing House, as security for the performance by such Member of its obligations to the Clearing House in respect of all contracts from time to time to be registered in his name as open contracts pursuant to these Regulations. The obligation upon a Member to furnish cover to the Clearing House pursuant to this paragraph shall be in addition to any other obligation of the Member to furnish cover to the Clearing House pursuant to these Regulations.
- (b) The Clearing House may in accordance with the Procedures require a Member to furnish it with cover in respect of initial or variation margin in circumstances prescribed by the Regulations and the Procedures in respect of any open contract registered in the Member's name, such cover to be furnished by the Member in such form and manner and by such time or times as may be prescribed by the Procedures.
- (c) If insufficient monies are standing to the credit of a Member's account, or if any security deposited by a Member as cover is determined by the Clearing House in accordance with the Procedures to be insufficient, such cover for margin as the Clearing House requires a Member to furnish to it pursuant to paragraph (b) above or Regulation 9 or the SwapClear Regulations, the RepoClear Regulations, the EquityClear Regulations, the LCH EnClear Regulations, or LCH EnClear OTC Regulations, the Turquoise Derivatives Regulations, the HKMEX Regulations, the Nodal Regulations, or the ForexClear Regulations, as applicable, shall be furnished by the Member in such form and manner and by such time or times as may be prescribed by the Procedures.
- (d) (i) The Clearing House shall be entitled to assume that all securities and other assets furnished or deposited by a Member to or with the Clearing House as cover pursuant to these Regulations or under the terms of any agreement made with the Member are the sole legal and beneficial property of the Member or are furnished or deposited for the purposes of these Regulations with the legal and beneficial owner's unconditional consent and free of such owner's interest. A Member may not furnish or deposit securities or other assets to or with the Clearing House as cover otherwise than in conformity to this paragraph. It shall be accepted by every person dealing on the terms of these Regulations that a Member has such person's unconditional consent to furnish or deposit to or with the Clearing House as cover for the purposes of these Regulations any securities or other assets of such person in the Member's possession, free of such person's interest.
- (ii) Each Member represents and warrants to the Clearing House as at each date on which such Member furnishes or deposits securities or other assets to or with the Clearing House as cover pursuant to these Regulations (a) that such Member is the sole legal and beneficial owner of those securities or other assets or, as the case may be, those securities or other assets are so furnished or deposited with the legal and beneficial owner's unconditional consent and free of such owner's interest and (b) that the provision to the Clearing House of such securities or other assets pursuant to these Regulations will not constitute or result in a breach of any trust, agreement or undertaking whatsoever.
- (iii) The Clearing House may, in its absolute discretion and at any time require a Member to furnish or deposit other securities or assets to or with the Clearing House in substitution of any securities or assets deposited with the Clearing House pursuant to this Regulation 12.

- (e) The rate of initial margin in respect of each exchange contract shall be determined from time to time by the Clearing House after consultation with the relevant Exchange and such rate shall be published from time to time by the Clearing House. Subject to paragraph (g) below, any alteration of the rate so determined shall take effect on the expiry of such period of notice to Members as shall from time to time be agreed with the relevant Exchange. Any such notice shall be given to Members in accordance with the Procedures.
- (f) The rate of initial margin in respect of each category of OTC Contract shall be determined from time to time by the Clearing House, and such rate shall be published from time to time by the Clearing House. The rate of initial margin in respect of EquityClear Contracts and LCH EnClear OTC Contracts respectively shall be determined from time to time by the Clearing House and such rate shall be published from time to time by the Clearing House.
- (g) Notwithstanding paragraph (e) or paragraph (f) above, the Clearing House shall be entitled at its absolute discretion, without assigning any reason and without prior notice to a Member or, where applicable, to an Exchange, to modify the rate of initial margin applicable to an exchange contract, to an OTC Contract or to EquityClear Contracts or to LCH EnClear OTC Contracts, or to call for larger or additional amounts of cover in respect of initial margin to be furnished to it by a Member, either before registration of a contract or at any time after registration. Any cover called by the Clearing House pursuant to this paragraph shall be furnished by the Member on demand and in such form as the Clearing House may require.
- (h) The Clearing House shall be entitled at any time to demand immediate provision of cover for margin from a Member in an amount deemed necessary by the Clearing House without reference to official quotations or Reference Prices in respect of any open contract in the Member's name, if, in the opinion of the Clearing House, the furnishing of such cover by the Member is necessary in the circumstances then prevailing which may be affecting or may in the Clearing House's opinion be likely to affect market conditions or the Member's performance of its obligations under the terms of such contracts or under the terms of any original or confirmed contract to which the member is party. In this paragraph, "immediate provision" means payment to the Clearing House within one hour of demand.
- (i) A Member shall furnish to the Clearing House in the manner and form and by the time or times prescribed in the Procedures cover in respect of the premium in respect of option contracts or cover in respect of the initial payment amount or fixed payment amounts in respect of LIFFE Credit Default Swap Index Contracts on the terms of such contracts as are specified in the Procedures.
- (j) The Clearing House shall be entitled to make an accommodation charge at a rate determined by the Clearing House and specified in the Procedures, in respect of any security furnished to it as cover in a form prescribed by the Procedures. Any alteration in the basis of calculating the rates of accommodation charge shall become effective in respect of all current and future business by the time specified in the Procedures.
- (k) Without prejudice to the requirements of paragraph (e) or (f) above, the Clearing House may at its absolute discretion accept cover to an agreed amount in a form other than those specified in the Procedures, subject always to the Clearing House's prior assessment as to the appropriateness of such form of collateral in accordance with its standard risk management procedures and to any special arrangements which the Clearing House may prescribe in each case (including as to valuation and haircut). The Clearing House may at its discretion make an accommodation charge at a special rate.

- (l) If, in the opinion of the Clearing House, any security which has been furnished to it by a Member as cover pursuant to these Regulations is no longer either of sufficient value or otherwise acceptable to the Clearing House, the Clearing House shall be entitled to demand further provision of cover from such Member. Such cover shall be furnished by such Member on demand in a form prescribed by the Procedures, provided that at any time the Clearing House shall be entitled to require the Member to furnish it with cover in a specified form and to demand that the Member replace the whole or part of any security furnished by a Member pursuant to these Regulations by cover in the form of cash.
- (m) If, in respect of open contracts in a Member's name, official quotations indicate that cover which has been furnished to the Clearing House by such Member in respect of such contracts is in excess of variation margin, the Clearing House may or at the Member's request shall (but only where the excess consists of cash) release the excess of such cover.
- (n) If the Clearing House takes any step or steps under the Default Rules in relation to a Member, any sum (including without limitation the price due to be paid by the Clearing House in respect of the delivery of any property or currency by or on behalf of the Member) standing to the credit of any of the Member's accounts shall be treated as cover.
- (o) Unless the Clearing House otherwise agrees in writing, cover provided to the Clearing House by way of cash shall not be capable of assignment by any person. Any purported assignment by a Member (whether by way of security or otherwise) of cash cover provided to the Clearing House shall be void. A Member shall not otherwise encumber (or seek to encumber) any cash cover provided to the Clearing House.
- (p) Where the Clearing House is party to a Link Agreement with a Participating Exchange:
 - (i) the Clearing House may call that Participating Exchange for cover in whatever form may be stipulated in the terms of that Link Agreement; and
 - (ii) if collateral is provided by such Participating Exchange pursuant to such Link Agreement, that collateral shall be deemed to be cover for the purposes of these Regulations and the Default Rules.

Regulation 13 Premium under Option Contracts and Payments under LIFFE Credit Default Swap Index Contracts

- (a) The premium payable by a buyer under the terms of an option contract shall be paid by the buyer to the Clearing House in the form and manner prescribed in the Procedures and by the time specified in Exchange Rules or the Procedures with respect to the relevant exchange contract.
- (b) The Clearing House shall pay to a seller under the terms of an option contract his premium in accordance with the Procedures and by the time specified in Exchange Rules or the Procedures with respect to the relevant exchange contract.
- (c) Any payment payable by a Member to the Clearing House or by the Clearing House to a Member under the terms of a LIFFE Credit Default Swap Index Contract, being either:
 - (i) the initial payment amount payable by a seller; or
 - (ii) the fixed payment amounts payable by a buyer,

shall be paid by the Member to the Clearing House or by the Clearing House to the Member (as applicable) in the form and manner prescribed in the Procedures and by the time specified in LIFFE Rules or the Procedures.

Regulation 14 Official Quotations and Reference Price

- (a) The Clearing House may determine official quotations and Reference Prices for the purposes of these Regulations and the Procedures in such manner and at such times as may be prescribed in the Procedures. Except as prescribed in the Procedures, an official quotation or Reference Price is binding on a Clearing Member and may in no circumstances be called in question.

- (b) For the avoidance of doubt, the Clearing House is not responsible for and does not warrant the accuracy of any settlement price determined by a third party or any index which is the subject of an exchange contract or any Reference Price.

Regulation 15 Daily Settlement or Marking to Market

- (a) Where Exchange Rules or the Procedures so prescribe in respect of exchange contracts, the Clearing House may effect the daily settlement to market or daily marking to market of all open contracts on the terms of such exchange contracts in accordance with the Procedures and Exchange Rules, save where the Procedures otherwise provide. Daily settlement to market shall not apply to such open contracts which are for the account of a Member's client accounts.
- (b) The Clearing House shall, in accordance with the Procedures, in respect of each open contract in a Member's name which is subject to daily settlement to market or daily marking to market, effect and register a settlement contract, being a contract on the same terms (except as to price or premium), including the strike price where applicable, as the open contract, save that where the Member is a buyer under the terms of the open contract the Member shall be a seller under the terms of the settlement contract and vice-versa, such settlement contract to be effected in accordance with the Procedures (or Exchange Rules if applicable) at the relevant official quotation for that day. The Clearing House shall thereupon settle each open contract against the respective settlement contract in accordance with the Procedures.
- (c) The Clearing House shall, upon completion of the procedure set out in paragraph (b) above, calculate the daily settlement amounts in accordance with the Procedures and shall thereafter make up the Member's account and upon the Clearing House so doing, the Member and the Clearing House shall (unless otherwise agreed) settle any daily settlement amounts arising as follows:
- (i) any profit arising to a Member shall be credited to the applicable account and, subject to the Clearing House's right to retain such profit pursuant to these Regulations and in respect of a Cross-Margining Participant to the terms of any relevant Cross-Margining Agreement, such profit shall be paid to the Member on the Member's request; and
 - (ii) any loss arising to a Member shall be debited to the applicable account of the Member and (subject to these Regulations) the Member shall pay the amount of such loss to the Clearing House forthwith on demand.
- (d) The Clearing House shall, upon completion of the calculation of daily settlement amounts pursuant to paragraph (c) above, in the manner prescribed by the Procedures:
- (i) in respect of those open contracts in a Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily settlement to market, register at the official quotation referred to in paragraph (b) above, contracts in the Member's name as open contracts on the same terms (except as to price or premium), including the strike price where applicable, as the settled open contracts, save that no contract for the purchase and no contract for the sale of the same commodity, for the same delivery month, or expiry month and strike price, where applicable, shall be registered in the Member's name;
 - (ii) in respect of those open contracts in a Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily marking to market as prescribed by the Procedures, register at the official quotation referred to in paragraph (b) above contracts in the Member's name as open contracts on the same terms (except as to price or premium) including the strike price, where applicable, as the settled open contracts.

- (e) A Member may, in respect of all open contracts in his name which are subject to daily marking to market, request the Clearing House within the time and in the manner prescribed by the Procedures, to settle such contracts being the same number of contracts for the purchase and sale of the same commodity for the same delivery month or, where applicable, for the same expiry month and strike price. Such a request, once made, shall be irrevocable unless the Clearing House otherwise consents. Where such a request is made, the Clearing House shall as soon as practicable after the close of trading on that market day (but not necessarily on that day, and provided documentation has been supplied by the Member in accordance with the Procedures) make up the Member's account.
- (f) In respect of those open contracts of which settlement might have been requested by a Member under paragraph (e) above, the Clearing House may, if no request for settlement has been received by the cessation of trading for the delivery month applicable to those contracts, at any time thereafter proceed as if settlement had been requested and make up and render the Member's accounts accordingly.

Regulation 15A Settlement and Revaluation: Clearing Processing System

- (a) Where Exchange Rules or the Procedures so prescribe in respect of exchange contracts, the Clearing House may effect the settlement or revaluation of open contracts on the terms of such exchange contracts in accordance with a clearing processing system adopted by the Exchange.
- (b) The settlement of open contracts under this Regulation may be effected daily or less frequently, as required by the clearing processing system. The clearing processing system may expressly or by implication require the contract value of open contracts to be altered daily or less frequently by reference to official quotations or otherwise and, if so, open contracts subject to the system shall be revalued accordingly. The Clearing House shall have no obligation to notify a Member of the revaluation of an open contract to which he is party, save as provided by the clearing processing system.

Regulation 16 Other Modes of Settlement and Revaluation

Settlement and revaluation procedures (other than those contained in Regulations 15 and 15A) may be prescribed, in respect of open contracts on the terms of certain exchange contracts and in respect of open contracts which are OTC Contracts, EquityClear Contracts or LCH EnClear OTC Contracts in the Procedures or where agreed with, an Exchange, in Exchange Rules. Settlement of open contracts may be effected by the Clearing House in accordance with such provisions.

Regulation 17 Exercise of Options

- (a) An option may, subject to paragraph (d) below, be exercised, or deemed to be exercised, or abandoned in accordance with paragraph (b) or (c) below on the day and by the time prescribed by Exchange Rules, or if there is no such prescribed day or time, by the day and time specified in the Procedures. If any prescribed day is not a business day, an option may be exercised, deemed to be exercised, or abandoned on such day as may be prescribed by the relevant Exchange Rules, or if no such day is so prescribed, on the next business day.
- (b) Subject to Exchange Rules an option may be exercised by notice in writing or in such other form as may be prescribed by Exchange Rules or the Procedures and in the manner prescribed by the Procedures, and if not so exercised by the day and time referred to in paragraph (a) above, the option shall either expire or, if Exchange Rules so provide, be deemed to have been exercised in accordance with Exchange Rules or, where relevant, the Procedures.
- (c) Subject to Exchange Rules, an option may be abandoned by notice in writing or in such other form as may be prescribed by Exchange Rules or the Procedures and in the manner prescribed by the Procedures and if not so abandoned by the day and time referred to in paragraph (a) above, the option shall be deemed to have been exercised in accordance with the Exchange Rules or, where relevant, the Procedures.
- (d) If permitted under Exchange Rules or, where relevant, the Procedures, an option may be exercised or abandoned by or on behalf of a Member prior to the day and time referred to in paragraph (a) above in accordance with Exchange Rules or, where relevant, the Procedures.
- (e) The Clearing House shall be entitled to rely and act upon any form of exercise or abandonment made in accordance with paragraphs (b), (c) or (d) above without making any enquiry, investigation or check as to whether it complies with the Exchange Rules or as to the authority of any person purporting to exercise or abandon an option on behalf of a Member save that the Clearing House may reject any notice of exercise or abandonment (or exercise or abandonment made in such other prescribed form, as the case may be) if it does not appear to comply with Exchange Rules or the Procedures notwithstanding that it may as buyer have passed on such notice or other prescribed form of exercise or abandonment to a seller.
- (f) Subject to paragraph (e) above, no notice (or other form) of exercise or abandonment once received by the Clearing House may be cancelled or withdrawn.
- (g) Where the Clearing House is a buyer under the terms of an option contract, the Clearing House may exercise or abandon an option in accordance with Exchange Rules or the Procedures and in accordance with Regulation 2.
- (h) Upon the exercise or deemed exercise of an option pursuant to this Regulation 17, Regulation 3(c) shall come into effect.

Regulation 18 Delivery Contract Arising upon the Exercise of an Option and Event Protection Contracts

- (a) Subject to these Regulations open contracts which are delivery contracts shall be fulfilled in accordance with Exchange Rules. No delivery contract shall be for a unit or quantity smaller than one lot and the amount or quantity to be delivered shall be one lot or such other amount or quantity as may be specified for the commodity in Exchange Rules from time to time after agreement with the Clearing House.
- (b) Where an open contract which is a delivery contract arises by novation pursuant to Regulation 3(c) upon the exercise or deemed exercise of an option, the buyer under the terms of the delivery contract shall give to the Clearing House such information as may be prescribed by Exchange Rules or, where relevant, the Procedures by the time and in the manner specified in Exchange Rules or the Procedures. The Clearing House as buyer under the terms of a delivery contract shall, in accordance with Regulation 2, give to the seller under the terms of such contract, such information as may be prescribed by Exchange Rules or the Procedures.
- (c) The seller under the terms of a delivery contract shall deliver the commodity to the Clearing House as buyer in such manner and at such time as may be prescribed in Exchange Rules or, where relevant, the Procedures, and the Clearing House as seller under the terms of a delivery contract shall, in accordance with Regulation 2, deliver the commodity the subject of such contract to a Member as buyer under the terms of such contract.
- (d) The buyer shall pay the price and such other amounts to the Clearing House as may be required by Exchange Rules or, where relevant, the Procedures in the form and manner and by the time prescribed in Exchange Rules or the Procedures, and the Clearing House shall, in accordance with Regulation 2, pay the seller his price and such other amounts as may be required by Exchange Rules or, where relevant, the Procedures.
- (e) Notwithstanding paragraphs (c) and (d) above, the Clearing House may in its absolute discretion in accordance with the Procedures:
- (i) direct a Member who is a seller under a delivery contract to deliver the commodity the subject matter of such contract to such other Member, being a buyer under a delivery contract, as the Clearing House may appoint; and
 - (ii) direct a Member who is a buyer under a delivery contract to pay the price and any other amounts payable pursuant to such contract to such other Member, being a seller under a delivery contract, as the Clearing House may appoint;

and delivery or payment in accordance with such direction shall constitute the due performance of such obligations of such buyer or seller as the case may be towards the Clearing House. Each Member agrees that it will accept delivery of a commodity, or as the case may be, payment of the price, from a Member directed in accordance with (i) or (ii) above, in satisfaction of the obligations owed to it by the Clearing House to deliver the commodity or make payment of the price and such other amounts under the terms of a delivery contract.

- (f) If an invoice is not ready when payment becomes due pursuant to this Regulation, payment shall be made and received on account.
- (g) In relation to a LIFFE Credit Default Swap Index Contract between a Member and the Clearing House, in the circumstances prescribed under the LIFFE Rules an Event

Protection Contract shall automatically arise between the Clearing House and that Member where the seller under the LIFFE Credit Default Swap Index Contract shall be the seller under the Event Protection Contract and the buyer under the LIFFE Credit Default Swap Index Contract Terms shall be the buyer under the Event Protection Contract. The Clearing House shall immediately register such Event Protection Contract in the name of the Member. The Member shall, by its confirmation of an original contract on the LIFFE Credit Default Swap Index Contract Terms, be deemed to have consented to the subsequent registration in its name of any Event Protection Contracts arising in connection with such LIFFE Credit Default Swap Index Contract in accordance with these Regulations.

- (h) Subject to these Regulations, open contracts which are Event Protection Contracts shall be fulfilled in accordance with LIFFE Rules. Each Event Protection Contract shall be subject to the Regulations including the restrictions on the Clearing House's obligations and liabilities set out in the Regulations (including, without limitation, Regulation 39) and otherwise on the terms prescribed by LIFFE Rules and the Procedures.

Regulation 19 Obligation to Make and Accept Tender under Cleared Exchange Contracts

- (a) Subject to these Regulations open contracts which are Cleared Exchange Contracts or Turquoise Derivatives Cleared Exchange Contracts shall be fulfilled in accordance with Exchange Rules or the Procedures. No Cleared Exchange Contract shall be for a unit or quantity smaller than one lot and the amount or quantity tendered shall be for one lot or such other amount or quantity as may be specified for the commodity in Exchange Rules from time to time after agreement with the Clearing House. Where the terms of a Cleared Exchange Contract or Turquoise Derivatives Cleared Exchange Contract so permit, the Clearing House may give directions to one or more Members concerning the performance of such contract and in such case each such Member shall be bound by and shall comply with any such direction.
- (b) Paragraphs (c) to (l) below and Regulations 20 and 21 shall not apply to Cleared Exchange Contracts and Turquoise Derivatives Cleared Exchange Contracts which are contracts for differences or such option contracts as the Procedures may prescribe. Members shall fulfil their obligations to the Clearing House under the terms of such contracts in the manner and by the time prescribed by Exchange Rules, these Regulations and the Procedures. The Clearing House shall fulfil its obligations as seller or buyer, as the case may be, under the terms of such contracts in accordance with Regulation 2. Regulation 19A shall apply and paragraphs (c) to (l) below shall not apply to delivery contracts.
- (c) A Member, as seller in respect of a Cleared Exchange Contract in his name which is not to be settled pursuant to Regulation 15 or 16 and the Procedures, shall give a tender to the Clearing House as buyer, together with such other documents as may be required by Exchange Rules or the Procedures by the time specified in Exchange Rules or the Procedures in respect of a Cleared Exchange Contract for a particular delivery month or prompt date, and in the form and manner prescribed by Exchange Rules or the Procedures. The Clearing House, as seller in respect of a Cleared Exchange Contract which is not to be settled pursuant to Regulation 15 or 16 and the Procedures, shall in accordance with Regulation 2 give a tender to the buyer under the terms of such contract, together with such other documents as may be required by Exchange Rules or the Procedures.
- (d) A seller or buyer shall give to the Clearing House such additional documents or information required by Exchange Rules to be given in respect of an open contract subject to tender by the time prescribed by Exchange Rules and in the form and manner specified therein or in the Procedures. The Clearing House as seller (or buyer) under the terms of an open contract subject to tender shall in accordance with Regulation 2 give such additional documents or information to the buyer (or seller) under the terms of such contract.
- (e) The Clearing House shall be under no obligation to check a tender or documents received from a Member pursuant to paragraph (c) or (d) above. The passing on by the Clearing House of such tender or such documents received from a seller (or buyer as the case may be) pursuant to the terms of an open contract subject to tender, to a buyer (or seller as the case may be) pursuant to the terms of an open contract subject to tender, shall not constitute acceptance by the Clearing House of such tender or such documents, and if the Member to whom it passed on such tender or such documents rejects the same where permitted by Exchange Rules, the Clearing House shall be entitled to reject the same as against the Member from whom it received such tender or such documents.

- (f) Every buyer (not being the Clearing House) who has a Cleared Exchange Contract in his name for the current delivery period or prompt date shall be bound to accept in fulfillment of the Clearing House's obligations as seller under paragraph (c) any tender or documents complying with Exchange Rules which is given to him by the Clearing House in accordance with Regulation 2.
- (g) Subject to paragraph (e), no tender may be withdrawn or substituted by the seller once such tender is received by the buyer except with the consent of such buyer or otherwise in accordance with Exchange Rules.
- (h) Where permitted by Exchange Rules, a tender together with such other documents as may be required by Exchange Rules or the Procedures may be given to the Clearing House by or on behalf of a seller in respect of an original exchange contract to which the seller is party, such tender to be given to the Clearing House together with such particulars of the contract as may be required by the Clearing House, including if required the name of the buyer in respect of such contract, by the time specified in Exchange Rules or the Procedures. Registration of such contract in the name of the seller shall be effected as prescribed by the Procedures.
- (i) The Clearing House may give a tender, together with such other documents as may be required by Exchanges Rules or the Procedures, to a buyer in respect of an original exchange contract to which the buyer is party. Such particulars of the contract as the Clearing House may require shall be furnished by or on behalf of the buyer to the Clearing House in accordance with Exchange Rules or the Procedures. Registration of such contract in the name of the buyer shall be effected as prescribed by the Procedures.
- (j) The Clearing House may give a tender and documents received from a seller pursuant to paragraph (h) above to a buyer in respect of an original exchange contract to which the buyer is party, and shall do so as agent for the seller. The furnishing of particulars and the registration of such contract in the name of a buyer shall be effected as provided in paragraph (i) above. Upon registration of an original exchange contract pursuant to paragraph (h), the giving of the tender and documents by the Clearing House to the buyer pursuant to this paragraph shall be deemed to have been given and accepted by such parties in fulfillment of their obligations under paragraph (c) and (f) above.
- (k) In implementing this Regulation, the Clearing House may effect and register such contracts in a Member's name as may be prescribed in the Procedures at a price determined by the Clearing House in accordance with the Procedures.
- (l) If Exchange Rules require a buyer to give a tender and a seller to receive a tender in respect of a Cleared Exchange Contract, a reference in this Regulation and in Regulation 20 to a seller giving a tender shall be construed as being a reference to a buyer giving a tender and a reference to a buyer receiving a tender shall be construed as being a reference to a seller receiving a tender.

Regulation 19A Delivery Contracts

- (a) The obligations of Members under delivery contracts shall be performed in accordance with the terms of such delivery contracts and in the manner and by the time prescribed by Exchange Rules, these Regulations and the Procedures. The Clearing House shall fulfill its obligations as seller or buyer, as the case may be, under the terms of a delivery contract in accordance with Regulation 2 and the Procedures.
- (b) Where the terms of an open contract so permit, the Clearing House may give directions to one or more Members concerning the performance of such open contract and in such case each such Members shall be bound by and shall comply with any such direction.

Regulation 20 Open Contracts Subject to Tender

- (a) Without prejudice to the provisions of Regulation 21(a), under an open contract subject to tender or a delivery contract:
- (i) the buyer shall be obliged to pay his buying price to the Clearing House as seller in the manner and by the time prescribed by Exchange Rules or the Procedures;
 - (ii) the Clearing House as buyer shall be obliged to pay the seller his selling price in the manner and by the time prescribed by Regulation 2;
 - (iii) subject to Exchange Rules any compensation, adjusting payment, or other allowance payable by or to either the buyer or seller under the terms of the open contract shall be paid to or by the Clearing House;
- (b) Every tender and accompanying documents (except documents which, in accordance with Exchange Rules a buyer is obliged to take up and pay for) given by the Clearing House as seller to a buyer pursuant to Regulation 19(c) shall for the purposes of these Regulations be deemed to comply with Exchange Rules unless the buyer notifies the Clearing House, by 10.00 hours on the business day following the day on which the tender and accompanying documents were given to him by the Clearing House in accordance with Exchange Rules or the Procedures, that the tender and accompanying documents do not so comply, and the Clearing House shall be entitled after receiving such notice, promptly thereafter and notwithstanding that it may do so after 10.00 hours on such business day, to notify the seller to it under the terms of an open contract from whom it received such tender and accompanying documents that such tender and accompanying documents do not so comply.
- (c) Notwithstanding that open contracts may have been settled under Regulation 15, or (in the case of HKMEx Contracts) Regulation 91 or (in the case of Nodal Contracts) Regulation 95, a seller may, with the agreement of the Clearing House and by the time specified in the Procedures, give the Clearing House a tender in respect of any such contract so settled. Upon receipt of such tender, the Clearing House shall (unless the Procedures otherwise allow) effect on the Member's behalf re-opening contracts (that is a sale by the Member to the Clearing House and a purchase by the Member from the Clearing House of one lot, each on the same terms (including delivery) as the settled contract except as to price) and register such contracts as open contracts in the Member's name, the re-opening contracts to be effected at a price determined by the Clearing House or the Exchange as prescribed by the Procedures. The submission of a tender in accordance with the Procedures shall constitute confirmation of any such re-opening contracts and the seller's tender (or buyer's as the case may be) shall be deemed to have been made pursuant to his sale (or purchase) under the respective re-opening contract.
- (d) Notwithstanding that an open contract may have been settled under Regulation 15, or (in the case of HKMEx Contracts) Regulation 91, or (in the case of Nodal Contracts) Regulation 95, the Clearing House may in accordance with the Procedures give a tender to a buyer under Regulation 19 as if the contract were still open and on so doing the Clearing House shall effect on the Member's behalf re-opening contracts (defined as in paragraph (c) above and to be effected as there described) and register such contracts as open contracts in the Member's name. The receipt by the Buyer of such tender shall constitute confirmation of the re-opening contract and shall be deemed to occur pursuant to the Member's purchase under the respective re-opening contract.

- (e) In implementing this Regulation, the Clearing House may effect and register such contracts in a Member's name as it may deem necessary for the purposes hereof or as may be prescribed in the Procedures and at a price determined by the Clearing House in accordance with the Procedures.

Regulation 21 Arrangements for Delivery and Payment of Price

- (a) In respect of its obligations under the terms of any open contract as seller to deliver a commodity to the buyer or as buyer to pay the price and any other payments required to be made under the terms of such contract to the seller, the Clearing House may in its absolute discretion in accordance with the Procedures:
- (i) direct a Member who is a seller under an open contract to deliver the commodity the subject matter of such contract to such other Member, being a buyer under an open contract as the Clearing House may appoint, and
 - (ii) direct a Member who is a buyer under an open contract to pay the price and any other amounts payable pursuant to such contract to such other Member, being a seller under an open contract as the Clearing House may appoint;

and delivery or payment in accordance with such direction shall constitute the due performance of such obligations of such buyer or seller as the case may be towards the Clearing House. Each Member agrees that it will accept delivery of a commodity or, as the case may be, payment of the price, and such other amounts from another Member in accordance with such direction in satisfaction of the obligations owed to it by the Clearing House to make payment of the price or such other amounts or to deliver the commodity under the terms of an open contract.

- (b) If an invoice is not ready when payment becomes due, payment shall be made and received on account.
- (c) A Member may from time to time agree in writing with the Clearing House in respect of such exchange contracts as are prescribed in the Procedures that he shall pay to and receive from the Clearing House in accordance with the Procedures a net amount in respect of his obligations to make or take delivery (as the case may be) of a commodity where such commodity is a currency and to make or receive payment (as the case may be) of the buying or selling price.
- (d) If a buyer where permitted by Exchange Rules, rejects the commodity delivered to it pursuant to the Clearing House's obligations to make delivery of the commodity under the terms of an open contract subject to tender, the Clearing House shall be entitled to reject the same as against the seller from whom it took delivery of the same under the terms of an open contract subject to tender, and the Clearing House shall not be deemed to have accepted a commodity delivered to it by a seller which it delivers on to a buyer until such buyer has accepted the commodity.

Regulation 22 Restrictions on Clearing House's Obligations and Liability

- (a) This Regulation shall apply to open contracts subject to tender and delivery contracts and shall not apply to contracts for differences or option contracts.
- (b) The Clearing House (or any other member of the LCH.Clearnet Group) shall not be liable in respect of a claim made against it in respect of an open contract subject to tender or a delivery contract by a Member concerning:
 - (i) a tender given by the Clearing House; or
 - (ii) any documents accompanying a tender as required by Exchange Rules or Procedures; or
 - (iii) the performance by the Clearing House of its obligations under an open contract to make delivery of a commodity or to pay the price; or
 - (iv) any other dispute or matter arising under the terms of such contract;

unless the conditions set out in paragraphs (c), (d) and (e) below are satisfied.

- (c) The Member shall (without prejudice to his taking any other steps which may be required of or open to him under the relevant Exchange Rules or the Procedures) give written notice and particulars of his claim to the Clearing House not later than 17:00 hours (such time to be of the essence) on the seventh business day following the day on which, in accordance with the relevant Exchange Rules or the Procedures, documents must be taken up and paid for by the buyer (whether or not a buyer fulfils such obligation), or if there are no such documents, not later than 17.00 hours (such time to be of the essence) on the seventh business day following the last day on which the buyer, in accordance with the relevant Exchange Rules or the Procedures, must take delivery of the commodity (whether or not the buyer fulfils such obligation).
- (d) Where the relevant Exchange Rules provide for arbitration, the Member shall refer all disputes referred to in paragraph (b) above in respect of the contract to arbitration under the relevant Exchange Rules, shall give to the Clearing House notice of such referral pursuant to Exchange Rules and details of any award made.
- (e) The Member shall promptly provide the Clearing House with such further particulars of his claim, as the Clearing House may from time to time require in writing.

Regulation 23 Arbitration: Cleared Exchange Contracts, Turquoise Derivatives Cleared Exchange Contracts, EquityClear Contracts or LCH EnClear OTC Contracts (for Physical Delivery)

- (a) In this Regulation 23, “Relevant Rules” means relevant Exchange Rules or relevant ATP Market Rules.

Subject to Regulation 62A(n), paragraph (e) below, and to the terms of a Member Link Agreement to which the Clearing House and a Member are party, a dispute arising from or in relation to any Cleared Exchange Contract, any EquityClear Contract, or any LCH EnClear OTC Contract for physical delivery (“Physical LCH EnClear Contract”) or in relation to these Regulations relating to the clearing of Cleared Exchange Contracts, EquityClear Contracts or Physical LCH EnClear Contracts shall, unless resolved between the Clearing House and the Member, be referred to arbitration under the Relevant Rules and arbitration shall be conducted in accordance with such Relevant Rules. The Clearing House shall be entitled to call upon a Member who is a buyer and a Member who is a seller, under the terms of Cleared Exchange Contracts, EquityClear Contracts or Physical LCH EnClear Contracts as applicable, which have been matched by the Clearing House and in respect of which reference to arbitration has been made under the same Relevant Rules, to conduct the arbitration between them under such Relevant Rules as applicable.

- (b) In the event that the Clearing House elects to call upon a seller and a buyer to arbitrate between them pursuant to Regulation 23(a) above and the Relevant Rules, the following procedures shall apply:
- (i) the Clearing House shall give notice of such election to the buyer, the seller and the relevant Exchange, the relevant ATP or relevant AETS, as applicable, in accordance with such Relevant Rules;
 - (ii) the seller shall at its own expense have the conduct of the Clearing House’s case against the buyer, and the buyer shall at its own expense have the conduct of the Clearing House’s case against the seller, in either case, subject to the provisions of this Regulation;
 - (iii) copies of all pleadings, correspondence and documents shall be given to the Clearing House and the Clearing House shall be entitled to submit any additional arguments to the arbitrators in support of its own case, in which case it shall supply copies of such submissions to the seller and the buyer;
 - (iv) the arbitrators shall have the power to call upon the Clearing House to disclose documents relating to the arbitration which are in its custody, power or possession to the same extent as if it were a direct party to the arbitration; and
 - (v) the arbitrators shall issue two awards, one between the seller and the Clearing House and one between the buyer and the Clearing House which shall determine the rights of each of the seller and the buyer against the Clearing House and vice versa.
- (c) If the Clearing House is found liable to one of the parties to the arbitration (“the first party”) in respect of a breach of a Cleared Exchange Contract or an EquityClear Contract and the other party to the arbitration (“the second party”) is found liable to the Clearing House in respect of such breach of a Cleared Exchange Contract, or EquityClear Contract as applicable, which has been matched by the Clearing House as referred to in paragraph (a) above, the liability of the Clearing House to the first party shall be deemed to be a foreseeable consequence of the breach by the second party

and the Clearing House shall be entitled to be indemnified in respect of such liability by the second party.

- (d) Subject to the terms of Link Agreement to which the Clearing House and a Participating Exchange are party, a dispute arising from or in relation to any Turquoise Derivatives Cleared Exchange Contract (including a dispute concerning Member compliance with the Exchange Rules) or in relation to these Regulations relating to the clearing of a Turquoise Derivatives Cleared Exchange Contracts shall, unless resolved between the Clearing House and the Member, be finally resolved by arbitration under the LCIA Rules, which rules are deemed to be incorporated by reference into this clause, by three arbitrators, the seat of the arbitration to be England, with any hearings to be held in London in the English language. The Clearing House shall be entitled, at its option, to call upon a Member who is a buyer and a Member who is a seller, under the terms of the Turquoise Derivatives Cleared Exchange Contracts to conduct the arbitration accordingly.
- (e) In the event that the Clearing House elects pursuant to Regulation 23(d) above, to call upon a seller and a buyer to arbitrate between them, the following procedures shall apply:
- (i) the Clearing House shall give notice of such election to the buyer, the seller and to TGH and any relevant Participating Exchange;
 - (ii) the seller shall at its own expense have the conduct of the Clearing House's case against the buyer, and the buyer shall at its own expense have the conduct of the Clearing House's case against the seller, in either case, subject to the provisions of this Regulation;
 - (iii) copies of all pleadings, correspondence and documents shall be given to the Clearing House and the Clearing House shall be entitled to submit any additional arguments to the arbitrators in support of its own case, in which case it shall supply copies of such submissions to the seller and the buyer;
 - (iv) the arbitrators shall have the power to call upon the Clearing House to disclose documents relating to the arbitration which are in its custody, power or possession to the same extent as if it were a direct party to the arbitration; and
 - (v) the arbitrators shall issue two awards, one between the seller and the Clearing House and one between the buyer and the Clearing House which shall determine the rights of each of the seller and the buyer against the Clearing House and vice versa.
- (f) If the Clearing House is found liable to one of the parties to the arbitration ("the first party") in respect of a breach of a Turquoise Derivatives Cleared Exchange Contract and the other party to the arbitration ("the second party") is found liable to the Clearing House in respect of such breach of a Turquoise Derivatives Cleared Exchange Contract, the liability of the Clearing House to the first party shall be deemed to be a foreseeable consequence of the breach by the second party and the Clearing House shall be entitled to be indemnified in respect of such liability by the second party.
- (g) Where any dispute arises from or in relation to any LCH EnClear OTC Contract or in relation to these Regulations relating to the clearing of an LCH EnClear OTC Contract and there are at the time such dispute arises no provisions in the Relevant Rules for arbitration of such dispute or no Relevant Rules, then the dispute shall, unless resolved between the Clearing House and the Member, be finally resolved by the LCIA Rules,

which rules are deemed to be incorporated by reference into this clause, by three arbitrators, the seat of the arbitration to be England, with any hearings to be held in London in the English language. . The Clearing House shall be entitled, at its option, to call upon a Member who is a buyer and a Member who is a seller, under the terms of the LCH EnClear OTC Contract to conduct the arbitration accordingly.

- (h) In the event that the Clearing House elects pursuant to Regulation 23(g) above, to call upon a seller and a buyer to arbitrate between them, the following procedures shall apply:
- (i) the Clearing House shall give notice of such election to the buyer, the seller and to any relevant AETS, as applicable;
 - (ii) the seller shall at its own expense have the conduct of the Clearing House's case against the buyer, and the buyer shall at its own expense have the conduct of the Clearing House's case against the seller, in either case, subject to the provisions of this Regulation;
 - (iii) copies of all pleadings, correspondence and documents shall be given to the Clearing House and the Clearing House shall be entitled to submit any additional arguments to the arbitrators in support of its own case, in which case it shall supply copies of such submissions to the seller and the buyer;
 - (iv) the arbitrators shall have the power to call upon the Clearing House to disclose documents relating to the arbitration which are in its custody, power or possession to the same extent as if it were a direct party to the arbitration; and
 - (v) the arbitrators shall issue two awards, one between the seller and the Clearing House and one between the buyer and the Clearing House which shall determine the rights of each of the seller and the buyer against the Clearing House and vice versa.
- (i) If the Clearing House is found liable to one of the parties to the arbitration ("the first party") in respect of a breach of an LCH EnClear OTC Contract and the other party to the arbitration ("the second party") is found liable to the Clearing House in respect of such breach of an LCH EnClear OTC Contract, the liability of the Clearing House to the first party shall be deemed to be a foreseeable consequence of the breach by the second party and the Clearing House shall be entitled to be indemnified in respect of such liability by the second party.
- (j) The Clearing House shall be bound by an arbitration award made against it in pursuance of an, arbitration whether it participates directly in the arbitration or not.
- (k) No person may refer to arbitration under Exchange Rules any dispute arising from or in connection with the Default Rules or any step taken or proposed to be taken under the Default Rules.

Regulation 24 Cover in Event of a Claim

If notice of claim and notice of intention to refer a dispute to arbitration is given to the Clearing House pursuant to Exchange Rules, Regulation 22 or Regulation 62A in respect of an open contract, an EquityClear Contract, any or all cover standing to the credit of the accounts of a Member who is party to one or more contracts under dispute (whether such cover is held with respect to a contract under dispute or otherwise) may be retained by the Clearing House. The Clearing House may at any time and from time to time call for payment by such Member of additional cover, in such amount as it may deem appropriate in respect of such contract or contracts, to be held by the Clearing House under these Regulations until the claim is finally disposed of. The amount of such cover to be furnished by the Member to the Clearing House shall be assessed by reference to such circumstances as the Clearing House in its discretion deems relevant.

Regulation 25 Default of a Member: Substituted Obligation

Where a Member defaults in performance of an open contract subject to tender, and by the operation of Default Rules the Member's rights and liabilities in respect of such performance are discharged and there arises in their place an obligation to account as between the Member and the Clearing House for a settlement amount, then the Clearing House shall be entitled to substitute an obligation to account for such settlement amount, or proportions thereof pro rata, for its rights and liabilities in respect of performance of open contracts subject to tender with one or more other Members (such open contracts and such other Members to be selected by the Clearing House in its absolute discretion) for the same commodity and delivery month or prompt date. No Member shall question the settlement amount or any determination made by the Clearing House under this Regulation.

Regulation 26 Market Disorders, Impossibility of Performance, Trade Emergency

- (a) Paragraph (c) of this Regulation 26 shall not apply to open contracts which are option contracts.
- (b) In relation to Cleared Exchange Contracts and Turquoise Derivatives Cleared Exchange Contracts, if a Board, after consultation with the Clearing House, or the Clearing House, if it deems it impracticable to consult with the Board with respect to sub-paragraph (i) below only, or if the Clearing House, in relation to OTC Contracts or EquityClear Contracts, or LCH EnClear OTC Contracts determines that one of the following conditions is satisfied, namely:
- (i) a state of war exists or is imminent or threatened or civil unrest or terrorist or other criminal action has occurred or is imminent or threatened, and is likely to affect or has affected the normal course of business, including, but not limited to, performance under a Contract; or
 - (ii) the government of any nation, state or territory or any institution or agency thereof has proclaimed or given notice of its intention to exercise, vary or revoke controls which appear likely to affect the normal course of business, including, but not limited to, performance under a Contract; or
 - (iii) the EU or any international organisation, or any institution or agency thereof, has introduced, varied, terminated or allowed to lapse any provision so as to be likely to affect the normal course of business, including, but not limited to, performance under a Contract; or has given notice of its intention to do so or appears to be about to do so;

then:

- (iv) in respect of such open contracts which are OTC Contracts or EquityClear Contracts or LCH EnClear OTC Contracts as specified by the Clearing House, and notified to the affected Members, the Clearing House shall be entitled to invoice back such contracts in accordance with Regulation 28 and the Procedures at a price determined by the Clearing House or to require such Members to comply with any directions issued by the Clearing House regarding the performance of, or any other direction in respect of, such contracts; and
- (v) such open contracts which are Cleared Exchange Contracts for such delivery months, prompt dates or other delivery periods as the Board in consultation with the Clearing House or (where the Clearing House so determines without consultation with the Board) as the Clearing House shall specify (which may include open contracts under which tender or a notice or some other prescribed form of exercise has been given) shall, (unless the relevant Exchange Rules otherwise provide) upon the Board's (or the Clearing House's, as the case may be) formal announcement that such condition is satisfied, be invoiced back in accordance with Regulation 28 and the Procedures at a price determined by the Board (or the Clearing House as the case may be). In the event that a price falls to be determined by the Clearing House it shall, adopt the settlement price which in the opinion of the Clearing House was last determined or announced by the Board pursuant to Exchange Rules.

Accounts shall be made up by the Clearing House in accordance with the Procedures for each Member who is a party to open contracts invoiced back pursuant to this paragraph. Settlement of

such accounts shall be due immediately and settlement thereof shall be made forthwith in discharge of such contracts invoiced back notwithstanding any further change of circumstances.

- (c) If, in the opinion of the Clearing House after consultation with the relevant Board, a seller's complete performance of an open contract becomes impossible for any reason whatsoever (except in such circumstances as are set out in paragraph (b) above), the affected contract may at the Clearing House's option thereupon be closed by invoicing back at a price determined by the Board, and such price shall be binding on all affected parties. Accounts shall be made up by the Clearing House in accordance with the Procedures.
- (d) If an Exchange determines in accordance with its Exchange Rules that an excessive position or unwarranted speculation or any other undesirable situation or practice is developing or has developed which is affecting or capable of affecting a market in a commodity, the Clearing House may take such action as is requested of it by such Exchange in respect of one or more open contracts for such commodity in a Member's name as may be provided by Exchange Rules, or as may be agreed between the Exchange and the Clearing House.

Any formal announcement made under this Regulation shall be made by notice posted up on the floor of the market or as prescribed by the Procedures.

Regulation 27 Force Majeure

- (a) Neither the Clearing House (nor any other member of the LCH.Clearnet Group) nor a Member shall be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the terms of these Regulations or of any Contract if such failure, hindrance or delay arises out of events or circumstances beyond its control. Such events or circumstances may include, but are not limited to, acts of God or the public enemy, acts of a civil or military authority other than the acts referred in Regulation 26(b)(i), (ii) or (iii) above, terrorist or other criminal action, civil unrest, embargoes, fire, flood, labour dispute, unavailability or restriction of computer or data processing facilities, energy supplies, settlement systems or of bank transfer systems or wires, and any other causes beyond the parties reasonable control including, without prejudice to the foregoing, any causes specified in Exchange Rules.
- (b) On the happening of any one or more of the events or circumstances referred to in paragraph (a) above, which shall immediately be notified by the party prevented, hindered or delayed from performing any of the obligations referred to in paragraph (a) above to the other:
- (i) in respect of affected Cleared Exchange Contracts, and Turquoise Derivatives Cleared Exchange Contracts, the Clearing House shall be entitled at the time prescribed in the relevant Exchange Rules or if no such time is prescribed at any time after receipt of such notice, to invoice back in accordance with Regulation 28, some or all Contracts in the Member's name at a price determined by the relevant Exchange, or where Exchange Rules permit, to take such other action as it deems necessary or desirable in respect of some or all Contracts in the Member's name or require the Member to take such action as the Clearing House may direct in respect of the same; and
- (ii) in respect of affected OTC Contracts, affected EquityClear Contracts, and affected LCH EnClear OTC Contracts, the Clearing House shall be entitled to require any of the affected Contracts to be performed in accordance with directions issued by the Clearing House or invoiced back in accordance with Regulation 28, or shall be entitled to require the Member to take such action as the Clearing House may direct in respect of such Contracts.

Regulation 28 Invoicing Back

- (a) Invoicing back of a Member's Contracts pursuant to Regulation 26 or 27 or the Default Rules or otherwise shall be carried out by the Clearing House effecting and registering pursuant to the Procedures opposite contracts between itself and the Member at the price referred to in the relevant Regulation or, where applicable, in paragraph (d) below, and thereupon settling such Contracts against such opposite contracts.
- (b) The Clearing House shall, in addition to carrying out the procedures referred to in paragraph (a) above, register opposite contracts between itself and such other Members as the Clearing House may select in its absolute discretion in proportion to the net position of open contracts in their names for the same commodity and delivery month or prompt date as the Contracts invoiced back under paragraph (a) above to the nearest whole number of lots, or in the case of option contracts on the terms of the exchange contracts specified in the Procedures, for the same expiry month and strike price as the Contracts invoiced back under paragraph (a) above, or in the case of OTC Contracts on the same OTC Contract Terms as the Contracts invoiced back under paragraph (a) above, or in the case of EquityClear Contracts on the same EquityClear Contract Terms as the Contracts invoiced back under paragraph (a) above, or in the case of LCH EnClear OTC Contracts on the same LCH EnClear OTC Contract Terms (as the case may be) as the Contracts invoiced back under paragraph (a) above, and thereupon settling such open contracts against such opposite contracts.
- (c) Where open contracts are invoiced back pursuant to Regulation 26(b) or (c) the Clearing House shall make up the accounts of any Member affected by such invoicing back in accordance with Regulation 26(b) or (c), as applicable. Where a Contract is invoiced back under the Default Rules, the account of such other Member as may be affected under paragraph (b) above shall be made up in accordance with that paragraph.
- (d) Opposite contracts effected and registered by the Clearing House pursuant to paragraph (a) and (b) above shall, subject to Regulation 26(b) or (c), be at a price or, where applicable, a premium fixed or determined by the relevant Board or, in the case of OTC contracts or EquityClear Contracts or LCH EnClear OTC Contracts, at a price determined by the Clearing House, and shall be binding as a final settlement upon the parties affected by invoicing back except that where invoicing back is carried out pursuant to the Default Rules, this paragraph shall be without prejudice to any further liability of the defaulting Member to the Clearing House or to any additional rights which the Clearing House may have against the defaulting Member whether under these Regulations, at law or otherwise.
- (e) In this Regulation:
- (i) "net position" means: in respect of open contracts which are Cleared Exchange Contracts or Turquoise Derivatives Cleared Exchange Contracts, one or more of such Cleared Exchange Contracts or Turquoise Derivatives Cleared Exchange Contracts as the case may be, against which the Member in whose name they are registered has no matching Cleared Exchange Contracts or Turquoise Derivatives Cleared Exchange Contracts as the case may be for the same delivery month, expiry month or prompt date; in respect of open contracts which are SwapClear Contracts, means one or more of such SwapClear Contracts against which the Member in whose name they are registered has no matching SwapClear Contracts on the same Economic Terms; in respect of RepoClear Contracts, means one or more of such RepoClear Contracts against which the Member in whose name they are registered has no matching RepoClear Contracts on the same Economic Terms; in respect of EquityClear

Contracts, means one or more of such EquityClear Contracts against which the Member in whose name they are registered has no matching EquityClear Contracts on the same EquityClear Contract Terms; in respect of LCH EnClear OTC Contracts, means one or more of such LCH EnClear OTC Contracts against which the Member in whose name they are registered has no matching LCH EnClear OTC Contracts on the same LCH EnClear OTC Contract Terms, as the case may be; in respect of open contracts which are ForexClear Contracts, means one or more of such ForexClear Contracts against which the Member in whose name they are registered has no matching ForexClear Contracts on the same Economic Terms;

- (ii) “opposite contract” means a contract on the same terms (except as to price or premium), as the Contract to be invoiced back in accordance with this Regulation, but:
- (1) where a Member is a seller, in respect of the Cleared Exchange Contract, the Turquoise Derivatives Cleared Exchange Contract, the RepoClear Contract, the EquityClear Contract or LCH EnClear OTC Contract to be invoiced back, such Member shall be a buyer in respect of the opposite contract and vice versa;
 - (2) where a SwapClear Clearing Member is a floating rate payer, in respect of a SwapClear Contract to be invoiced back, such SwapClear Clearing Member shall be a fixed rate payer in respect of the opposite contract and vice versa;
 - (3) where a ForexClear Clearing Member is a Reference Currency Buyer in respect of a ForexClear Contract to be invoiced back, such ForexClear Clearing Member shall be a Reference Currency Seller in respect of the opposite contract and vice versa.

Regulation 29 Currency Conversion

For the purpose of exercising any rights under these Regulations, the Clearing House shall be entitled in its discretion to convert monies standing to the debit or credit of a Member's accounts (including client accounts) into such other currency or currencies as it thinks fit, such conversion to be effected at such reasonable rate or rates of exchange as the Clearing House may determine in accordance with the Procedures.

Regulation 30 Disclosure

- (a) The Clearing House shall have authority to supply any information whatsoever concerning a Member and its trading to (a) an Exchange or an exchange with whom the Clearing House has entered into an agreement pursuant to which the parties have agreed to exchange information as required or contemplated by its Exchange Rules, (b) to any Regulatory Body which is entitled to receive or request any such details or information, (c) to a Participating Exchange pursuant to an agreement entered into with the Participating Exchange, (d) any Approved EquityClear Settlement Provider pursuant to an agreement entered into with that Approved EquityClear Settlement Provider (e) LCH.Clearnet Group Limited (f) LCH.Clearnet SA or (g) to any other person or body to which the Clearing House is, in its reasonable opinion, legally required to disclose the same.
- (b) The Clearing House shall also be entitled to supply any information whatsoever concerning a Member to any person who has provided or may be contemplating entering into arrangements to provide the Clearing House directly or indirectly with stand-by or other finance, insurance cover, guarantee or other financial backing, which the Clearing House has been requested or is legally required to disclose to assist such person in relation to the provision of, or continued provision of, such finance, insurance cover, guarantee or financial backing.
- (c) The Clearing House shall have authority (a) to obtain and make use of information from SWORD relating to a Member; and (b) to disclose such information to any Regulatory Body or Exchange which is entitled to receive or request any such information.
- (d) The Clearing House shall have authority to supply to a Cross-Margining Exchange any information relative to a Cross-Margining Participant, as contemplated under the Cross-Margining Agreement between the Clearing House and the Cross-Margining Exchange.

Regulation 31 Fees and Other Charges

- (a) The Clearing House shall be entitled to levy fees in respect of such matters and at such rates as may from time to time be prescribed. Such fees shall be payable by such Members, by such times, and in such manner as may be prescribed by the Procedures.
- (b) Accommodation charges made by the Clearing House pursuant to Regulation 12(h) or (i) shall be payable to the Clearing House by such Members, in such manner and by such times as may be prescribed by the Procedures.
- (c) Any changes to be made to the fees and charges payable pursuant to paragraphs (a) and (b) above shall take effect, as prescribed by the Procedures.

Regulation 32 **Records**

A Member shall not be entitled to the return of any particulars, notices or any other documentation presented to the Clearing House pursuant to Regulations 6 to 8 and 15 to 20 inclusive.

Regulation 33 Procedures

The Procedures shall take effect and shall be binding on Members as if they formed part of these Regulations save that, in the event of any conflict between the provisions of these Regulations and the Procedures, the provisions of these Regulations shall prevail.

Regulation 34 Alteration of Regulations and the Procedures

- (a) Unless the Clearing Membership Agreement or these Regulations otherwise specifically provide in relation to any proposed amendment or extension, the Clearing House may from time to time, by notice delivered to the Exchanges and Members, amend or extend these Regulations and such amendment or extension may be made with immediate effect or with such deferred effect as the Clearing House shall determine. Any amendment or extension to these Regulations may take effect so as to apply to Contracts registered in a Member's name at the time such amendment or extension comes into effect if the Clearing House so determines.
- (b) Unless the Clearing Membership Agreement or these Regulations or the Procedures otherwise specifically provide in relation to any proposed amendment or extension, the Clearing House may from time to time amend or extend the Procedures by notice delivered to such Exchanges and Members as may be affected.
- (c) 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 35 Interpretation of these Regulations

- (a) In the event of inconsistency between the provisions of these Regulations and Exchange Rules, or between these Regulations and the rules or regulations or other contractual provisions of any trading platform or other undertaking, the provisions of these Regulations shall prevail.
- (b) The headings to these Regulations are for convenience only and shall not affect their interpretation.

Regulation 36 Waiver

No failure by the Clearing House to exercise, nor any delay on its part in exercising, any of its rights (in whole or in part) under these Regulations shall operate as a waiver of the Clearing House's rights or remedies upon that or any subsequent occasion, nor shall any single or partial exercise of any right or remedy prevent any further exercise thereof or any other right or remedy.

Regulation 37 Validity of Regulations and Action

- (a) If at any time any provision of these Regulations becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Regulations nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

- (b) Action taken by the Clearing House pursuant to Exchange Rules may not be questioned on the ground that the Exchange Rules are to any extent invalid or ultra vires or that a determination or request made by the Exchange, or any agreement made by the Exchange, is ultra vires, incompatible with Exchange Rules or otherwise questionable.

Regulation 38 Governing Law and Jurisdiction

- (a) These Regulations and the Procedures shall be governed by and construed in accordance with English law.
- (b) Subject to the terms of a Member Link Agreement to which the Clearing House and a Member are party any dispute arising from or in relation to any Contract or in relation to these Regulations shall, unless resolved between the Clearing House and a Member, be referred to arbitration under the Relevant Rules in accordance with Regulation 23. The obtaining of an arbitration award shall be a condition precedent to the right of the Clearing House or the Member to bring or maintain any action, suit or other legal proceedings against the other, except only the Clearing House's right to maintain proceedings to obtain security for a claim. This paragraph is subject to Regulation 23(k) and shall not apply to any action, suit or other legal procedure concerning a dispute there referred to.
- (c) The Clearing House and every Member hereby irrevocably agree for the benefit of the Clearing House that the courts of England shall have exclusive jurisdiction to hear and determine any claim or matter arising from or in relation to any Contract or in relation to these Regulations which does not fall to be referred to arbitration under paragraph (b), or to be dealt with in a different forum under the terms of a Member Link Agreement or to be dealt with under the ATS Rules (as defined in Regulation 56A(a)) pursuant to the provisions of Regulation 56(l) and each Member irrevocably submits to such jurisdiction and to waive any objection which it might otherwise have to such courts being a convenient and appropriate forum, save that this submission to the exclusive jurisdiction of the English courts shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the taking of action in any other jurisdiction, whether concurrently or not.
- (d) Each Member irrevocably waives, with respect to itself and its revenues and assets, all immunity on the grounds of sovereignty or other similar grounds from suit, jurisdiction of any court, relief by way of injunction, order for specific performance or for recovery of property, attachment of its assets (whether before or after judgement) and execution or enforcement of any judgement to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably agrees that it will not claim any such immunity in any proceedings.
- (e) Subject to paragraph (a) above and (i) below and (j) below and Exchange Rules, a Cleared Exchange Contract shall, after registration in the name of a Member, continue to be governed by and construed in accordance with the law governing it prior to registration.
- (f) An OTC Contract and a Turquoise Derivatives Cleared Exchange Contract shall be governed by and construed in accordance with English law.
- (g) An EquityClear Contract shall be governed by and construed in accordance with English law.
- (h) An LCH EnClear OTC Contract shall be governed by and construed in accordance with English law.
- (i) A HKMEx Contract shall be governed by and construed in accordance with English law.
- (j) A Nodal Contract shall be governed by and construed in accordance with English law.

Regulation 39 Exclusion of Liability

- (a) Without prejudice to the provisions of Regulations 1 and 22 and 39(e) or to the provisions of a Member Link Agreement, neither the Clearing House, nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any Member or to any other person (including, without limitation, any client of a Member) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Member or any other person, as the case may be, as a result of: any suspension, restriction or closure of the market administered by an Exchange, an ATP or a Participating Exchange, whether for a temporary period or otherwise or as a result of a decision taken on the occurrence of a market emergency; any failure by the Clearing House or an Exchange or a Participating Exchange or an ATP or its operator or the relevant approved agent or the Approved EquityClear Settlement Provider to supply each other with data or information in accordance with arrangements from time to time established between any or all of such persons; the failure of any systems, communication facilities or technology supplied, operated or used by the Clearing House, an Exchange, or a Participating Exchange for the purposes of a Link; any event which is outside the control of the Clearing House; any act or omission of an Exchange, or a Participating Exchange in connection with a Linked Exchange Contract or a Participating Exchange Contract or any contracts made on such terms, including, without limitation, any error in the establishment of a settlement price made by an Exchange; any act or omission of the Clearing House, an Exchange, or a Participating Exchange (as the case may be) in connection with the operation of a Link or the arrangements for the transfer of Contracts under a Link; or any act or omission of a Board or an Exchange or any determination made under Exchange Rules in connection with LIFFE Credit Default Swap Index Contracts or the terms thereof.
- (b) Neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability to a Member or any other person (including without limitation a SwapClear Dealer, or a RepoClear Dealer or an EquityClear NCM or a ForexClear Dealer) in respect of any dispute arising from or in relation to any OTC Transaction, Eligible OTC Trade, or an ATP Match including, but not limited to, any dispute as to the validity or otherwise of such OTC Transaction, Eligible OTC Trade, the terms of such OTC Transaction, Eligible OTC Trade, trade or ATP Match, or whether any alleged agreement or arrangement constitutes an OTC Transaction or Eligible OTC Trade.
- (c) Without prejudice to the provisions of Regulation 1 and Regulation 39(e), neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any SwapClear Clearing Member, a RepoClear Clearing Member, EquityClear Participant, LCH EnClear OTC Clearing Member, ForexClear Participant or to any other person (including, without limitation, a SwapClear Dealer or a RepoClear Dealer) in contract, tort (including without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred as a result of: any suspension of an OTC Service or the EquityClear Service or the LCH EnClear OTC Services (or any part thereof), whether for a temporary period or otherwise, a step taken by the Clearing House under Regulations 26, 27, 47(f), 54(f) or 67 or any failure or malfunction of any systems, communication lines or facilities, software or technology supplied, operated or used by the Clearing House or the relevant approved agent; the occurrence of any event which is outside the control of the Clearing House; or any exercise by the Clearing House of its discretion under the Regulations, or any decision by the Clearing House not to exercise any such discretion.

- (d) Without prejudice to Regulation 39(c) and 39(e), unless otherwise expressly provided in the Regulations or in any other agreement to which the Clearing House is party, neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability under any circumstances (including, without limitation, as a result of any negligence by the Clearing House, or any other member of the LCH.Clearnet Group Limited, or their respective officers, employees, agents or representatives), be liable to any Member, or a SwapClear Dealer, a RepoClear Dealer, an EquityClear NCM, or a ForexClear Dealer for any indirect or consequential loss or damage, or loss of anticipated profit (whether direct or indirect) or loss of bargain, suffered or incurred by any such Member, SwapClear Dealer, RepoClear Dealer, an EquityClear NCM, or a ForexClear Dealer, and shall not in any circumstances be liable for any loss, cost, damage or expense suffered or incurred by any person as a result of any negligence on the part of the Clearing House, or any other member of the LCH.Clearnet Group Limited, or their respective officers, employees, agents or representatives.
- (e) Nothing in this Regulation 39 shall be construed as an attempt by the Clearing House to exclude any liability for any fraud, fraudulent misrepresentation or wilful default on the part of the Clearing House. The Clearing House accepts liability for any personal injury or death caused by the negligence of the Clearing House and for any fraud or wilful default on the part of the Clearing House and for any actions that it may take on the basis of advice given to it by the SwapClear DMG, and for the accuracy of the information that it distributes to the SwapClear Clearing Members in connection with the SwapClear DMP pursuant to the SwapClear DMP Annex, and for any actions that it may take on the basis of advice given to it by the ForexClear DMG, and for the accuracy of the information that it distributes to the ForexClear Clearing Members in connection with the ForexClear DMP pursuant to the ForexClear DMP Annex.
- (f) Without prejudice to the provisions of Regulations 1 and 22 and 39(e) neither the Clearing House, nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any Member or to any other person (including, without limitation, any client of a Member or a member of a Participating Exchange or any client of such member) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Member or any other person, as the case may be, as a result of the failure of any systems, communication facilities or technology supplied, operated or used by TGHL or as a result of any negligence, wrongdoing, or other act, error, failure or omission on the part of TGHL, in supplying any services to the Clearing House with regard to the Clearing House Turquoise Derivatives Services or as a result of or in connection with any inconsistency or conflict between any provision contained in the Turquoise Derivatives Rules on the one hand and any provision of these Regulations, Default Rules and Procedures and any other Clearing House documentation on the other hand.
- (g) Without prejudice to the provisions of Regulations 22 and 39(e) neither the Clearing House, nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any Member or to any other person (including, without limitation, any client of a Member or a member of a Participating Exchange or any client of such member) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Member or any other person, as the case may be, as a result of the failure of any systems, communication facilities or technology supplied, operated or used by LIFFE, or as a result of any negligence, wrongdoing, or other act, error, failure or omission on the part of LIFFE in relation to the physical settlement of any Contracts or any failure in its administration of deliveries under any Contracts or as a result of or in connection with any inconsistency or conflict between

any provision relating to such settlement contained in the LIFFE Rules on the one hand and any provision of these Regulations, Default Rules and Procedures and any other Clearing House documentation on the other hand.

- (h) For the purposes of the Contracts (Rights of Third Parties) Act 1999, save as is expressly set out herein, these Regulations, Default Rules and Procedures do not create any rights in any persons who is/are not a Member/s.

Regulation 39A Netting

- (a) If at any time the Clearing House fails to make a payment to a Member, other than a defaulter, under a Contract for a period of 30 days from the date when the obligation to pay fell due then that Member may exercise its rights under paragraph (c) below.
- (b) If at any time the Clearing House commences a voluntary case or other procedure seeking or proposing liquidation, administration, receivership, voluntary arrangement or a scheme of arrangement, or other similar relief with respect to itself or to its debts under any bankruptcy, insolvency, regulatory, supervisory or similar law, or if any of the foregoing cases or procedures is commenced in relation to the Clearing House by any other person which results in liquidation or winding up of the Clearing House, or if the Clearing House takes corporate action to authorise any of the foregoing, in any such case other than for the purposes of corporate restructuring (including any consolidation, amalgamation or merger), then a Member, other than a defaulter, may exercise the right given to it under paragraph (c) below.
- (c) A Member entitled to exercise rights under this paragraph may, at any time whilst any of the circumstances referred to in paragraph Regulation 39A or (b) giving rise to such rights continue, by notice in writing to the Clearing House, specify a Termination Date for the termination and liquidation of all Contracts to which it is a party in accordance with paragraph (d) below.
- (d) Upon the occurrence of a Termination Date:
- (i) neither the Clearing House nor the Member shall be obliged to make any further payments or deliveries under any Contract between them which would, but for this Regulation 39A, have fallen due for performance on or after the Termination Date, and any obligations to make further payments or deliveries which would otherwise have fallen due shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Termination Amount;
 - (ii) the Member shall (on, or as soon as reasonably practicable after, the Termination Date) determine (discounting if appropriate) in respect of each Contract its total loss or, as the case may be, gain, in each case expressed in the lawful currency of the United Kingdom (the "Base Currency"), (and, if appropriate, including any loss of bargain, cost of funding or, without duplication, loss or, as the case may be, gain as a result of the termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position), as a result of the termination, pursuant to this agreement, of each payment or delivery which would otherwise have been required to be made under such Contract (assuming satisfaction of each applicable condition precedent and having due regard to, if appropriate, such market quotations published on, or official settlement prices set by, a relevant exchange or clearing organisation, as may be available on, or immediately preceding, the date of calculation); and
 - (iii) the Member shall treat each loss to it, determined as above, as a positive amount and each gain by it, so determined, as a negative amount and, subject to paragraph (iv), shall aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Base Currency (the "Termination Amount").
 - (iv) Where a Member has a house and one or more client accounts:

- (1) the Member shall determine two net amounts under paragraph (d)(iii); one net amount in respect of gains and losses arising on Contracts registered in the Member's client account (or client accounts as combined) and a second net amount in respect of gains and losses arising on all other Contracts; and
 - (2) the two net amounts determined under paragraph (iv)(1) shall constitute Termination Amounts.
- (v) If a Termination Amount determined pursuant to paragraph (d) or (iv) above is a positive amount, the Clearing House shall pay it to the Member and if any such Termination Amount is a negative amount, the Member shall pay it to the Clearing House, in either case in accordance with paragraph (vi). The Member shall notify the Clearing House of each such Termination Amount, and by which party it is payable, immediately after the calculation thereof.
 - (vi) A Termination Amount shall, subject to Regulation 39B, be paid in the Base Currency by the close of business on the business day following notification pursuant to paragraph (v) above (converted as required by applicable law into any other currency, any costs of such conversion to be borne by, and (if applicable) deducted from any payment to, the Clearing House). Any Termination Amount which is not paid on such day shall bear interest, at the average rate at which overnight deposits in the currency of such payment are offered by major banks in the London interbank market as of 11:00 hours (London time) (or, if no such rate is available, at such reasonable rate as the Member may select) plus 1% per annum, for each day for which any such sum remains unpaid.
 - (vii) For the purposes of any calculation required to be made under this Regulation, the Member may convert amounts denominated in any other currency into the Base Currency at such rate prevailing at the time of the calculation as it shall reasonably select.

The Member's rights under this Regulation 39A shall be in addition to, and not in limitation or exclusion of, any other rights which the Member may have (whether by agreement, operation of law or otherwise, including its rights under Regulation 5(i)).

Regulation 39B Distribution of Assets

- (a) Where (after the netting and set-off provided for in Regulation 39A and Regulation 5(i)) the Clearing House has insufficient assets available to it to pay all Termination Amounts in full (determined in accordance with FCM Regulation 26A and General Regulation 39A), the claims of the Clearing Members (which shall include FCM Clearing Members for the purposes of this Regulation 39B) of each Service shall be met first to those Clearing Members who are SCMs and/or FXCCMs and/or RepoClear Clearing Members (“RCMs”) in an amount equal to the outstanding SwapClear Contributions of such SCMs and/or ForexClear Contributions of such FXCCMs and/or RepoClear Contributions of such RCMs (as applicable) and, thereafter, pro rata to each Clearing Member’s respective claim (and in respect of SCMs who have received an amount relating to their outstanding SwapClear Contributions, their respective claims shall be reduced by such amounts so received; and in respect of FXCCMs who have received an amount relating to their outstanding ForexClear Contributions, their respective claims shall be reduced by such amounts so received; and in respect of RCMs who have received an amount relating to their outstanding RepoClear Contributions, their respective claims shall be reduced by such amounts so received). To the extent the Clearing House does not have sufficient assets available to it to pay each SCM and/or FXCCM and/or RCM the amount equal to the sum of its outstanding SwapClear Contribution and/or its outstanding ForexClear Contribution and/or its RepoClear Contribution (as applicable), the Clearing House shall distribute the assets available to it to each SCM and/or FXCCM and/or RCM (as applicable) in an amount equal to the proportion that the outstanding SwapClear Contribution of the relevant SCM and/or the outstanding ForexClear Contribution of the relevant FXCCM and/or the outstanding RepoClear Contribution of the relevant RCM bears to the aggregate of: (a) the sum of the outstanding SwapClear Contributions of all SCMs; (b) the sum of the outstanding ForexClear Contributions of all FXCCMs; and (c) the sum of the outstanding RepoClear Contributions of all RCMs.
- (b) For the purposes of this Regulation 39B the term “SCMs” shall include “FCM Clearing Members”

LINK REGULATIONS***Regulation 40* Application of Link Regulations**

- (a) These Link Regulations, which form a part of the General Regulations, apply in conjunction with all other provisions of the Regulations to Contracts which are on the terms of those Linked Exchange Contracts specified for the purpose of these Link Regulations in the Procedures and which are registered by the Clearing House in the name of a Member pursuant to Regulation 9. The references in these Link Regulations to “Contracts on the terms of a Linked Exchange Contract” shall be construed as referring to Contracts on the terms of a Linked Exchange Contract specified for the purpose of these Link Regulations in the Procedures. The references in these Link Regulations to “contracts on the terms of a Participating Exchange Contract” shall be construed as referring to contracts on the terms of a Participating Exchange Contract specified for the purposes of these Link Regulations in the Procedures.
- (b) In the event of any conflict between these Link Regulations and the Default Rules, the Default Rules shall prevail.

Regulation 41 Transfer of Contracts on the terms of a Linked Exchange Contract

- (a) Each Contract on the terms of a Linked Exchange Contract registered by the Clearing House in the name of a Member pursuant to Regulation 9 which forms part of a Member's Day Position Balances and all other Contracts on the terms of a Linked Exchange Contract which do not form part of such Day Position Balances shall, subject to Regulations 42(a), 42(b) and 44, be transferred in accordance with paragraph (c) below.
- (b) The Clearing House shall, in accordance with the Procedures, calculate each Member's Day Position Balances with respect to Contracts on the terms of a Linked Exchange Contract which are registered on a business day in each such Member's name and recorded in certain accounts referred to in the Procedures. Subject to Regulations 42(a), 42(b) and 44, the Clearing House shall transmit details of such Day Position Balances and all other Contracts on the terms of a Linked Exchange Contract registered on such business day in each such Member's name which do not form part of a Member's Day Position Balances to the relevant Participating Exchange in accordance with procedures from time to time agreed with, and by such time or times and on such day as agreed with, such Participating Exchange.
- (c) Upon the dispatch by the relevant Participating Exchange of a confirmation in such form as may be agreed from time to time with the Clearing House following receipt by such Participating Exchange of the details of Contracts transmitted pursuant to paragraph (b) above, all such Contracts comprised in each Member's Day Position Balances and all other Contracts referred to in paragraph (b) shall be transferred under this paragraph (c) and the terms of a Member Link Agreement to which each Member party to such Contracts is a party. The transfer of such Contracts shall, subject to Regulation 42(d), have effect so that:
- (i) the Clearing House and each Member party to each such Contract shall be released from their obligations to each other under each such Contract ("a discharged Contract") (except from their obligations under these Regulations including, without limitation, obligations with respect to any fees payable under the Regulations or to pay any daily settlement amounts in respect of one or more discharged Contracts or to provide cover for margin) and, without prejudice to the foregoing or to the claims of either the Clearing House or a Member arising out of or in relation to a discharged Contract;
 - (ii) the respective rights of the Clearing House and a Member against each other under a discharged Contract shall be cancelled and the discharged Contract shall be replaced simultaneously by a contract on the terms of the relevant Participating Exchange Contract between the persons specified in the relevant Member Link Agreement to which the Member party to a discharged Contract is a party and under which such discharged Contract was transferred.
- (d) Contracts other than option Contracts comprised in a Member's Day Position Balances shall be transferred at the settlement price for the delivery month of such Contracts established by the relevant Exchange. Such Contracts (other than option Contracts) shall be transferred at the official quotation for such delivery month if no such Settlement Price has been established. Contracts in the terms of a Linked Exchange Contract which do not form part of a Member's Day Position Balances shall, subject to paragraph (e) below, be transferred at the price at which they were entered into and, unless paragraph (e) applies, no daily settlement amounts shall be payable in respect of such Contracts under the Regulations. Option Contracts comprised in a Member's Day Position Balance shall be transferred with effect that no premium shall be payable under

contracts on the terms of the relevant Participating Exchange Contract which arise pursuant to Regulation 41(c)(ii), but without prejudice to the obligation of the buyer to pay the premium due under each discharged Contract.

- (e) If Regulation 44(a) applies, all Contracts (other than option Contracts) which are subsequently transferred pursuant to paragraph (c) above after the business day on which they were registered by the Clearing House shall, subject to paragraph (f) below, be transferred at the settlement price referred to in paragraph (d) above, or if no such settlement price has been established, at the official quotation referred to in paragraph (d) above, for the business day immediately preceding the business day on which such transfer is made. Option Contracts which are subsequently transferred pursuant to paragraph (c) above after the business day on which they were registered by the Clearing House shall, subject to paragraph (f) below, be transferred with effect that no premium shall be payable under contracts on the terms of the relevant Participating Exchange Contract which arise pursuant to Regulation 41(c)(ii), but without prejudice to the obligation of the buyer to pay the premium due under each discharged Contract.
- (f) If Contracts to be transferred pursuant to Regulation 41(c) have been entered into pursuant to the trade correction procedures, such Contracts may be transferred at a different price to the price specified in paragraph (e) above.

Regulation 41A Transfer to the Clearing House of Participating Exchange Contracts

- (a) Each contract on the terms of a Participating Exchange Contract registered by a Participating Exchange in the name of a member of a Participating Exchange forming part of the member of the Participating Exchange's Day Position Balances shall, subject to Regulations 42 and 44, be transferred at the time or times and in the manner referred to in either or both of the Participating Exchange Rules of the relevant Participating Exchange and the applicable Member Link Agreement to which such member of the Participating Exchange is party and in accordance with any other procedures from time to time agreed between the Clearing House and the Participating Exchange and any Exchange party to the relevant Link. Notwithstanding the preceding sentence, such contracts on the terms of a Participating Exchange Contract may be transferred after such time or times if the Clearing House, the Participating Exchange, and any Exchange party to the relevant Link so agrees.
- (b) Upon the transfer of a contract referred to in paragraph (a) which is on the terms of a Participating Exchange Contract pursuant to a Member Link Agreement, the parties to such contract shall be released from their obligations to each other under such contract (except from those obligations which the Member Link Agreement and the relevant Participating Exchange Rules expressly state shall survive) (a "discharged contract") and, without prejudice to the provisions of the Participating Exchange Rules, their respective rights against each other shall be cancelled and the discharged contract shall be replaced simultaneously by a contract on the terms of the relevant exchange contract between the Clearing House and the Member party to such Member Link Agreement for the same number of lots and the same delivery month or expiry month and exercise price (as applicable) as the discharged contract. Such contract shall, upon its arising, be subject to the relevant Exchange Rules and the Regulations and shall not be subject to any Participating Exchange Rules and shall, upon registration pursuant to Regulation 9(f), become an open contract.

Regulation 42 Default Affecting Transfer

- (a) (i) If, prior to the transfer of Contracts on the terms of one or more Linked Exchange Contracts pursuant to Regulation 41(c), a Member becomes a defaulter or any other default-related or other event specified in a relevant Member Link Agreement to which the Member is party occurs with respect to the Member (“the defaulting Member”), Contracts on the terms of one or more relevant Linked Exchange Contracts registered in the defaulting Member’s name with the Clearing House shall not be transferred pursuant to Regulation 41(c) if the terms of the relevant Member Link Agreement so provides.
- (ii) Following the occurrence of any event referred to in sub-paragraph (a)(i) above in respect of a Member, and if Contracts in the terms of the relevant Linked Exchange Contracts to which the defaulting Member is party cannot be transferred pursuant to Regulation 41(c), the Clearing House shall, without prejudice to the Default Rules or to paragraph (f) above, for the purposes of facilitating the transfer of Contracts under one or more Links pursuant to Regulation 41(c), either enter into Contracts (“Default Management Contracts”) as a principal with one or more Members (each “a Nominated Member”) who agrees to enter into such contracts which shall, in accordance with paragraph (c) of this Regulation 42, be in the terms of such Contracts on the terms of one or more relevant Linked Exchange Contracts which are or become registered in the defaulting Member’s name with the Clearing House or, if the terms of the relevant Link Agreement so requires, implement the provisions of Regulation 42(g).
- (b) (i) If, prior to the transfer of Contracts on the terms of one or more Linked Exchange Contracts pursuant to Regulation 41(c), the Clearing House becomes aware that a member of a Participating Exchange who is party to such Member Link Agreement with a Member (“affected Member”) has become a Defaulter (as defined in such Member Link Agreement) or any other default-related or other event specified in such Member Link Agreement occurs with respect to the member of the Participating Exchange, Contracts on the terms of one or more relevant Linked Exchange Contracts registered in the name of an affected Member shall not be transferred under such Member Link Agreement or under any other relevant Member Link Agreement if the terms of any such agreement do not so permit and, pursuant to the terms of the relevant Link Agreement either the provisions of sub-paragraph (ii) **Error! Reference source not found.** or Regulation 42(g) shall apply.
- (iii) If, pursuant to sub-paragraph (i) above, this sub-paragraph (ii) applies, the Clearing House shall, for the purposes of facilitating the transfer of Contracts under a Link pursuant to Regulation 41(c), enter into Default Management Contracts with one or more Nominated Members who agree to enter into such Contracts, which shall in accordance with paragraph (c) of this Regulation 42 be on the terms of Contracts on the terms of one or more relevant Linked Exchange Contracts which are or become registered in the affected Member’s name.
- (c) Default Management Contracts entered into by the Clearing House pursuant to paragraph (a) or (b)(ii) above with one or more Nominated Members shall (in aggregate) be for the same number of lots as the number of lots of Contracts on the terms of one or more relevant Linked Exchange Contracts which remain open contracts after the Clearing House has taken steps (if any) pursuant to the Default Rules (or the relevant Exchange has taken steps (if any) under Exchange Rules) to achieve a discharge of the defaulter’s rights and liabilities under or in respect of such Contracts or, as the case may be, pursuant to paragraph (f) below to achieve a discharge of the affected Member’s

Contracts and shall be assigned to such accounts of a Nominated Member as agreed between the Clearing House and the Nominated Member and, as applicable, shall be included in the Nominated Member's Day Position Balances or aggregated with the Contracts registered in the Nominated Member's accounts which do not form part of his Day Position Balances. Details of such Default Management Contracts shall be transmitted to the relevant Participating Exchange pursuant to Regulation 41(b).

- (d) Default Management Contracts entered into by the Clearing House pursuant to Regulation 42(a) or 42(b)(ii) with a Nominated Member shall be transferred pursuant to Regulation 41(c) and thereby discharged in accordance with the terms of any written agreement entered into between the Clearing House and the Nominated Member for the purposes of this Regulation 42 and upon such transfer, the Clearing House and the Nominated Member shall become party to new Contracts which shall be subject to the Regulations and in the same terms and for the same number of lots as the Default Management Contracts, as more particularly described in such agreement, save that the Clearing House, if a party to a Default Management Contract as a seller, shall be a buyer under a Contract to which the Clearing House becomes a party under this paragraph (d) and vice versa. Such new Contracts shall not be transferred pursuant to Regulation 41, but shall be performed in accordance with the Regulations and the terms of any written agreement to which the Clearing House and the Nominated Member is a party for the purposes of this Regulation 42.
- (e) Contracts on the terms of a Linked Exchange Contract to which a defaulter or an affected Member is a party and which cannot be transferred pursuant to Regulation 41(c) ("affected Contracts") shall remain subject to and shall be discharged in accordance with the Regulations.
- (f) Without prejudice to the Default Rules, the Clearing House shall have the right to take such action and by such means as the Clearing House in its absolute discretion determines to close-out, cash-settle by invoicing back, transfer to another member pursuant to Regulation 11, or otherwise achieve a discharge of the affected Member's affected Contracts whether or not the affected Member is a defaulter.
- (g) If the terms of the applicable Link Agreement so require the Clearing House shall, following the occurrence of an event referred to in Regulation 42(a) in respect of a Member or in Regulation 42(b) in respect of a member of the relevant Participating Exchange, become party to one or more contracts (each a "Default Contract") with the Participating Exchange party to such Link Agreement which shall be on the same terms and for the same number of lots as the number of lots of the affected contracts which remain open contracts after the Clearing House has taken steps pursuant to the Default Rules or pursuant to paragraph (f) above with respect to such affected Contracts, except that each Default Contract shall be subject to the relevant Participating Exchange Rules and not subject to these Regulations or to the relevant Exchange Rules. The Clearing House shall have the right to take such action and by such means as the Clearing House in its absolute discretion determines to close-out, transfer or otherwise achieve the discharge of each Default Contract pursuant to the relevant Participating Exchange Rules or the terms of any agreement concluded between the Clearing House and such Participating Exchange and to close-out, transfer or otherwise achieve a discharge of the affected Contracts pursuant to the Default Rules or Regulation 42(f).
- (h) (i) If the terms of the relevant Link Agreement so require, following the occurrence of an event referred to in Regulation 42(a) in relation to a Member or in Regulation 42(b) in relation to a member of a Participating Exchange, contracts on the terms of one or more relevant Participating Exchange Contracts registered with the relevant Participating Exchange in the name of such member of the Participating Exchange or a member of

the Participating Exchange party to a Member Link Agreement with the Member and which form part of such member of the Participating Exchange's day Position Balances shall not be transferred pursuant to Regulation 41A (b) and the Participating Exchange (as a Member of the Clearing House) shall become party to one or more open contracts (each a "Default Contract") with the Clearing House.

- (ii) Each such Default contract shall be on the same terms and for the same number of lots as such contracts on the terms of each such Participating Exchange Contract, except that each Default Contract shall be subject to the Regulations and the relevant Exchange Rules and not subject to the relevant Participating Exchange Rules. The Participating Exchange shall have the right to take such action and by such means as the Participating Exchange in its absolute discretion determines to close-out, transfer or otherwise achieve the discharge of each Default Contract pursuant to the Regulations or the terms of any agreement concluded between the Clearing House and the relevant Participating Exchange, provided that, without prejudice to the Default Rules, the Clearing House shall also have the right to take such action and by such means as the Clearing House in its absolute discretion determines to close-out, transfer to another Member pursuant to Regulation 11, or (if they cannot be so transferred) otherwise achieve a discharge of each such Default Contract, and may take such action whether or not the Participating Exchange is a defaulter.

Regulation 43 Margin

Without prejudice to the provisions of Regulation 9(b) or Regulation 12, the Procedures or any agreement entered into between the Clearing House and a Member with respect to cover for margin provided or to be provided by such Member to the Clearing House, the Clearing House shall be entitled to require a Member to furnish cover to the Clearing House in an amount determined by the Clearing House as a condition of the Clearing House agreeing to register original contracts on the terms of a Linked Exchange Contract in the name of the Member and to keep the Clearing House furnished with sufficient cover at all times, in an amount or amounts determined by the Clearing House, as security for the performance by such Member of his obligations to the Clearing House in respect of such original contracts to be registered or Contracts registered with the Clearing House. In addition, the Clearing House shall be entitled to require cover in a form and in an amount determined by the Clearing House from a Member as a condition of the Clearing House agreeing to take any steps pursuant to any trade correction procedures.

Regulation 44 Impossibility of Transfer

- (a) If it is not possible for any reason (other than for a reason referred to in Regulation 42) (including, without limitation, as a result of any action taken by an Exchange pursuant to Exchange Rules or, as a result of the act of a government or a Regulatory Body or any change in applicable law or as a result of the failure of any systems, communication facilities or other technology) for details of open contracts on the terms of a Linked Exchange Contract to be transmitted on a day pursuant to Regulation 41(b), or for the relevant Participating Exchange to receive such details or to despatch a confirmation as referred to in Regulation 41(c), so that such Contracts cannot be transferred pursuant to Regulation 41(c) on the business day on which such Contracts were registered by the Clearing House, such Contracts shall remain registered with the Clearing House and subject to the Regulations and Procedures. Details of such Contracts which remain as open contracts shall be transmitted to the relevant Participating Exchange pursuant to Regulation 41(b) on the next day on which such Contracts are permitted to be transferred under the Link entered into with the relevant Participating Exchange and on which it is possible for details of such Contracts to be transmitted.
- (b) If it is not possible for any reason other than for a reason referred to in Regulation 42 (including, without limitation, as a result of any action taken by an Exchange or a Participating Exchange pursuant to Exchange Rules or Participating Exchange Rules (as the case may be), or as a result of the act of a government or a Regulatory Body or any change in applicable law or a result of the failure of any systems, communication facilities or other technology) for contracts on the terms of a Participating Exchange Contract to be transferred pursuant to Regulation 41A on the day on which such contracts were registered by the Participating Exchange, such contracts shall remain registered with the Participating Exchange and subject to its Participating Exchange Rules. Such contracts shall be transferred to the Clearing House pursuant to Regulation 41A on the next day on which such contracts are permitted to be so transferred under the Link Agreement entered into with the relevant Participating Exchange and on which it is possible to do so.
- (c) If the Link entered into with a Participating Exchange is suspended for an indefinite period or terminated, Contracts which have not been transferred pursuant to Regulation 41(c) shall remain registered with the Clearing House and subject to the Regulations and shall be performed in accordance with their terms or may be closed-out or otherwise discharged in accordance with the Regulations or the relevant Exchange Rules.

Regulation 45 Cross-Margining Regulations

- (a) A Member who is a Cross-Margining Participant shall indemnify and hold harmless the Clearing House against all amounts which are or may become due and payable by the Clearing House to a Cross-Margining Exchange pursuant to a Cross-Margining Agreement entered into between the Clearing House and the Cross-Margining Exchange (amongst other parties, as the case may be) to which the Member is also a party or is bound by agreement with the Clearing House and the Cross-Margining Exchange.
- (b) A Member shall pay on demand any amount or amounts which the Clearing House claims from the Member pursuant to the indemnity contained in Regulation 45(a). Any amount or amounts so demanded shall be conclusive and binding on the Member.
- (c) In the event of any conflict between the terms of the indemnity contained in paragraph (a) above and the terms of any indemnity, reimbursement obligation or like obligation to which the Member is bound by the terms of a Cross-Margining Agreement, the terms of the indemnity in Regulation 45(a) shall prevail.

SWAPCLEAR REGULATIONS

Regulation 46 Application of SwapClear Regulations

- (a) These SwapClear Regulations, which form part of the Regulations, together with the Regulations referred to in paragraph (b) apply to SwapClear Contracts, SwapClear Clearing Members and, insofar as relevant, to SwapClear Dealers.
- (b) The Default Rules (including the SwapClear DMP Annex), Default Fund Rules, the definitions and Regulations 1, 2, 3(b), 4, 5, 8, 9(b) and (c), 10, 11, 12, 14, 16, 26 to 39B inclusive (other than Regulation 35(a) and Regulation 37(b)) of the General Regulations apply to SwapClear Contracts, SwapClear Clearing Members and, insofar as relevant, to SwapClear Dealers.

Regulation 47 Registration of SwapClear Contracts

- ~~(a) A SwapClear Participant must submit particulars of a SwapClear Transaction may be presented to the Clearing House for registration as atwo SwapClear Contracts or one SwapClear Contract, through an office of that and one FCM SwapClear Participant (a "Designated Office") as agreed to Contract (in writing accordance with the Clearing House and, if party other provisions of the Rulebook).~~
- ~~(a)(b) Once a SwapClear Transaction has been presented to a SwapClear Dealerthe Clearing Agreement,House, the Clearing House shall (where applicable in accordance with its paragraph (c) below and Section 2C3.2 of the Procedures) request the consent of each of the relevant SwapClear Clearing Members with whom a SwapClear Contract shall be registered as a result thereof to such registration. Upon each such SwapClear Clearing Member, providing its consent, such SwapClear Transaction shall be deemed to have been submitted (as such term is defined in the Procedures) to the Clearing House for registration. Any such consent shall be provided in accordance with the Procedures.~~
- ~~(b) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation, a SwapClear Clearing Member shall be bound by a SwapClear Contract registered in its name pursuant to the presentation of particulars of a SwapClear Transaction by it (including presentation by any SCM Branch of that SwapClear Clearing Member) or by a SwapClear Dealer with whom it is party to a SwapClear Dealer Clearing Agreement and regardless of whether the SwapClear Clearing Member or SwapClear Dealer (as the case may be) entered into the SwapClear Transaction through a Designated Office or an office which is not a Designated Office, provided that the particulars of such SwapClear Transaction were submitted to the Clearing House through a Designated Office.~~
- ~~(c) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation, a SwapClear Transaction, particulars of which are submitted for registration as a SwapClear Contract, must meet the eligibility criteria prescribed in these Regulations and the Procedures at the time the particulars of the SwapClear Transaction are presented to the Clearing House and must continue to meet such criteria at the Registration Time in order to be registered as a has been nominated to clear the SwapClear Contract.~~
- ~~(d) The Clearing House shall be deemed to register a SwapClear Contract, in accordance with Regulation 48, in the name of a SwapClear Clearing Member at the time prescribed in the Procedures ("Registration Time").~~
- ~~(e) For the avoidance of doubt, any transaction of which details have been submitted by SwapClear Participants for registration as a SwapClear Contract which is not so registered will remain in effect between the persons party thereto in accordance with any terms agreed between them and the Clearing House shall have no obligations or liability in relation thereto.~~
- ~~(f) If at any time after arising from the registration of a SwapClear Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration did not, at the Registration Time, meet the eligibility criteria for registration as a SwapClear Contract, the Clearing House shall, as soon as practicable thereafter, set aside such SwapClear Contract. Upon the SwapClear Contract being set aside under this Regulation 47(f), the particulars of the transaction in question shall be deemed never to have been submitted to the Clearing House and such transaction shall remain in~~

~~effect between the persons party thereto in accordance with any terms agreed between them. Any payment made under, or in respect of, a SwapClear Contract set aside under this paragraph shall be repayable to the person who made the payment. Without prejudice to Regulation 39 and its obligations under this Regulation 47(f), the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of a SwapClear Contract in respect of a transaction which did not meet the eligibility criteria at the Registration Time to enable it to be registered as a SwapClear Contract.~~

- ~~(g) — Where a SwapClear Contract relates to an FCM SwapClear Transaction, it is a condition for registration as a SwapClear Contract that the FCM SwapClear Transaction to which the SwapClear Contract relates be presented for clearing: (i) by an Transaction on behalf of a third party Executing Party (in its capacity as an FCM Clearing Member or SwapClear Clearing Member or through its designated FCM Clearing Member or SwapClear Clearing Member) as a SwapClear Contract or FCM SwapClear Contract (as the case may be); and (ii) by an FCM Clearing Member on behalf of its FCM Client as an FCM SwapClear Contract. In the event that the Clearing House registers a SwapClear Contract and, for whatever reason, the corresponding FCM SwapClear Contract has not also been registered, the SwapClear Contract shall be deemed not to be registered as a SwapClear Contract until such time as such corresponding FCM SwapClear Contract has been registered.~~
- ~~(h) — In relation to an FCM SwapClear Transaction, if either the other than a SwapClear Dealer will be notified by the Clearing House of the relevant SwapClear Transaction and shall choose whether to grant or refuse consent to the registration of such SwapClear Transaction and the SwapClear Contract(s) resulting from such SwapClear Transaction. In circumstances where a SwapClear Clearing Member is an Executing Party (in its capacity as an FCM Clearing Member or SwapClear Clearing Member or through its designated FCM Clearing Member or SwapClear Clearing Member) or the FCM Clearing Member (as the case may be) does not present an FCM in relation to a SwapClear Transaction and shall clear one of the SwapClear Contracts resulting from such SwapClear Transaction, the consent of that SwapClear Clearing Member to the registration of the relevant SwapClear Transaction for clearing, the Clearing House shall set aside any FCM SwapClear Contract or SwapClear Contract that has been registered (if any) and the particulars of the corresponding FCM SwapClear Transaction in question shall at the Clearing House's discretion be either: (i) deemed never to have been submitted to the Clearing House; or (ii) rejected until such time as the Executing Party (in its capacity as an FCM Clearing Member or SwapClear Clearing Member or through its designated FCM Clearing Member or SwapClear Clearing Member) or the FCM Clearing Member have presented the relevant contract to the Clearing House. In addition, any payment made under, or in respect of, any FCM SwapClear Contract set aside or deemed not cleared under this paragraph shall be repayable to the person who made the payment. Without prejudice to FCM Regulation 26 and its obligations under this Regulation 47 and FCM Regulation 5, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of an FCM SwapClear Contract.~~

Regulation 48 — SwapClear Contracts

- ~~(a)(c) Without prejudice to the Clearing House's rights to effect will occur automatically and without the need for any further novation under Regulation 3(b), a SwapClear Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House as two SwapClear Contracts, one between the First SwapClear Clearing Member paying Rate X and the Clearing House as the party paying Rate Y, as principals to such contract, and the other between the Clearing House paying Rate X and the Second SwapClear Clearing Member paying Rate Y, as principals to such contract. For the purposes of this Regulation: action by such SwapClear Clearing Member.~~
- ~~(d) "First SwapClear The Clearing Member" is House shall register a SwapClear Clearing Member who was, before registration of the SwapClear Contract, party to the corresponding in respect of a SwapClear Transaction as the party paying Rate X, or who has a subsisting SwapClear Dealer Clearing Agreement with the SwapClear Dealer who was party to the corresponding presented for registration within a commercially reasonable time, provided that:~~
- ~~(i) both sides of the relevant SwapClear Transaction as the party paying Rate X; have been properly presented and submitted for clearing by (or on behalf of the) the Executing Parties;~~
- ~~(ii) "Second SwapClear the relevant SwapClear Transaction meets the eligibility criteria prescribed in the Rulebook at the time the particulars of the SwapClear Transaction are presented to the Clearing Member" House and continues to meet such criteria at the Registration Time;~~
- ~~(iii) such SwapClear Contract is a consented to by the relevant SwapClear Clearing Member who was, before (to the extent such consent is required) in accordance with paragraph (c) above and Section 2C3.2 of the Procedures;~~
- ~~(iv) the applicable SwapClear Clearing Member has paid or transferred, upon request of the Clearing House and in accordance with Regulation 12 and such other applicable provisions of the Rulebook, all cover in respect of such SwapClear Contract prior to registration of the SwapClear Contract, party to the corresponding SwapClear Transaction; and~~
- ~~(ii) all the conditions applicable (under the terms of the Rulebook or the FCM Rulebook, as the party paying Rate Y, or who has a subsisting SwapClear Dealer Clearing Agreement with the SwapClear Dealer who was party to the corresponding case may be) for the registration of the other SwapClear Transaction Contract or the FCM SwapClear Contract (as the party paying Rate Y.~~
- ~~(v) With effect case may be) deriving from registration of a the relevant SwapClear Transaction have been satisfied.~~
- ~~(e) Notwithstanding the satisfaction of the conditions in Regulation 47(d) in respect of a SwapClear Contract, the Clearing House may decline at its discretion to register such SwapClear Contract where it has not received sufficient cover in respect of SwapClear Contracts which are "other~~

SwapClear Contracts” in relation to that SwapClear Contract as described in section 2C.3.4 of the Procedures.

~~(b)(f)~~ From the time of registration by the Clearing House of two SwapClear Contracts under paragraph (a) of this Regulation or one SwapClear Contract and one FCM SwapClear Contract (as the case may be) (the “Registration Time”) in respect of a SwapClear Transaction in accordance with the Procedures:

- ~~(i)~~ where both of the parties to the corresponding Executing Parties in respect of such SwapClear Transaction are SwapClear Member(s) and/or SwapClear Dealer(s), those Executing Parties shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time; and, in all other cases, the rights and obligations of the Executing Parties to the SwapClear Transaction shall be governed by the applicable Execution Terms, or as otherwise agreed by such Executing Parties; and
- ~~(ii)~~ each SwapClear Contract registered under paragraph (a) of this Regulation shall be governed by the SwapClear Contract Terms as applicable to that Contract;
- ~~(iii)~~ subject always to sub-paragraph (ii) above, in respect of the Economic Terms, the First SwapClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the SwapClear Contract to which it is a party as the party paying Rate X had and owed in respect of its counterparty under the corresponding SwapClear Transaction; and
- ~~(iv)~~ subject always to sub-paragraph (ii) above, in respect of the Economic Terms, the Second SwapClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the SwapClear Contract to which it is party as the party paying Rate Y had and owed in respect of its counterparty under the corresponding SwapClear Transaction.
- ~~(ii)~~ the relevant SwapClear Clearing Member(s) will be deemed to be and will be bound by the SwapClear Contract(s) with the Clearing House automatically and without any further action on its part, on terms that, without limitation, incorporate all applicable terms of the Rulebook and the Schedule to these SwapClear Regulations (including the SwapClear Contract Terms applicable to the relevant SwapClear Contract).
- ~~(g)~~ The Economic Terms shall be such that: (A) a SwapClear Clearing Member paying (or clearing on behalf of a person paying) Rate X and receiving (or clearing on behalf of a person receiving) Rate Y under a SwapClear Transaction shall have such rights against, and owe such obligations to, the Clearing House under the corresponding SwapClear Contract registered by it in respect of such SwapClear Transaction as further provided for in the final paragraph of this sub-paragraph (g) and (B) a SwapClear Clearing Member paying (or clearing on behalf of a person paying) Rate Y and receiving (or clearing on behalf of a person receiving) Rate X under a SwapClear Transaction shall have such rights against, and owe such obligations to, the Clearing House under the corresponding SwapClear Contract registered by it in respect of such SwapClear Transaction as further provided for in the final paragraph of this sub-paragraph (g).

~~In subparagraphs (iii) and (iv) above, this sub-paragraph (g), a reference to the “same” rights or “and” obligations is a reference to rights and obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from set out in the Economic Terms of the corresponding SwapClear Transaction (it being assumed, for this purpose, that such SwapClear Transaction was a legal, valid, binding and enforceable obligation of the parties thereto and that the Economic Terms thereof were as presented to the Clearing House for registration), notwithstanding the change in the person entitled to them or obliged to perform them, and subject to any change thereto as a result of the operation of the Standard Terms. In this sub-paragraph (g), a reference to “paying” means either paying under a SwapClear Transaction that is an existing swap transaction or “agreeing to pay” under a SwapClear Transaction that is contingent on clearing.~~

~~(h) If a SwapClear Transaction, If at any time after registration of a SwapClear Contract, the Clearing House determines that the corresponding SwapClear Transaction of which details were presented for registration did not, at the Registration Time, meet the eligibility criteria for registration as a SwapClear Contract pursuant to the Rulebook in existence at the Registration Time (an “Ineligible SwapClear Transaction”), the Clearing House shall, immediately following the next margin run following such determination, set aside both SwapClear Contracts (or, in the case of a SwapClear Transaction that resulted in a SwapClear Contract and an FCM SwapClear Contract, such SwapClear Contract) arising from such Ineligible SwapClear Transaction. Upon a SwapClear Contract (an “Ineligible SwapClear Contract”) being set aside under this paragraph (h): (1) the Clearing House will notify the SwapClear Clearing Member party to such Ineligible SwapClear Contract via the Approved Trade Source System through which details of the relevant Ineligible SwapClear Transaction were originally presented to the Clearing House that such Ineligible SwapClear Contract has been set aside; and (2) the such Ineligible SwapClear Contract shall immediately be deemed to be terminated and shall thereafter have no force or effect. Where an Ineligible SwapClear Contract is set aside pursuant to this paragraph (h), all payments (including, without limitation, variation margin) (if any) paid by the Clearing House or by a SwapClear Clearing Member in respect of such Ineligible SwapClear Contract up to and including the relevant margin run shall be retained by the receiving party upon termination as a termination payment. Any other payment obligations in respect of an Ineligible SwapClear Contract and/or the relevant Ineligible SwapClear Transaction shall be as agreed between the Executing Parties to such Ineligible SwapClear Transaction and shall not be paid by or to the Clearing House.~~

~~(i) Notwithstanding anything to the contrary in this Rulebook, the Clearing House may decline to register a SwapClear Transaction as a SwapClear Contract or a SwapClear Contract and a FCM SwapClear Contract (as the case may be) where it considers such action advisable for its own protection or the protection of the relevant market; provided that the Clearing House shall (subject to the provisions of the Rulebook) register any SwapClear Contract which reduces the risk exposure of the Clearing House and the applicable SwapClear Clearing Member, as determined in the discretion of the Clearing House. The Clearing House may, without assigning any reason, make the registration of any SwapClear Transaction subject to any conditions stipulated by the Clearing House including, without limitation, the~~

furnishing of additional cover by any SwapClear Clearing Member in whose name any such SwapClear Transaction is to be registered.

(i) Any SwapClear Transaction of which details have been presented for registration and which are not so registered will be governed by the applicable Execution Terms among the relevant parties, and the Clearing House shall have no obligations or liability in relation thereto.

~~(e)~~(k) If a SwapClear Transaction is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration ~~that, such~~ revocation, avoidance or invalidity shall not affect any SwapClear Contract arising under this Regulation 47, Regulation 3(b) or Regulation 11.

~~(d)~~(l) In the case of a SwapClear Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 4847 shall take effect.

For the avoidance of doubt,

Regulation 48 Compression

~~Notwithstanding any reference in other provision of these Regulations and Procedures to an “SCM Branch” is not intended to and shall not be read as, if:~~

- ~~(i) one or more SwapClear Contracts registered by a reference to any person other than the legal person which is the SwapClear Clearing Member in accordance with the Rulebook has substantially the same Economic Terms as one or more other SwapClear Contracts registered for the account of such SwapClear Clearing Member, and~~
- ~~(ii) all such SwapClear Contracts are either (a) registered on the SwapClear Clearing Member’s own behalf or (b) registered on behalf of the same SwapClear Clearing Client (whether in an Omnibus Net Segregated Account or an Individual Segregated Account),~~

~~then, to the extent permitted in the Procedures and this Regulation 48, the SwapClear Clearing Member may request that the Clearing House compress and combine all such SwapClear Contracts by terminating the relevant existing SwapClear Contracts and compressing them into one SwapClear Contract reflecting the aggregate economic terms, or the net economic terms, as the case may be, of such original SwapClear Contracts. SwapClear Contracts registered on a SwapClear Clearing Member’s own behalf can only be compressed pursuant to this Regulation 48 if they are derived from the registration of a SwapClear Transaction which relates to SwapClear Client Clearing Business. For the avoidance of doubt, in no circumstances can a SwapClear Contract registered in the Propriety Account of a SwapClear Clearing Member be compressed pursuant to this Regulation 48 with a SwapClear Contract registered in the client account of that SwapClear Clearing Member.~~

~~For purposes of this Regulation 48, two or more SwapClear Contracts may be deemed by the Clearing House to have “substantially the same Economic Terms” if they are based on the same underlying currencies and the Clearing House considers them, in its sole discretion, to have substantially the same fundamental economic attributes which that SCM Branch influence the amount, value date and direction of all coupon cash flows. Two or more SwapClear Contracts that are compressed under the terms of this Regulation 48 shall be aggregated if the position of the SwapClear Clearing Member is in the same direction on each such SwapClear Contract (i.e., obligations to make payment aggregated and rights to receive payment aggregated), such that the SwapClear Contract that replaces the compressed SwapClear Contracts shall have a notional amount equal to the total notional amount of the compressed SwapClear Contracts. Two or more SwapClear Contracts that are compressed under the terms of this Regulation 48 shall be netted if the position of the SwapClear Clearing Member is in the opposite direction on two or more of each such SwapClear Contracts (i.e., obligations to make payment netted against rights to receive payment), such that the SwapClear Contract (if any) that replaces the compressed SwapClear Contracts shall have a notional amount equal to the net notional amount of the compressed SwapClear Contracts and provided that in the event that the net notional amount is a part equal to zero such compression shall result in no replacement SwapClear Contracts. The Clearing House shall determine (in its sole discretion) whether SwapClear Contracts that are the subject of a request for compression from the SwapClear Clearing Member may be compressed and, if such SwapClear Contracts are compressed, the Clearing House shall determine the resulting notional amount of the SwapClear Contract(s) (if any) that replaces the compressed SwapClear Contracts, and such determination shall be binding on the SwapClear Clearing Member, absent manifest error. It is a condition for compression of SwapClear Contracts that the amount of cover that the Clearing House requires in respect of the original SwapClear Contracts is equal to that which is required by the Clearing House in respect of the replacement SwapClear Contract(s).~~

Regulation 48A Termination by Automated Service

- (a) SwapClear Contract may be terminated prior to its expiry by means of the automated SwapClear Intra-day Deletion Service (for the purposes of this Regulation “the Service”). The Service is designed so that the process of termination may be initiated by a SwapClear Dealer.
- (b) Each SwapClear Clearing Member is deemed to grant a continuing authority to every SwapClear Dealer with whom that SwapClear Clearing Member is a party to a SwapClear Dealer Clearing Agreement (for the purposes of this Regulation, an “SDC Agreement”) to use the Service for the termination of any SwapClear Contract registered in the name of that SwapClear Clearing Member under that SDC Agreement. A SwapClear Clearing Member shall be bound by all entries, deletions and modifications which are made under this Service by the relevant SwapClear Dealer or which are purported to have been made by the relevant SwapClear Dealer.
- (c) A SwapClear Dealer shall have no obligation to inform, notify or seek the consent of any SwapClear Clearing Member prior to initiating the termination of a SwapClear Contract by means of the Service or making any entries, deletions or modifications when using the Service.
- (d) Each SwapClear Clearing Member is deemed to grant a continuing authority to the Clearing House to terminate any SwapClear Contract registered in the name of that SwapClear Clearing Member upon the request of a SwapClear Dealer with whom that SwapClear Clearing Member is a party to an SDC Agreement and make all other entries, deletions and modifications as may be required to give effect to such termination.
- (e) The Clearing House shall have no obligation to inform, notify or seek the consent of any SwapClear Clearing Member prior to terminating a SwapClear Contract or making any entries, deletions or modifications when operating the Service.
- (f) The termination of a SwapClear Contract to which the First SwapClear Clearing Member is a party is contingent upon *inter alia* the termination of the SwapClear Contract to which the Second SwapClear Clearing Member is a party, and vice versa.
- (g) The termination of a SwapClear Contract by means of the Service may be cancelled at any time prior to its termination or such earlier time as may be determined by the Clearing House from time to time, provided that, such cancellation must be agreed by both parties to the SwapClear Transaction which corresponds to that SwapClear Contract.
- (h) The date and time of termination of a SwapClear Contract shall be as reported by the Clearing House by means of the Service and shall be binding on all parties.
- (i) The Clearing House may decline to terminate any SwapClear Contract if, in the opinion of the Clearing House acting in its sole discretion, the termination of that SwapClear Contract is not consistent with the policies of the Clearing House, including, without limitation, any policies concerning risk management.
- (j) In addition to (i) above, the Clearing House may decline to terminate any SwapClear Contract if there is insufficient margin in the relevant PPS account of the relevant SwapClear Clearing Member to accommodate the termination of that SwapClear Contract. For the avoidance of doubt and without limitation, the Clearing House may debit the relevant PPS account with any amount or amounts due to the Clearing House in connection with the termination of a SwapClear Contract.

- (k) Each SwapClear Dealer shall ensure that every user name, password and all other security information provided to it by the Clearing House is kept confidential and in a secure manner and is used solely for the purposes of utilising the Service. Each SwapClear Dealer shall be responsible for any action taken using any such security information as if SwapClear Dealer had itself taken the action concerned. Each SwapClear Dealer shall ensure that only such of its staff as are duly authorised are able to access and use the Service and that the Service is accessed and used by SwapClear Dealer and its authorised staff in accordance with all guidance and instructions issued by the Clearing House from time to time.
- (l) For the avoidance of doubt and without limitation, the provisions of Regulation 39 shall apply to the termination of each SwapClear Contract by means of the Service.
- (m) With effect from the time of the termination of a SwapClear Contract by means of the Service, the Clearing House shall have no obligation under the terms that SwapClear Contract and no liability in respect thereof, provided that the termination of any SwapClear Contract shall have no effect upon the rights and obligations already accrued under that SwapClear Contract, which rights and obligations shall survive such termination.
- (n) Upon the termination of a SwapClear Contract by means of the Service, the corresponding Parallel Contract arising by operation of the SDC Agreement shall also terminate.

Regulation 49 SwapClear Dealers

- (a) Application for admission to the Register of SwapClear Dealers shall be made in accordance with these Regulations and the Procedures. An applicant for admission to the Register of SwapClear Dealers must satisfy the criteria prescribed by the Clearing House from time to time in order to be admitted to the Register of SwapClear Dealers. A SwapClear Dealer shall be subject to, and governed by, these Regulations, the Procedures and, if applicable, the SwapClear Dealer Clearing Agreement to which it is for the time being party.
- (b) A person admitted to the Register of SwapClear Dealers shall ensure that it will, at all times, satisfy the criteria prescribed by the Clearing House, from time to time, for admission to the Register.
- (c) The Clearing House may suspend or remove a SwapClear Dealer from the Register of SwapClear Dealers in accordance with these Regulations, the Procedures and, if applicable, the SwapClear Dealer Clearing Agreement to which it is for the time being party. Any person who has been suspended from the Register of SwapClear Dealers for a period of more than three months shall be removed from the Register of SwapClear Dealers and must make a new application if it wishes to be readmitted to the Register.
- (d) A SwapClear Dealer may request, by giving three months' written notice to the Clearing House, that its name be removed from the Register of SwapClear Dealers. At the end of such notice period, the Clearing House shall remove the SwapClear Dealer from the Register of SwapClear Dealers.
- (e) A SwapClear Dealer's suspension or removal from the Register of SwapClear Dealers, under paragraph (c), shall not, where it is a Member, affect its membership of the Clearing House, nor, subject to any contrary determination by the Clearing House under Regulation 4(aa), shall it affect the categories of Contract which such a person is eligible to have registered in its name.
- (f) Where a SwapClear Clearing Member is also a SwapClear Dealer it shall, automatically on the Clearing House serving a default notice in accordance with these Regulations be, removed from the Register of SwapClear Dealers.
- (g) Without prejudice to paragraph (f) of this Regulation, the Clearing House shall suspend from the Register of SwapClear Dealers any Member whose Clearing Membership Agreement has been terminated or who is no longer eligible to have SwapClear Contracts registered in its name, and who is not, from the date of such termination or such ineligibility, party to a SwapClear Dealer Clearing Agreement with another SwapClear Clearing Member, for such period as the Clearing House may determine.

Regulation 50 Settlement and Daily Revaluation of SwapClear Contracts

- (a) The net present value of each SwapClear Contract shall be calculated by the Clearing House in such manner and at such times as may be provided in the Procedures. Except as prescribed in the Procedures, the net present value calculated by the Clearing House may in no circumstances be called in question. The Clearing House shall, at least daily, receive payment from, or pay to, the SwapClear Clearing Member cash cover for variation margin, representing the change in the net present value of the SwapClear Clearing Member's portfolio of SwapClear Contracts: (i) registered in a SwapClear Clearing Member's client account (or client accounts as combined); and (ii) registered in a SwapClear Clearing Member's Proprietary Account (each a "SwapClear Portfolio") from the preceding business day, in accordance with the Procedures.
- (b) In respect of a SwapClear Portfolio and each Coupon Payment Date, the Clearing House shall aggregate:
- (i) the sums which would otherwise have been payable by the SwapClear Clearing Member to the Clearing House as cash cover (in respect of variation margin) on such date and the Coupon Payments due on that date; and
 - (ii) the sums which would otherwise have been payable by the Clearing House to the SwapClear Clearing Member as cash cover (in respect of variation margin) on such date and the Coupon Payments due on that date,

and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party then the obligations of each party under this Regulation 50 shall be automatically satisfied and discharged on payment by the party by whom the larger aggregate amount would have been payable to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

Regulation 51 The reset rate for, and the net present value of, a SwapClear Contract

The Clearing House may determine the reset rate for, and the net present value of, a SwapClear Contract for the purposes of these Regulations and the Procedures in such manner and at such times as may be prescribed in the Procedures. Except as prescribed in the Procedures, neither the reset rate nor the net present value determined by the Clearing House may in any circumstances be challenged.

Regulation 52 Withdrawal of the SwapClear Service by the Clearing House

- (a) If at any time the Clearing House decides to withdraw the SwapClear Service it shall give not less than six months' notice in accordance with the Procedures to all SwapClear Dealers and SwapClear Clearing Members of the date on which the service will be withdrawn ("the SwapClear Withdrawal Date"). The accidental omission by the Clearing House to give notice under this Regulation to, or the non-receipt of notice under this Regulation by, a one or more SwapClear Dealers or SwapClear Clearing Members shall not invalidate the SwapClear Withdrawal Date.
- (b) Without prejudice to its rights under the Default Rules, the Clearing House will not, other than pursuant to action under the Default Rules, register a SwapClear Contract, other than a closing-out contract after notice to withdraw the service has been given under Regulation 52(a).
- (c) If, at the SwapClear Withdrawal Date, a SwapClear Clearing Member has not closed out all open SwapClear Contracts registered in its name, the Clearing House shall, at its sole discretion, be entitled to:
 - (i) liquidate any or all of such SwapClear Contracts and require such contracts to be cash settled at a price determined by the Clearing House; and
 - (ii) postpone the SwapClear Withdrawal Date until such time as the Clearing House determines.

Regulation 52A SwapClear Clearing Client Business

- (a) SwapClear clearing is a service provided by the Clearing House to SwapClear Clearing Members. Any Clearing Member who wishes to offer SwapClear Clearing Services to its clients shall apply to the Clearing House and obtain the approval of the Clearing House before first offering such services. Any SwapClear related services which are offered by a Clearing Member prior to obtaining the approval of the Clearing House shall not be treated as SwapClear Clearing Services and the clients of the Clearing Member receiving such services shall not be treated as SwapClear Clearing Clients.
- (b) Subject to the provisions of these Regulations, SwapClear Clearing Services may be provided by a SwapClear Clearing Member to its SwapClear Clearing Clients on whatever terms the SwapClear Clearing Member decides should apply provided, however, that:
- (i) each SwapClear Clearing Member shall, before providing SwapClear Clearing Services to any client, ensure that it has entered into an agreement with that client which gives the Clearing House enforceable rights against that client in the terms of the Clearing House Prescribed Language and any such other provisions as shall be agreed from time to time between the Clearing House and SwapClear Clearing Members;
 - (ii) SwapClear Contracts entered into by the SwapClear Clearing Member in respect of SwapClear Clearing Client Business, and collateral provided to the Clearing House in respect of SwapClear Clearing Client Business, shall always be separately identified by the SwapClear Clearing Member to the Clearing House and, subject to the provisions of rule 8(d) of the Default Rules, shall never be combined with SwapClear Clearing House Business or collateral provided to the Clearing House in respect thereof;
 - (iii) in no circumstances will the client money protections provided for by the Client Assets sourcebook of the Handbook published by The Financial Services Authority be available from, or offered by, a SwapClear Clearing Member in relation to monies held in accounts opened by it with the Clearing House in respect of SwapClear Clearing Client Business; and
 - (iv) each SwapClear Clearing Member shall, before providing SwapClear Clearing Services to any SwapClear Clearing Client ensure that the SwapClear Clearing Client has been provided with or has been directed to a copy of the SwapClear Clearing End-User Notice and confirm to the Clearing House in writing that it has done so.
- (c) SwapClear Clearing Services may be provided by a SwapClear Clearing Member to its SwapClear Clearing Clients, and SwapClear Contracts may be entered into by a SwapClear Clearing Member with the Clearing House in respect of such SwapClear Clearing Clients, on:
- (i) an Individual Segregated Account basis ("Individual Segregated Account Business"); or
 - (ii) an Omnibus Net Segregated Account basis with segregation ("Omnibus Net Segregated Business").
- (d) A SwapClear Clearing Member acknowledges and agrees that, unless otherwise agreed with the Clearing House, it will not provide both Individual Segregated Account Business

and Omnibus Net Segregated Business to a single SwapClear Clearing Client at the same time.

- (e) Subject to Regulation 52A(d), an Individual Segregated Account Clearing Client of a SwapClear Clearing Member may elect to become an Omnibus Net Segregated Clearing Client of that SwapClear Clearing Member and an Omnibus Net Segregated Clearing Client of a SwapClear Clearing Member may elect to become an Individual Segregated Account Clearing Client of that SwapClear Clearing Member provided, however, that the relevant SwapClear Clearing Member has not become a defaulter in accordance with Rule 4 of the Default Rules.
- (f) A SwapClear Clearing Member may operate one or more Omnibus Net Segregated Accounts. Each Omnibus Net Segregated SwapClear Clearing Client must be allocated to one such account. No Omnibus Net Segregated SwapClear Clearing Client may be allocated to more than one Omnibus Net Segregated Account.
- (g) A SwapClear Clearing Member may operate one or more Individual Segregated Accounts. Each Individual Segregated Account Clearing Client must be allocated to a separate Individual Segregated Account. No Individual Segregated Account Clearing Client may be allocated to more than one Individual Segregated Account.
- (h) A SwapClear Clearing Member may deliver to the Clearing House Excess Collateral and/or Additional Collateral in respect of its SwapClear Clearing Clients. However, no SwapClear Clearing Member shall deliver to the Clearing House any collateral other than amounts provided for the purposes of, or in connection with, the provision of clearing services by the Clearing House.
- (i) Required Collateral relating to the SwapClear Clearing Client Business of a SwapClear Clearing Member will be calculated by the Clearing House, and discharged by a SwapClear Clearing Member in respect of all of its SwapClear Clearing Clients, by:
 - (i) if and to the extent that there is Excess Collateral available, deduction by the Clearing House of amounts from such Excess Collateral;
 - (ii) if and to the extent that Additional Collateral is being held in respect of a SwapClear Clearing Client and to the extent that the Required Collateral relates to the SwapClear Clearing Client in question, and subject to appropriate instructions being received by the Clearing House from the SwapClear Clearing Member specifying the relevant Additional Collateral and the relevant SwapClear Clearing Client, deduction by the Clearing House of that Additional Collateral; and
 - (iii) otherwise, delivery by the SwapClear Clearing Member to the Clearing House of collateral with a value which is at least sufficient to discharge the relevant requirement.
- (j) A SwapClear Clearing Member who has opened an Additional Collateral Account may provide Additional Collateral to the Clearing House for the credit of such account. Such SwapClear Clearing Member shall inform the Clearing House of the identity of the SwapClear Clearing Client for whose account the Additional Collateral is provided, together with the type and value of the Additional Collateral in question and the Clearing House will record the Additional Collateral in the Additional Collateral Account held in respect of the relevant SwapClear Clearing Client.

- (k) A SwapClear Clearing Member shall, as soon as reasonably practicable following a request from the Clearing House, provide the Clearing House with any information which the Clearing House may reasonably require in relation to the SwapClear Clearing Client Business of that SwapClear Clearing Member.
- (l) In addition to and without prejudice to any other provision in the Rulebook, in circumstances where an investment manager or similar third party agent acts on behalf of a SwapClear Clearing Client, the Clearing House shall be entitled to treat instructions received from the investment manager or similar third party as if they were instructions received from the relevant underlying SwapClear Clearing Client.
- (m) No SwapClear Clearing Member may withdraw any amount from:
 - (i) an Individual Segregated Account or an Omnibus Net Segregated Account if such withdrawal would cause the relevant Account Balance to be less than the Required Collateral then attributable to the relevant SwapClear Clearing Client by the Clearing House in accordance with the provisions of the Rulebook; or
 - (ii) an Additional Collateral Account unless such withdrawal is made (a) with the consent of the relevant SwapClear Clearing Client; or (b) in accordance with Regulation 52A(jj).
- (n) Where any formalities or registration requirements apply in respect of the Deed of Assignment (and any other document which the Clearing House may from time to time determine), a SwapClear Clearing Member is required to comply with such obligations or to procure by agreement that such requirements are to be complied with. For the avoidance of doubt, prior to providing SwapClear Clearing Services to a SwapClear Clearing Client, each SwapClear Clearing Member must enter into a Deed of Assignment in respect of that SwapClear Clearing Client and in relation to amounts due to it from the Clearing House pursuant to the SwapClear DMP. Where a SwapClear Clearing Member enters into a Deed of Assignment and the Clearing House acts as Security Trustee, that SwapClear Clearing Member must provide notice of the assignments under such Deeds of Assignment to the Clearing House. The Clearing House agrees to exercise its default powers in such a fashion as to comply with its obligations under the Deeds of Assignment and related documentation, including by accepting instructions from the SwapClear Clearing Clients of a SwapClear Clearing Member following the occurrence of a Default in respect of such SwapClear Clearing Member.
- (o) In the context of a Deed of Assignment, a reference to the 'Default Management Process Agreement Amendment Agreement' or to the 'SwapClear Default Management Process Agreement' shall be construed as a reference to Regulation 52B.

Regulation 52B Default Management in respect of SwapClear Clearing Client Business

- (a) The SwapClear DMP in respect of any contract which is a SwapClear Contract entered into in respect of SwapClear Clearing Client Business shall involve the stages set out in this Regulation 52B. For the purposes of this Regulation 52B, a SwapClear Contract relating to SwapClear Clearing Client Business of an SCM (each a “**Relevant Contract**”) will be included in the Auction Portfolio from such time as the Clearing House determines that such Relevant Contract will not be ported. For the avoidance of doubt, any such Auction Portfolio will only contain Relevant Contracts. The Clearing House shall not be entitled to include client and house positions in an Auction Portfolio for the purposes of this Regulation 52B.
- (b) If an SwapClear Clearing Member becomes a Defaulting SCM the Clearing House shall:
- (i) calculate the Account Balances;
 - (ii) take any action under Rule 6 of the Default Rules as it shall deem necessary in respect of the SwapClear Clearing Client Business of the Defaulting SCM;
 - (iii) ascertain whether each SwapClear Clearing Client of the Defaulting SCM has appointed a Backup SwapClear Clearing Member; and
 - (iv) send details of the open Relevant Contracts and Account Balances to the nominated Backup SwapClear Clearing Member for each Individual Segregated Account and Omnibus Net Segregated Account of the Defaulting SCM, if any.
- (c) In circumstances where (a) an Individual Segregated Account Clearing Client of a Defaulting SCM has appointed a Backup SwapClear Clearing Member; and (b) within such period as the Clearing House may determine of the service of a Default Notice on the relevant SCM pursuant to Rule 3 of the Default Rules or the Clearing House becoming aware of the occurrence of an Automatic Early Termination Event in respect of that SCM (as the case may be), the Clearing House has received confirmation from the Backup SwapClear Clearing Member of its agreement to act as Backup SwapClear Clearing Member in relation to the arrangements described in sub-paragraph (i) below and from the relevant client (in such form as the Clearing House may require at the relevant time):
- (i) the Clearing House shall (a) transfer all of the open Relevant Contracts entered into by the Defaulting SCM in respect of the relevant Individual Segregated Account Clearing Client to the appointed Backup SwapClear Clearing Member; or (b) terminate and close out such contracts at their market value (as determined by the Clearing House in its discretion) and enter into new contracts on equivalent terms to such contracts with the appointed Backup SwapClear Clearing Member in respect of the relevant Individual Segregated Account Clearing Client;
 - (ii) where the relevant Individual Segregated Account Clearing Client (in an exercise of its rights under the relevant Deed of Assignment) instructs a transfer of its Individual Segregated Account Balance to the appointed Backup SwapClear Clearing Member, the Clearing House shall give effect to such instruction; and
 - (iii) the amount due to be returned to the Defaulting SCM shall be reduced by an amount equivalent to the amount of the Account Balance transferred to the

Backup SwapClear Clearing Member, as referred to in sub-paragraph (ii) of this Regulation 52B (c).

- (d) In circumstances where (a) all of the Omnibus Net Segregated Clearing Clients of a Defaulting SCM identified as composing an Omnibus Net Segregated Account have appointed a single Backup SwapClear Clearing Member; and (b) within such period as the Clearing House may determine of the service of a Default Notice on the relevant SCM pursuant to Rule 3 of the Default Rules or the Clearing House becoming aware of the occurrence of an Automatic Early Termination Event in respect of that SCM (as the case may be), the Clearing House has received confirmation from the Backup SwapClear Clearing Member of its agreement to act as Backup SwapClear Clearing Member in relation to the arrangements described in sub-paragraph (i) below and from the relevant clients (in such form as the Clearing House may require at the relevant time):
- (i) the Clearing House shall (a) transfer all of the open Relevant Contracts entered into by the Defaulting SCM in respect of the relevant Omnibus Net Segregated Clearing Clients to the appointed Backup SwapClear Clearing Member; or (b) terminate and close out such contracts at their market value (as determined by the Clearing House in its discretion) and enter into new contracts on equivalent terms to such contracts with the appointed Backup SwapClear Clearing Member in respect of the relevant Omnibus Net Segregated Clearing Clients;
 - (ii) where all of the relevant Omnibus Net Segregated Clearing Client(s) (in an exercise of their respective rights under the relevant Deeds of Assignment) instruct a transfer of their Omnibus Net Segregated Account Balances to the appointed Backup SwapClear Clearing Member, the Clearing House shall give effect to such instructions; and
 - (iii) the amount due to be returned to the Defaulting SCM in respect of such Omnibus Net Segregated Account shall be reduced by an amount equivalent to the aggregate amount of the Account Balances referred to in sub-paragraph (ii) above.
- (e) For the purposes of Regulations 52B(c) and (d) above, the relevant Individual Segregated Account Clearing Client or Omnibus Net Segregated Clearing Clients (as applicable) may provide consent to the Clearing House orally or in writing (including by facsimile and email) and shall not be entitled to withdraw such consent once received by the Clearing House.
- (f) In relation to those SwapClear Clearing Clients of a Defaulting SCM whose open Relevant Contracts are not dealt with pursuant to sub-paragraphs (i) and (ii) of Regulation 52B (c) or (d) above, the following shall occur:
- (i) the Clearing House shall calculate the entitlement to collateral (the "**SwapClear Clearing Client Entitlement**") of the Defaulting SCM in respect of each such SwapClear Clearing Client following the deduction of (a) the costs of any hedging undertaken; (b) amounts required to discharge all obligations owed to the Clearing House relating to Relevant Contracts entered into by the Defaulting SCM in respect of the relevant SwapClear Clearing Client; (c) any amounts to be deducted to reflect the operation of the set-off provision contained in Clause 3.1 of the SwapClear Clearing Agreement and confirmed in writing to the Clearing House by or on behalf of both the Defaulting SCM and the relevant SwapClear Clearing Client; (d) in respect of Omnibus Net Segregated Clearing Clients, amounts required to discharge all obligations owed to the Clearing

House relating to Relevant Contracts entered into by the Defaulting SCM in respect of other Omnibus Net Segregated Clearing Clients relating to the Omnibus Net Segregated Account in question, in each case allocated pro rata as it sees fit in its sole discretion; and (e) in respect of any SwapClear Clearing Client in respect of whom the Clearing House acts as security trustee -under a Deed of Assignment, that SwapClear Clearing Client's share (if any) of amounts required to discharge fees incurred by the security trustee (acting in -that capacity) allocated between that SwapClear Clearing Client and the other SwapClear Clearing Clients in respect of whom the Clearing House acts as security trustee under such Deed of Assignment, by the Clearing House pro rata- as it sees fit in its sole discretion.

- (ii) where the relevant SwapClear Clearing Client (in an exercise of its rights under the relevant Deed of Assignment) instructs the Clearing House to pay an amount to it equal to the SwapClear Clearing Client Entitlement due to be returned in respect of it to the Defaulting SCM, the Clearing House shall give effect to such instructions, subject to:
 - (a) the execution of appropriate documentation (which may, without limitation, include an indemnity (secured or otherwise)) between the Clearing House and the relevant SwapClear Clearing Client; and
 - (b) in the case of any deduction made pursuant to (c) of Regulation 52B (f), the provision of appropriate documentation by or on behalf of the Defaulting SCM.
 - (iii) Risk Neutralisation and the auction process relating to the Relevant Contracts shall be conducted in accordance with the provisions of the SwapClear DMP Annex, save that no hedging shall be undertaken in respect of a SwapClear Contract entered into in respect of SwapClear Clearing Client Business until such time as the Clearing House has determined that the SwapClear Contract in question will not be ported, from which time such contract shall be a Relevant Contract and included in an Auction Portfolio.
- (g) Calculation of the Account Balances and the SwapClear Clearing Client Entitlements will be undertaken by the Clearing House in accordance with its own records based on information provided to it by the Defaulting SCM. The Clearing House shall be under no obligation to verify or conduct any independent enquiry in respect of any such information and shall be entitled for all purposes to treat it as definitive. However, the Clearing House may, in its absolute discretion, adjust its records to reflect any matter which it believes should be taken into account in calculating the Account Balances and/or the SwapClear Clearing Client Entitlements.
- (h) Notwithstanding the provisions of Regulation 34, the Clearing House may not make any material change to the terms of this Regulation 52B without the written consent of 50% or more of all SwapClear Clearing Members unless such change is invoked unilaterally against all SCMs and is necessary to manage the Clearing House's risk or otherwise to meet the Clearing House's continuing regulatory obligations including those applicable to it as a Recognised Clearing House and a Derivatives Clearing Organization.

Regulation 52C Transfer

- (a) Other than in the event that a SwapClear Clearing Member is a defaulter, SwapClear Contracts carried by such a SwapClear Clearing Member in respect of SwapClear Clearing Client Business shall not be transferred except as provided in this Regulation 52C.
- (b) A Receiving Clearing Member may, upon the instruction or at the request of an Individual Segregated Account Clearing Client, request the Clearing House (as set out in the Procedures), to transfer that Individual Segregated Account Clearing Client's entire portfolio (and not less than an entire portfolio) of SwapClear Contracts registered with a Carrying Clearing Member and, if also requested by the Receiving Clearing Member, Associated Account Assets in respect of all Account Assets attributable to such Individual Segregated Account Clearing Client by the Carrying Clearing Member. It is a condition precedent to any such transfer of the Relevant SwapClear Contracts of the relevant Individual Segregated Account Clearing Client and/or the relevant Associated Account Assets (as the case may be) that:
- (i) such SwapClear Clearing Client has not become insolvent (such SwapClear Clearing Client to be presumed to be solvent by the Clearing House unless evidenced to the contrary by the Carrying Clearing Member in the manner set forth in the Procedures or as otherwise reasonably determined by the Clearing House);
 - (ii) neither the Carrying Clearing Member nor the Receiving Clearing Member is a defaulter;
 - (iii) the Receiving Clearing Member has consented to such transfer of such Relevant SwapClear Contracts and such Associated Account Assets (if any);
 - (iv) where (1) no Associated Account Assets are to be transferred simultaneously with the transfer of the Relevant SwapClear Contracts; or (2) as the result of an election by the Receiving Clearing Member to reject a portion of the relevant Associated Account Assets pursuant to paragraph (e) of this Regulation 52C, the proposed transfer of the Relevant Contracts would lead to a cover requirement from the Receiving Clearing Member to the Clearing House, the Clearing House considers that it has received sufficient cover from the Receiving Clearing Member in respect of the Relevant SwapClear Contracts; and
 - (v) the Carrying Clearing Member has not rejected such transfer (it being presumed by the Clearing House that the Carrying Clearing Member has not so rejected the transfer unless evidenced to the contrary by the Carrying Clearing Member in the manner set forth in the Procedures or as otherwise reasonably determined by the Clearing House).

For purposes of (v) above, the Carrying Clearing Member will be entitled to reject the transfer of the Relevant SwapClear Contracts of a particular Individual Segregated Account Clearing Client only if (a) such Individual Segregated Account Clearing Client has failed to satisfy all outstanding obligations that are due and payable to the Carrying Clearing Member and its Affiliates, including any increased margin due and payable that may result from the proposed transfer, where, with respect to obligations owed to Affiliates of the Carrying Clearing Member by an Individual Segregated Account Clearing Client, "obligations" shall consist only of those obligations that arise as a result of cross-margining, cross-netting or other similar arrangements with respect to the Relevant SwapClear

Contracts of that Individual Segregated Account Clearing Client which are being transferred or that client's, (b) the transfer of the Relevant SwapClear Contracts of that Individual Segregated Account Clearing Client would result in the client breaching exposure limits with, and/or other risk parameters set by, the Carrying Clearing Member and/or its Affiliates, or (c) such rejection is in accordance with terms agreed as between the Carrying Clearing Member and the relevant Individual Segregated Account Clearing Client.

- (c) A Receiving Clearing Member may, upon the instruction or at the request of each Omnibus Net Segregated Clearing Client for whom the same Omnibus Net Segregated Account is held by a Carrying Clearing Member, request the Clearing House (as set out in the Procedures), to transfer each of such SwapClear Omnibus Net Segregated Clearing Clients' entire portfolios (and not less than an entire portfolio) of SwapClear Contracts registered with the Carrying Clearing Member and, if also requested, Associated Account Assets in respect of all Account Assets attributable to such Omnibus Net Segregated Clearing Clients by the Carrying Clearing Member. If some but not all of the SwapClear Contracts registered in respect of such Omnibus Net Segregated Account are to be transferred, any such request shall be treated in accordance with Regulation 52C(d) below. It is a condition precedent to any such transfer of the Relevant SwapClear Contracts of the relevant Omnibus Net Segregated Clearing Clients and/or the relevant Associated Account Assets (as the case may be) that:
- (i) each such Omnibus Net Segregated Clearing Client has not become insolvent (such Omnibus Net Segregated Clearing Clients to be presumed to be solvent by the Clearing House unless evidenced to the contrary by the Carrying Clearing Member in the manner set forth in the Procedures or as otherwise reasonably determined by the Clearing House);
 - (ii) neither the Carrying Clearing Member nor the Receiving Clearing Member is a defaulter;
 - (iii) the Receiving Clearing Member has consented to such transfer of such Relevant SwapClear Contracts and such Associated Account Assets (if any);
 - (iv) where (1) no Associated Account Assets are to be transferred simultaneously with the transfer of the Relevant SwapClear Contracts or (2) as the result of an election by the Receiving Clearing Member to reject a portion of the relevant Associated Account Assets pursuant to paragraph (e) of this Regulation 52C, the proposed transfer of the Relevant Contracts would lead to a cover requirement from the Receiving Clearing Member to the Clearing House, the Clearing House considers that it has received sufficient cover from the Receiving Clearing Member in respect of the Relevant SwapClear Contracts; and
 - (v) the Carrying Clearing Member has not rejected such transfer (it being presumed by the Clearing House that the Carrying Clearing Member has not so rejected the transfer unless evidenced to the contrary by the Carrying Clearing Member in the manner set forth in the Procedures or as otherwise reasonably determined by the Clearing House).

For purposes of (v) above, the Carrying Clearing Member may be entitled to reject the transfer of Relevant SwapClear Contracts of the Omnibus Net Segregated Clearing Clients only if (a) any of such Omnibus Net Segregated Clearing Clients has failed to satisfy all outstanding obligations that are due and payable to the Carrying Clearing Member and its Affiliates, including any increased margin due and payable that may result from the proposed transfer, where, with respect to obligations owed to Affiliates of the Carrying

Clearing Member by an Omnibus Net Segregated Clearing Client, "obligations" shall consist only of those obligations that arise as a result of cross-margining, cross-netting or other similar arrangements with respect to the Relevant SwapClear Contracts of that Omnibus Net Segregated Clearing Client which are being transferred or that client's related collateral, (b) the transfer of the Relevant SwapClear Contracts of that Omnibus Net Segregated Clearing Client would result in that client breaching exposure limits with, and/or other risk parameters set by, the Carrying Clearing Member and/or its Affiliates, or (c) such rejection is in accordance with terms agreed as between the Carrying Clearing Member and the relevant Omnibus Net Segregated Clearing Client. If, a transfer is not effected due to one of the conditions (i) to (v) above not being satisfied and the Receiving Clearing Member wishes to proceed with such transfer or any other transfer of SwapClear Contracts of some or all of the Omnibus Net Segregated Clearing Clients, it shall be required to submit a new request to transfer in accordance with this paragraph (c) or paragraph (d) of this Regulation 52C (as applicable).

- (d) A Receiving Clearing Member may (A) upon the instruction or at the request of an Individual Segregated Account Clearing Client, request the Clearing House (as set out in the Procedures) to transfer a portion of that SwapClear Clearing Client's portfolio of SwapClear Contracts registered with a Carrying Clearing Member, or (B) upon the request or instruction of an Omnibus Net Segregated Clearing Client for a transfer from an Omnibus Net Segregated Account which is otherwise not covered by paragraph (c) above, request the Clearing House (as set out in the Procedures), to transfer either the whole or a part of such Omnibus Net Segregated Clearing Client's portfolio of SwapClear Contracts registered with the Carrying Clearing Member. It is a condition precedent to any such transfer of the Relevant SwapClear Contracts of the Individual Segregated Account Clearing Client or the Omnibus Net Segregated Clearing Client (as the case may be) that:
- (i) such Individual Segregated Account Clearing Client or Omnibus Net Segregated Clearing Client (as the case may be) has not become insolvent (such Individual Segregated Account Clearing Client or Omnibus Net Segregated Clearing Client (as the case may be) to be presumed to be solvent by the Clearing House unless evidenced to the contrary by the Carrying Clearing Member in the manner set forth in the Procedures or as otherwise reasonably determined by the Clearing House);
 - (ii) neither the Carrying Clearing Member nor the Receiving Clearing Member is a defaulter;
 - (iii) the Receiving Clearing Member has consented to the transfer of the Relevant SwapClear Contracts;
 - (iv) the Receiving Clearing Member has provided sufficient cover to the Clearing House in respect of its current SwapClear Contracts and the Relevant SwapClear Contracts;
 - (v) the Carrying Clearing Member has not rejected such transfer (it being presumed by the Clearing House that the Carrying Clearing Member has not so rejected the transfer unless evidenced to the contrary by the Carrying Clearing Member in the manner set forth in the Procedures or as otherwise reasonably determined by the Clearing House); and
 - (vi) in the event that the transfer will lead to an increased cover requirement from the Carrying Clearing Member to the Clearing House, the Carrying Clearing

Member provides sufficient cover to the Clearing House in respect of such increased cover requirement.

For purposes of (v) above, the Carrying Clearing Member may be entitled to reject the transfer of the Relevant SwapClear Contracts of a particular SwapClear Clearing Client only if (a) such SwapClear Clearing Client has failed to satisfy all outstanding obligations that are due and payable to the Carrying Clearing Member and its Affiliates, including any increased margin due and payable that may result from the proposed transfer, where, with respect to obligations owed to Affiliates of the Carrying Clearing Member by a SwapClear Clearing Client, "obligations" shall consist only of those obligations that arise as a result of cross-margining, cross-netting or other similar arrangements with respect to the SwapClear Contracts being transferred or the SwapClear Clearing Client's related collateral, (b) the transfer of the Relevant SwapClear Contracts would result in the SwapClear Clearing Client breaching exposure limits with, and/or other risk parameters set by, the Carrying Clearing Member and/or its Affiliates, or (c) such rejection is in accordance with terms agreed as between the Carrying Clearing Member and the relevant SwapClear Clearing Client.

For the avoidance of doubt, no Account Assets may be transferred under this paragraph (d).

(e) Upon request from the Clearing House, and in order to facilitate a transfer pursuant to paragraph (b) or paragraph (c) above, the Carrying Clearing Member shall notify the Clearing House of the Associated Account Assets which are attributable to the Relevant SwapClear Contracts entered into by the Carrying Clearing Member on behalf of the relevant SwapClear Clearing Client and along with the Receiving Clearing Member shall take such actions and provide such information in connection with the transfer as may be required under the Procedures. In the event that the Carrying Clearing Member fails to notify the Clearing House of the Associated Account Assets that are attributable to the relevant SwapClear Clearing Client, the Clearing House shall identify and transfer such collateral as it deems appropriate and as set out in the Procedures. Once the Associated Account Assets which are to be the subject of a transfer have been notified by the Clearing House to the Receiving Clearing Member, the Receiving Clearing Member may elect to reject the transfer of some or all of such Associated Account Assets. Any such an election will not prevent the transfer of the Relevant SwapClear Contracts of the relevant SwapClear Clearing Client(s) and any Associated Account Assets which have been accepted by the Receiving Clearing Member, provided that the conditions set out in sub-paragraphs (i) to (v) of paragraph (b) or (c) (as applicable) are satisfied in relation to such transfer. The Clearing House shall transfer the Associated Account Assets that have been identified to and consented by the Receiving Clearing Member. In the event that, for whatever reason, the Clearing House is unable to transfer such Associated Account Assets, the Clearing House will not proceed with the transfer of the Relevant SwapClear Contracts.

(f) (i) Further to the satisfaction of the conditions set out in paragraphs (b), (c) and (d) above, as applicable, and provided that it does not determine, in its sole discretion, that the transfer cannot be effected under these Regulations or the Procedures, the Clearing House shall transfer the Relevant SwapClear Contract(s) into the name of the Receiving Clearing Member on behalf of the relevant SwapClear Clearing Client(s). The transfer of the Relevant SwapClear Contracts shall occur by novation of all of the Carrying Clearing Member's rights and obligations in respect of such Relevant SwapClear Contracts to the Receiving Clearing Member.

- (ii) In the case where a transfer of Relevant SwapClear Contracts pursuant to paragraph (b) or paragraph (c) above will include the transfer of the Associated Account Assets:
- (1) in respect of Associated Account Assets that are subject to security arrangements entered into between the Carrying Clearing Member and the Clearing House in relation to the provision of cover, such transfer shall be effected as follows:
 - (A) the Carrying Clearing Member shall relinquish all rights to such Associated Account Assets (including, for the avoidance of doubt, any beneficial interest and/or equity of redemption in respect thereof);
 - (B) such Associated Account Assets shall immediately upon such relinquishment be held by the Clearing House on behalf of the Receiving Clearing Member; and
 - (C) the Receiving Clearing Member's rights to such Associated Account Assets arising as described in paragraph (B) above shall become, in respect of the Relevant SwapClear Contracts, subject to the security arrangements entered into between the Receiving Clearing Member and the Clearing House in relation to the provision of cover (such rights thereby becoming Charged Property within the meaning of the document creating such security arrangements).
 - (2) in respect of Associated Account Assets that are not subject to security arrangements entered into between the Carrying Clearing Member and the Clearing House in relation to the provision of cover, such transfer shall be by novation of the Carrying Clearing Member's rights and obligations in respect of such Associated Account Assets to the Receiving Clearing Member.
 - (3) For the avoidance of doubt, the Carrying Clearing Member shall have no right or entitlement to assert any claim over, or right with respect to, the Associated Account Assets transferred.
 - (4) The transfer of the Relevant SwapClear Contracts and Associated Account Assets shall be deemed to occur simultaneously, and the transfer of the Relevant SwapClear Contracts shall be conditioned on the transfer of the Associated Account Assets, and vice versa.
 - (5) If the transfer of the Relevant SwapClear Contracts and Associated Account Assets is not completed for any reason, then any actual transfer of Associated Account Assets or Relevant SwapClear Contracts that has occurred, as the case may be, shall be deemed not to have occurred, and any actual transfer of Associated Account Assets or Relevant SwapClear Contracts that has occurred shall be immediately unwound.
- (g) Rights under a SwapClear Contract entered into by a SwapClear Clearing Member in respect of SwapClear Clearing Client Business shall not be capable of assignment by a SwapClear Clearing Member. Any such purported assignment by a SwapClear Clearing

Member, or any purported transfer that is not in compliance with this Regulation 52C, shall be void.

- (h) If a SwapClear Clearing Member is a defaulter, the Clearing House shall take such actions, subject to and in accordance with the Default Rules and Regulation 52(B) in relation to SwapClear Contracts carried by such SwapClear Clearing Member on behalf of SwapClear Clearing Clients, provided always that the Clearing House shall take such actions as are required to meet the Clearing House's continuing regulatory obligations including those applicable to it as a Recognised Clearing House and a Derivatives Clearing Organization.
- (i) Subject to paragraph (j) below, but otherwise notwithstanding anything to the contrary in these Regulations, in making any transfer of Relevant SwapClear Contracts and (if applicable) Associated Account Assets pursuant to this Regulation 52C, the Clearing House shall be authorised and entitled to rely conclusively on the instructions of and information provided by the relevant SwapClear Clearing Member(s), which shall be solely responsible for all such instructions and information, including (i) ensuring that the transfer is properly authorised or rejected (as the case may be), (ii) that the appropriate client account and Associated Account Assets have been identified, and (iii) in the case of a partial transfer of SwapClear Contracts pursuant to Regulation 52C(d), the appropriate Relevant SwapClear Contracts have been identified by the Receiving Clearing Member, and the Clearing House shall have no responsibility or liability therefor.
- (j) The Clearing House shall verify that the Relevant SwapClear Contracts identified to it by a SwapClear Clearing Member as being the subject of such a transfer correspond to SwapClear Contracts which, according to its records, are registered in the name of the Carrying SwapClear Clearing Member on behalf of the relevant SwapClear Clearing Client. In the event that the Clearing House identifies a discrepancy, it will notify the relevant SwapClear Clearing Member(s) and no transfer will occur pursuant to this Regulation 52C until such time as the Relevant SwapClear Contracts identified to the Clearing House by the relevant SwapClear Clearing Member(s) can be verified by the Clearing House.
- (k) The Carrying Clearing Member agrees to indemnify the Clearing House in respect of all liabilities, costs, loss, fees, damages or expenses suffered or incurred by the Clearing House (howsoever arising or occurring) by reason of a proposed transfer being rejected by the Carrying Clearing Member other than in compliance with the grounds set out in the final paragraph of Regulation 52C(b), (c) or (d) (as the case may be).

SCHEDULE TO THE SWAPCLEAR REGULATIONS**Part A****SwapClear Contract Terms**

The terms of a registered SwapClear Contract shall include these SwapClear Contract Terms which shall comprise:

- (1) Interpretation; and
- (2) Economic Terms; and
- (3) Standard Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the SwapClear Contract Terms applicable to a SwapClear Contract to calculate the amounts due under the SwapClear Contract to, or from, the Clearing House in accordance with the Procedures.

1. Interpretation

- 1.1. "ISDA 2000 Definitions" means the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and the same are incorporated by reference herein and "ISDA 2006 Definitions" means the 2006 ISDA Definitions as published by ISDA, and the same are incorporated by reference herein.
- 1.2. Words and expressions used in these SwapClear Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the "ISDA 2000 Definitions" or the "ISDA 2006 Definitions" shall have the same meaning herein as in the 2000 ISDA Definitions or the ISDA 2006 Definitions as the case may be, unless expressly provided otherwise. For the avoidance of doubt where the SwapClear Contract identifies the ISDA 2000 Definitions as being applicable to that SwapClear Contract then those definitions will apply and where the SwapClear Contract identifies the ISDA 2006 Definitions as being applicable to that SwapClear Contract then those definitions will apply.
- 1.3. In the event of an inconsistency between the Regulations and the Procedures and either the ISDA 2000 Definitions or the ISDA 2006 Definitions, the Regulations and Procedures will prevail.
- 1.4. References in the ISDA 2000 Definitions and the ISDA 2006 Definitions to a "Swap Transaction" shall be deemed to be references to a "SwapClear Transaction" for the purposes of SwapClear.
- 1.5. Except where expressly stated otherwise, all reference to "Articles" means Articles in the ISDA 2000 Definitions or the ISDA 2006 Definitions as the case may be as published by ISDA:
 - (a) in relation to any amendments to either the ISDA 2000 Definitions or the ISDA 2006 Definitions, the Clearing House may from time to time, by notice delivered to the SwapClear Clearing Members and the SwapClear Dealers, give directions as to whether such amendment shall apply to SwapClear Contracts

with immediate effect or with such deferred effect as the Clearing House shall determine;

- (b) any such notice may provide that the amendment to the ISDA 2000 Definitions or the ISDA 2006 Definitions may take effect so as to apply to SwapClear Contracts registered in a SwapClear Clearing Member's name at the time such amendment comes into effect if the Clearing House so determines;
- (c) the accidental omission to give notice under this provision to, or the non-receipt of notice under this provision by, any SwapClear Clearing Member or SwapClear Dealer shall not invalidate the amendment with which the notice is concerned.

2. Economic Terms

- 2.1. The Economic Terms of a SwapClear Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding SwapClear Transaction in respect of the terms designated as Economic Terms in this Schedule.
- 2.2. It is part of the eligibility criteria for registration as a SwapClear Contract that the particulars of a SwapClear Transaction presented to the Clearing House must include matched information in respect of such designated Economic Terms, except that information in respect of (i) (viii) OR (ix) (not both) for vanilla interest rate swaps with constant notional principal and variable notional swaps and (n) or (o) (not both) in relation to forward rate agreements must be provided.
- 2.3. The Economic Terms for vanilla interest rate swaps with constant notional principal and variable notional swaps comprise:
 - (a) Notional Amount (see Article 4.7 of the ISDA 2000 Definitions and Article 4.7 of the ISDA 2006 Definitions for definition) (for variable notional swaps, the Notional Amount can be set out in a Notional Amount Schedule¹)
 - (b) Currency (see Article 1.7 of the ISDA 2000 Definitions and Article 1.7 of the ISDA 2006 Definitions for definition);
 - (c) Trade Date (see Article 3.7 of the ISDA 2000 Definitions and Article 3.7 of the ISDA 2006 Definitions for definition);
 - (d) Effective Date (see Article 3.2 of the ISDA 2000 Definitions and Article 3.2 of the ISDA 2006 Definitions for definition);
 - (e) Termination Date (see Article 3.3 of the ISDA 2000 Definitions and Article 3.3 of the ISDA 2006 Definitions for definition);
 - (f) Additional Payments/Fees:
 - (i) the Payer of the Additional Payments/Fees (if any);
 - (ii) the amount of the Additional Payments/Fees (specify zero if none).

¹ SwapClear will accept IRS, Basis or zero coupon swaps with a Notional Amount which for each payment calculation period may remain unchanged, increase or decrease relative to its previous value. The changes in notional can only take place at the calculation period start dates and must be pre-determined at the point of registration. The notional schedule will be applied at the start of the corresponding calculation period, adjusted (or unadjusted) with the calculation period calendar specified in the trade. Notional schedules need not be identical for the two legs of the trade.

- (g) Business Days (see Article 1.4 of the ISDA 2000 Definitions and Article 1.4 of the ISDA 2006 Definitions for definition);
- (h) Business Day Convention (see Article 4.12 for definition);
- (i) Where Fixed Rate – Floating Rate Swap:
 - (i) Fixed Rate Payer (see Article 2.1 of the ISDA 2000 Definitions and Article 2.1 of the ISDA 2006 Definitions for definition);
 - (ii) Fixed Rate Payer Payment Dates;
 - (iii) Fixed Amount (see Article 4.4 of the ISDA 2000 Definitions and Article 4.4 of the ISDA 2006 Definitions for definition) [or Fixed Rate and Fixed Rate Day Count Fraction][or Fixed Rate Payer Schedule]²
 - (iv) Floating Rate Payer (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition);
 - (v) Floating Rate Payer Payment Dates;
 - (vi) Floating Rate Payer compounding dates (if applicable);
 - (vii) Floating Amount (see Article 4.5 of the ISDA 2000 Definitions and Article 4.5 of the ISDA 2006 Definitions for definition);
 - (viii) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition);
- (Note: The details of each such option are as provided in the Procedures).
- (ix) Designated Maturity (see Article 7.3(b) of the “Annex to the 2000 ISDA Definitions (June 2000 Version)” and Article 7.3 (b) of the ISDA 2006 Definitions for definition);
- (x) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition)³;
- (xi) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);
- (xii) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition).
- (j) Where Floating Rate – Floating Rate Swap (“basis” swap):
 - (i) Floating Rate Payer 1 (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition):
 - (a) Floating Rate Payer Payment Dates;

² SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a Fixed Rate on the fixed leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value.

³ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

- (b) Floating Rate Payer compounding dates (if applicable);
- (c) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition);

(Note: the details of each such option are as provided in the Procedures)

- (d) Designated Maturity (see Article 7.3(b) of the “Annex to the 2000 ISDA Definitions (June 2000 version)” and Article 7.3 (b) of the ISDA 2006 Definitions for definition);
 - (e) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition);⁴
 - (f) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);
 - (g) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition)
- (ii) Floating Rate Payer 2 (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition):
- (a) Floating Rate Payer Payment Dates;
 - (b) Floating Rate Payer compounding dates (if applicable);
 - (c) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition)

(Note: The details of each such option are as provided in the Procedures)

- (d) Designated Maturity (see Article 7.3(b) of the “Annex to the 2000 ISDA Definitions (June 2000 version)” and Article 7.3 (b) of the ISDA 2006 Definitions for definition);
- (e) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition);⁵
- (f) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);
- (g) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition)

⁴ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

⁵ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

- 2.4. The Economic Terms for Forward Rate Agreements (using only the ISDA 2006 Definitions) comprise:
- (a) Notional Amount (see Article 4.7 for definition);
 - (b) Currency (see Article 1.7 for definition);
 - (c) Trade Date (see Article 3.7 for definition);
 - (d) Effective Date (see Article 3.2 for definition);
 - (e) Termination Date (see Article 3.3 for definition);
 - (f) Additional Payments/Fees:
 - (i) the Payer of the Additional Payments/Fees (if any);
 - (ii) the amount of the Additional Payments/Fees (specify zero if none).
 - (g) Business Days (see Article 1.4 for definition);
 - (h) Business Day Convention (see Article 4.12 for definition);
 - (i) Fixed Rate Payer (see Article 2.1 for definition);
 - (j) Fixed Rate Payer Payment Dates;
 - (k) Fixed Rate
 - (l) Floating Rate Payer (see Article 2.2 for definition);
 - (m) Floating Rate Payer Payment Dates;
 - (n) Floating Rate Option (see Article 6.2(i) for definition);
 - (o) Designated Maturity (see Article 7.3(b) for definition);
 - (p) Spread (see Article 6.2(f) for definition);
 - (q) Reset Dates (see Article 6.2(b) for definition);
 - (r) Floating Rate Day Count Fraction (see Article 6.2(g) for definition).
 - (s) FRA Discounting (see Article 8.4 (b) for definition):
 - (t) Discount Rate (see Article 8.4. (c) for definition):
 - (u) Discount Rate Day Count Fraction (see Article 8.4. (d) for definition):
 - (v) FRA Yield Discounting (see Article 8.4. (e) for definition):

In respect of forward rate agreements either (s) or (v) but not both should be selected.

PROVIDED, however, that, as set out more particularly in Regulation 48, where the SwapClear Transaction specifies a SwapClear Dealer as the party paying Rate X (the "First SwapClear Dealer"), with the other SwapClear Dealer as the party paying Rate Y

(the “Second SwapClear Dealer”), the Clearing House, in respect of each SwapClear Contract it is party to pursuant to the corresponding SwapClear Transaction, shall be (i) the party paying Rate Y to the First SwapClear Dealer, or its SwapClear Clearing Member, as applicable, under the SwapClear Contract; and (ii) the party paying Rate X to the Second SwapClear Dealer, or its SwapClear Clearing Member, as applicable, under the SwapClear Contract.

2.5. Financial Centres

Detail of the relevant financial centre/s must be provided using the appropriate **Markitwire/FpML** code as set out below:

Financial Centre	Markitwire/FpML
Sydney	AUSY
Brussels	BEBR
Montreal	CAMO
Toronto	CATO
Geneva	CHGE
Zurich	CHZU
Prague	CZPR
Frankfurt	DEFR
Copenhagen	DKCO
Madrid	ESMA
Helsinki	FIHE
Paris	FRPA
London	GBLO
Hong Kong	HKHK
Budapest	HUBU
Milan	ITMI
Rome	ITRO
Tokyo	JPTO
Luxemburg	LULU
Amsterdam	NLAM
Oslo	NOOS

Financial Centre	Markitwire/FpML
Auckland	NZAU
Wellington	NZWE
Stockholm	SEST
Chicago	USCH
Los Angeles	USLA
New York	USNY
Target/Euro	EUTA
Warsaw	PLWA
Singapore	SGSI
Johannesburg	ZAJ0

3. Standard Terms

The following terms are designated as Standard Terms of a registered SwapClear Contract:

3.1. Business Days

In addition to the Business Days for the financial centres specified in the Economic Terms, (such Business Days to be determined in accordance with the SwapsMonitor Financial Calendar) the Business Days specified in the calendar published by the Clearing House, from time to time, will apply to a SwapClear Contract.

3.2. Economic and Monetary Union (EMU) Provisions

- 3.2.1. The occurrence or non-occurrence of an event associated with EMU will not have the effect of altering any term of, or discharging or excusing performance under, a SwapClear Contract.
- 3.2.2. For the purposes of this provision events associated with EMU include those set out in the "EMU Continuity Provision" published by ISDA.
- 3.2.3. In addition, in relation to an occurrence of an event associated with EMU, the Clearing House may from time to time, by notice delivered to the SwapClear Clearing Members and SwapClear Dealers, give directions as to changes, if any, to these SwapClear Contract Terms and to its Procedures. Any such notice may provide that the changes to the SwapClear Contract Terms, and / or Procedures, may take effect so as to apply to SwapClear Contracts registered in a SwapClear Clearing Member's name at the time such amendment comes into effect if the Clearing House so determines.
- 3.2.4. The accidental omission to give notice under this provision to, or the non-receipt of notice under this provision by any SwapClear Clearing Member or a SwapClear Dealer shall not invalidate the amendment with which the notice is concerned.

3.2.5. Where a SwapClear Contract is in Hong Kong Dollars, the parties agree that it is a fundamental basis and condition of the contract that at the registration of this SwapClear Contract and for the duration of this contract, the Hong Kong dollar rate of exchange against the US Dollar is 7.8 Hong Kong Dollars to one US Dollar. In the event that such exchange rate should vary for any one or more day at any time during the contract, the Clearing House shall have the right, on the giving of written notice, to terminate this contract forthwith.

3.3. Negative Interest Rates

The "Negative Interest Rate Method" as set out in Article 6.4(b) of the ISDA Definitions, will apply to a SwapClear Contract.

3.4. **Withholding Tax Provisions**

All payments due under a SwapClear Contract shall be made by the SwapClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the SwapClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

The Clearing House shall make any payments due to a SwapClear Clearing Member net of any deduction or withholding for or on account of any tax it is required to make from such payments.

3.5. **Payment of Stamp Tax**

Each SwapClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any SwapClear Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("Stamp Tax Jurisdiction") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any SwapClear Contract registered by the Clearing House and to which that SwapClear Clearing Member is a party.

3.6. **Payments under a SwapClear Contract**

Payments under, and in respect of, a SwapClear Contract shall be calculated by the Clearing House and shall be made by, or to, the SwapClear Clearing Member in accordance with the provisions of the Procedures.

3.7. **Regulations**

A SwapClear Contract shall be subject to the Regulations and the Procedures, which shall form a part of its terms. In the event of any inconsistency between these SwapClear Contract Terms and the Regulations and the Procedures, the Regulations and the Procedures will prevail.

3.8. Governing Law

Each SwapClear Contract shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree for the benefit of the Clearing House that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise here from. The SwapClear Clearing Member party hereto irrevocably submits to such jurisdiction and agrees to waive any objection it might otherwise have to such jurisdiction, save that this submission to the jurisdiction of the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

3.9. Third Party Rights

A person who is not a party to this SwapClear Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of this SwapClear Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

Part B

Product Eligibility Criteria for Registration of a SwapClear Contract

1. SwapClear Transaction

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a SwapClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the eligibility criteria, set out in paragraphs 1.2.1.2 (a), (b) or (c) and 1.3, below for a SwapClear Transaction; and
- (b) each party to the transaction is either a SwapClear Dealer or a SwapClear Clearing Member (including an SCM Branch),

and the requirements of (a) and (b) continue to be satisfied at Registration Time.

1.2. Product eligibility criteria for a SwapClear Transaction

- (a) Vanilla interest rate swaps with constant notional principal having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Indices ⁶	Types	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)		
Vanilla interest rate swaps with constant notional principal	Sterling (GBP)	GBP-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-	
		GBP-WMBA-SONIA-COMPOUND	Fixed vs. Floating	Single currency	736 days		
		See Article 7.1w (vii) for definition	Floating vs. Floating				99,999,999,999.99
	US Dollar (USD)	USD-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-	
		See Article 7.1(ab) (xxii) for definition	Floating vs. Floating				99,999,999,999.99
		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	736 days		
Euro (EUR)	See article 7.1(ab)(xxxix) for definition	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-	

⁶ References in this column are to the 2006 ISDA Definitions

Instrument	Acceptable Currencies	Acceptable Indices ⁶	Types		Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
Vanilla interest rate swaps with constant notional principal		See Article 7.1(f)(vii) for definition	Floating vs. Floating			99,999,999,999.99
		EUR-EURIBOR-Telerate				
		See article 7.1 (f)(ii) for definition				
		EUR-EONIA-OIS-COMPOUND	Fixed vs. Floating	736 days		
		See Article 7.1(f) (viii) for definition				
	Australian Dollar (AUD)	AUD-BBR-BBSW	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(a) (iv) for definition	Floating vs. Floating			
		AUD-LIBOR-BBA				
		See Article 7.1(a) (viii) for definition				
	Canadian Dollar (CAD)	CAD-BA-CDOR	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
	See Article 7.1(b) (ii) for definition	Floating vs. Floating				
	CAD-LIBOR-BBA					
	See Article 7.1(b) (viii) for definition					
Czech Koruna (CZK)	CZK-PRIBOR-PRBO	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99	
	See Article 7.1r (i) for definition	FLOAT vs. FLOAT				
Danish Krone (DKK)	DKK-CIBOR-DKNA13	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99	
	See Article 7.1(e) (i) for definition	Floating vs. Floating				

Instrument	Acceptable Currencies	Acceptable Indices ⁶	Types		Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
		DKK-CIBOR2-DKNA13				
		See Article 7.1(e) (ii) for definition				
	Hong Kong Dollar (HKD)	HKD-HIBOR-HIBOR=	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(g) (ii) for definition	Floating vs. Floating			
		HKD-HIBOR-HKAB				
		See Article 7.1(g) (iii) for definition				
		HKD-HIBOR-ISDC				
		See Article 7.1(g) (i) for definition				
	Hungarian Forint (HUF)	HUF- BUBOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	1-10,000,000,000.00
		See Article 7.1r (i) for definition	FLOAT vs. FLOAT			
	Japanese Yen (JPY)	JPY-LIBOR-BBA	Fixed vs. Floating	Single currency	10970 days	1-10,000,000,000.00
		See Article 7.1(l) (iv) for definition	Floating vs. Floating			
	New Zealand Dollar (NZD)	NZD-BBR-Telerate	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(l) (iii) for definition	Floating vs. Floating			
	New Zealand Dollar (NZD)	NZD-BBR-FRA	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(p) (iii) for definition	Floating vs. Floating			
	Norwegian Krone (NOK)	NOK-NIBOR-NIBR	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(q) (i) for definition	Floating vs. Floating			

Instrument	Acceptable Currencies	Acceptable Indices ⁶	Types	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	
	Singapore Dollar (SGD)	SGD-SOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(q) (i) for definition	Floating vs. Floating			
	Swedish Krona (SEK)	SEK-STIBOR-SIDE	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(x) (i) for definition	Floating vs. Floating			
	Swiss Franc (CHF)	CHF-LIBOR-BBA	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(y) (ii) for definition				
		CHF-TOIS_OIS_CO MPOUND	Fixed vs. Floating	Single currency	736 days	
		See Article 7.1(y) (iv) for definition	Floating vs. Floating			
	Polish Zloty (PLN)	PLN	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		WIBOR-WIBO				
		See Article 7.1r (i) for definition	FLOAT vs. FLOAT			
	South African Rand (ZAR)	ZAR	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		JIBAR-SAFEX				
		See Article 7.1v (i) for definition	FLOAT vs. FLOAT			

(b) Variable notional swaps having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Article 7.1 of the 2000 ISDA Definitions and Article 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)

Variable Notional Swap	USD	USD-LIBOR-BBA	Interest Swap	Rate	Single currency	18,275 Days
Variable Notional Swap	USD	USD-LIBOR-BBA	Basis Swap		Single currency	18,275 Days
Variable Notional Swap	USD	USD-LIBOR-BBA	Zero Coupon Swap		Single currency	18,275 Days
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Interest Swap	Rate	Single currency	18,275 Days
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Basis Swap		Single currency	18,275 Days
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Zero Coupon Swap		Single currency	18,275 Days
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Interest Swap	Rate	Single currency	18,275 Days
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Basis Swap		Single currency	18,275 Days
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Zero Coupon Swap		Single currency	18,275 Days
Variable Notional Swap	GBP	GBP-LIBOR-BBA	Interest Swap	Rate	Single currency	18,275 Days
Variable Notional Swap	GBP	GBP-LIBOR-BBA	Basis Swap		Single currency	18,275 Days
Variable Notional Swap	GBP	GBP-LIBOR-BBA	Zero Coupon Swap		Single currency	18,275 Days

(c) Forward rate agreements having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Section 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	FRA Tenors	Minimum and Maximum FRA Terms (Days)
Forward Rate Agreement	AUD	AUD-BBR-BBSW	Fixed v floating	Single currency	740 days		1m,2m,3,4m,5m,6m	Min25 Max 190
Forward Rate Agreement	AUD	AUD-LIBOR-BBA	Fixed v floating	Single currency	740 days		1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m, 1y	Min25 Max 375
Forward Rate Agreement	CAD	CAD-BA-CDOR	Fixed v floating	Single currency	740 days		1m,2m,3m, 6m, 1y	Min25 Max 375
Forward Rate Agreement	CAD	CAD-LIBOR-BBA	Fixed v floating	Single currency	740 days		1w,2w,1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m, 1y	Min 3 Max 375
Forward Rate Agreement	CHF	CHF-LIBOR-BBA	Fixed v floating	Single currency	740 days		1w,2w 1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m,1y	Min 3 Max 375
Forward Rate Agreement	CZK	CZK-PIBOR-PRBO	Fixed v floating	Single currency	740 days		1w,2w 1m,2m,3m, 6m,9m,1y	Min 3 Max 375
Forward Rate Agreement	DKK	DKK-CIBOR2-DKNA13	Fixed v floating	Single currency	740 days		1w, 1m,2m,3m, 4m,5m, 6m,9m,1y	Min 3 Max 375

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Section 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	FRA Tenors	Minimum and Maximum FRA Terms (Days)
Forward Rate Agreement	EUR	EUR-LIBOR-BBA	Fixed v floating	Single currency	1105 days		1w,2w 1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m, 1y	Min 3 Max 375
Forward Rate Agreement	EUR	EUR-EURIBOR - REUTERS	Fixed v floating	Single currency	1105 days		1w,2w, <u>3w</u> 1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m, 1y	Min 3 Max 375
Forward Rate Agreement	GBP	GBP-LIBOR-BBA	Fixed v floating	Single currency	1105 days		1w,2w 1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m, 1y	Min 3 Max 375
Forward Rate Agreement	HUF	HUF-BUBOR-REUTERS	Fixed v floating	Single currency	740 days		1w,2w 1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m, 1y	Min 3 Max 375
Forward Rate Agreement	JPY	JPY-LIBOR-BBA	Fixed v floating	Single currency	1105 days		1w,2w 1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m, 1y	Min 3 Max 375
Forward Rate Agreement	NOK	NOK-NIBOR-NIBR	Fixed v floating	Single currency	740 days		1w, 1m,2m,3m,4m,5m,6m,7m,8m,9m,10,11m,1y	Min 3 Max 375
Forward Rate Agreement	NZD	NZD-BBR-FRA	Fixed v floating	Single currency	740 days		1m,2m,3m, 4m,5m, 6m,	Min 25 Max 190
Forward Rate Agreement	PLN	PLN - WIBOR_WIBO	Fixed v floating	Single currency	740 days		1w,2w 1m, 3m, 6m,9m,1y	Min 3 Max 375

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Section 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)	FRA Tenors	Minimum and Maximum FRA Terms (Days)
Forward Rate Agreement	SEK	SEK-STIBOR-SIDE	Fixed v floating	Single currency	740 days		1w, 1m,2m,3m, 6m,9m,1y	Min 3 Max 375
Forward Rate Agreement	USD	USD-LIBOR-BBA	Fixed v floating	Single currency	1105 days		1w,2w 1m,2m,3m,4m,5m,6m,7m,8m,9m,10m,11m, 1y	Min 3 Max 375
Forward Rate Agreement	ZAR	ZAR-JIBAR-SAFEX	Fixed v floating	Single currency	740 days		1m, 3m, 6m,9m,1y	Min 25 Max 375

2. []

3. **Additional Criteria for a SwapClear Transaction**

3.1. A contract must also meet the following additional criteria to be eligible as a SwapClear Transaction:

3.1.1 Day Count Fractions

(See Article 4.16 of the “Annex to 2000 ISDA Definitions (June 2000 Version)”, Article 4.16 of the ISDA 2006 Definitions for definition)

The Clearing House will only accept the following day count fractions for vanilla interest rate swaps with constant notional principal and variable notional swaps. Day Count Fractions are applied to each deal leg independently, as communicated via the affirmed MarkitWire trade detail.:

Day Count Fractions using the ISDA 2000 Definitions

Day Count Fraction	MarkitWire/FpML Code
30/360 (or Bond Basis)	30/360
30E/360 (or Eurobond)	30E/360
Actual/360	ACT/360
Actual/365 (Fixed)	ACT/365.FIXED
Actual/365 (or	ACT/365.ISDA
Actual/Actual (ISMA)	ACT/ACT.ISMA

Day Count Fractions using the ISDA 2006 Definitions:

Day Count Fraction	MarkitWire/FpML Code
30/360 (or Bond Basis)	30/360
30E/360 (or Eurobond)	30E/360
Actual/360	ACT/360
Actual/365 (Fixed)	ACT/365.FIXED
Actual/Actual	ACT/ACT.ISDA
30E/360 (ISDA)	30E/360.ISDA
Actual/Actual (ICMA)	ACT/ACT.ICMA

The Clearing House will only accept the following day count fractions for Forward Rate Agreements Day Count Fractions are applied to each deal leg independently, as communicated via the affirmed MarkitWire trade detail:

Day Count Fractions using the ISDA 2006 Definitions:

Day Count Fraction	MarkitWire/FpML Code	Currency
Actual/365	ACT/365.FIXED	CAD, AUD, NZD,

(Fixed)		PLN, ZAR, GBP
Actual/360	ACT/360	USD, EUR, CHF, DKK, JPY, NOK, SEK, CZK, HUF

Fraction	SWIFT Code
Actual/365, Actual/Actual <i>(See Article 4.16(b) for definition)</i>	ACT/365
Actual/365 (Fixed) <i>(See Article 4.16(c) for definition)</i>	AFI/365
Actual/360 <i>(See Article 4.16(d) for definition)</i>	ACT/360
30/360, 360/360, Bond Basis <i>(See Article 4.16(e) for definition)</i>	360/360
30E/360 <i>(See Article 4.16(f) for definition)</i>	30E/360

3.1.2 Business Day Conventions

The Business Day Convention specified in the Economic Terms must be one of the following:

Following (see Article 4.12 (i) of the ISDA 2000 Definitions and Article 4.12 (i) of the ISDA 2006 Definitions for definition)

Modified Following (see Article 4.12 (ii) of the ISDA 2000 Definitions and Article 4.12(ii) of the ISDA 2006 Definitions for definition)

Preceding (see Article 4.12 (iii) of the ISDA 2000 Definitions and Article 4.12 (iii) of the ISDA 2006 Definitions for definition)

For vanilla interest rate swaps with constant notional principal SwapClear does not support trades where a different business day convention is used for:

fixed period end dates and the termination date

float period end dates and the termination date

3.1.3 Minimum and Maximum Residual Term of the Trade (Termination date – Today)

Trades in respect of vanilla interest rate swaps with constant notional principal and variable notional swaps are subject to a minimum and maximum Residual Term on the day they are received by SwapClear.

Minimum Residual Term of trade:

Termination date - Today \geq 1 + currency settlement lag

where currency settlement lag is:

1 day for EUR, USD, GBP and CAD denominated trades

2 days for JPY, CHF, AUD, DKK, HKD, NZD, SEK, NOK, PLN, ZAR, SAD, HUF & CZK denominated trades

Maximum Residual Term of trade:

Termination date - Today \leq 3,670 days for DKK, HKD, NZD, NOK, PLN, ZAR, SAD, HUF & CZK (10 years)

Termination date - Today \leq 10,970 days for AUD, CAD, CHF, JPY & SEK (30 years)

Termination date – Today \leq 18,275 days for GBP, EUR & USD (50 years)

Maximum Residual Term to Maturity for Forward Rate Agreements

The maximum residual term to maturity for forward rate agreements is as follows:

Currency	Maximum Residual Term to Maturity
EUR, JPY, USD, GBP	1105 days (3 years)
AUD, CAD, CHF, DKK, NOK, NZD, PLN, SEK, ZAR, CZK, HUF	740 days (2 years)

3.1.4 Designated Maturity

The Designated Maturity must be no less than one month and no more than twelve months. The Clearing House will, excepting stub periods, only accept a Designated Maturity that is a whole calendar month.

3.1.5 Calculation Periods

(See Article 4.13 of the ISDA 2000 Definitions and Article 4.13 of the ISDA 2006 Definitions for definition.)

For vanilla interest rate swaps with constant notional principal and variable notional swaps the Clearing House will only accept non-standard Calculation Periods (“stub periods”) at either the start or end of the contract. Transactions with stub periods at both the start and end of the transaction will not be eligible as SwapClear Transactions.

For variable notional swaps the stub rate should be detailed either as a percentage (i.e. 5.5%), an interpolation (i.e. 1 month/3months) or as a designated maturity (i.e. 1 month). Stub Rates within the Final Stub are calculated via interpolation or as a designated maturity.

For interpolated coupons, payment dates must fall between the rolled dates, according to the Modified Following business day convention, of the specified designated maturities. Where this does not occur and extrapolation would be required, SwapClear will reject the trade.

The minimum stub period of a variable notional swap accepted by SwapClear is 1 + Currency Settlement Lag. The minimum stub rate tenor must be ≥ 1 week for IRS and basis swap and ≥ 1 month for zero coupon swaps.

SwapClear also calculates floating periods subject to 'IMM settlement dates as per ISDA definitions.

For Forward Rate Agreements non standard designated maturities are accepted subject to the following criteria:

Interpolated period:

The maturity date must fall between the rolled dates, according to the business day convention, of the specified designated tenors. Where this does not occur and extrapolation would be required, SwapClear will reject the trade.

SwapClear will interpolate based upon the closest indices for interpolation

Non interpolated period:

SwapClear will only support the closest index tenor to the calculated period.

REPOCLEAR REGULATIONS

Regulation 53 Application of RepoClear Regulations

- (a) These RepoClear Regulations, which form part of the Regulations, together with the Regulations referred to in paragraph (b) apply to RepoClear Contracts, RepoClear GC Contracts, RepoClear Clearing Members and, insofar as relevant, to RepoClear Dealers.
- (b) The Default Rules, Default Fund Rules, the Definitions and Regulations 1, 2, 3(b), 4, 5, 8, 9(b) and (c), 10, 11, 12, 14, 16, 26 to 39B inclusive (other than Regulation 35(a), Regulation 37(b) and Regulation 38(b)) of the General Regulations apply to RepoClear Contracts, RepoClear GC Contracts, RepoClear Clearing Members and, insofar as relevant, to RepoClear Dealers.

Regulation 54 Submission of details of RepoClear Transactions and RepoClear GC Transactions through an Approved Trade Matching System

- (a) Details of RepoClear Transactions and RepoClear GC Transactions other than those referred to in Regulation 56 (RepoClear Transactions and RepoClear GC Transactions entered into by RepoClear Clearing Members through an Automated Trading System) or Regulation 56A (RepoClear Transactions and RepoClear GC Transactions entered into by RepoClear Dealers through an Automated Trading System) which are to be submitted for registration must be submitted by the RepoClear Participants party to such transactions through an Approved Trade Matching System (“ATMS”) specified for the purpose of this Regulation in the Procedures, and in accordance with the Procedures.
- (b) Without prejudice to the Clearing House’s rights under paragraph (f) of this Regulation, a RepoClear Clearing Member shall be bound by a RepoClear Contract or RepoClear GC Contract, as the case may be, registered in its name pursuant to the presentation of details of a RepoClear Transaction or RepoClear GC Transaction, as the case may be, by it or by a RepoClear Dealer with whom it is party to a RepoClear Dealer Clearing Agreement.
- (c) Without prejudice to the Clearing House’s rights under paragraph (f) of this Regulation, a RepoClear Transaction or RepoClear GC Transaction must, in order that it be registered as a RepoClear Contract or RepoClear GC Contract, as the case may be, meet the RepoClear Eligibility Criteria and other requirements as prescribed in the Regulations and the Procedures, at the time when the details (as prescribed from time to time by the Clearing House) of the RepoClear Transaction or RepoClear GC Transaction are presented to the Clearing House and at all times thereafter up to and including Registration Time.
- (d) The Clearing House shall be deemed to register a RepoClear Contract, or RepoClear GC Contract, as the case may be, in accordance with Regulation 55, in the name of a RepoClear Clearing Member at the time prescribed in the Procedures (“Registration Time”).
- (e) For the avoidance of doubt, any transaction of which details have been presented by RepoClear Participants for registration as a RepoClear Contract or RepoClear GC Contract which is not so registered will remain in effect solely between the persons party thereto in accordance with any terms agreed between them and the Clearing House shall have no obligations or liability in relation thereto.
- (f) If at any time after registration of a RepoClear Contract or RepoClear GC Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration did not, at the Registration Time, meet the criteria for registration as a RepoClear Contract or RepoClear GC Contract, the Clearing House shall, as soon as practicable thereafter, set aside each such RepoClear Contract or RepoClear GC Contract. Upon a RepoClear Contract or RepoClear GC Contract, as the case may be, being set aside under this paragraph, the details of the transaction in question shall be deemed never to have been submitted to the Clearing House and such transaction shall remain in effect between the persons party thereto in accordance with any terms agreed between them. Any payment made under, or in respect of, a RepoClear Contract or RepoClear GC Contract set aside under this paragraph shall be repayable to the person who made the payment, and any securities delivered under such Contract shall be re-delivered to the person who made the delivery of such securities. Without prejudice to Regulation 39 and its obligations under this Regulation 54(f), the Clearing House shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of a RepoClear Contract or

RepoClear GC Contract, in respect of a transaction which did not meet the criteria at the Registration Time to enable it to be registered as a RepoClear Contract or RepoClear GC Contract, as the case may be.

Regulation 55 Registration of RepoClear Contracts and RepoClear GC Contracts following Submission of Details of a RepoClear Transaction or RepoClear GC Transaction

- (a) Without prejudice to the Clearing House's rights to effect further novation under Regulation 3(b), details of a RepoClear Transaction or RepoClear GC Transaction presented for registration through an Approved Trade Matching System to, and accepted by, the Clearing House, shall be registered by the Clearing House as two RepoClear Contracts or as two RepoClear GC Contracts, as the case may be, one between the Selling RepoClear Clearing Member and the Clearing House as buyer, as principals to such contract, and the other between the Clearing House as seller and the Buying RepoClear Clearing Member, as principals to such contract. For the purposes of this Regulation:
- (i) "Selling RepoClear Clearing Member" is a RepoClear Clearing Member who was, before registration of the RepoClear Contract or RepoClear GC Contract, party to the corresponding RepoClear Transaction or RepoClear GC Transaction as the seller, or who has a subsisting RepoClear Dealer Clearing Agreement with a RepoClear Dealer who was party to the corresponding RepoClear Transaction or RepoClear GC Transaction, as the case may be, as the seller; and
 - (ii) "Buying RepoClear Clearing Member" is a RepoClear Clearing Member who was, before registration of the RepoClear Contract or RepoClear GC Contract, party to the corresponding RepoClear Transaction or RepoClear GC Transaction as the buyer, or who has a subsisting RepoClear Dealer Clearing Agreement with a RepoClear Dealer who was party to the corresponding RepoClear Transaction or RepoClear GC Transaction, as the case may be, as the buyer.
- (b) With effect from registration of a RepoClear Transaction or RepoClear GC Transaction as two RepoClear Contracts or as two RepoClear GC Contracts, as the case may be under paragraph ~~(a)~~(a) of this Regulation:
- (i) the parties to the corresponding RepoClear Transaction or RepoClear GC Transaction shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time;
 - (ii) each RepoClear Contract registered under paragraph (a) of this Regulation shall be governed by the RepoClear Contract Terms;
 - (iii) each RepoClear GC Contract registered under paragraph (a) of this Regulation shall be governed by the RepoClear SGC Contract Terms or RepoClear €GC Contract Terms;
 - (iv) in respect of the Economic Terms, the Selling RepoClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the RepoClear Contract or RepoClear GC Contract to which it is a party as the selling party had and owed in respect of its counterparty under the corresponding RepoClear Transaction or RepoClear GC Transaction, as the case may be; and
 - (v) in respect of the Economic Terms, the Buying RepoClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the RepoClear Contract or RepoClear GC Contract to

which it is party as the buying party had and owed in respect of its counterparty under the corresponding RepoClear Transaction or RepoClear GC Transaction, as the case may be.

In subparagraphs (iv) and (v) above, a reference to the “same” rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the Economic Terms of the corresponding RepoClear Transaction or RepoClear GC Transaction (it being assumed, for this purpose, that such RepoClear Transaction or RepoClear GC Transaction was a legal, valid, binding and enforceable obligation of the parties thereto and that the Economic Terms thereof were as presented to the Clearing House for registration), notwithstanding the change in the person entitled to them or obliged to perform them and subject to any changes thereto as a result of the operation of the Standard Terms.

- (c) If a RepoClear Transaction or RepoClear GC Transaction, is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration, that revocation, avoidance or invalidity shall not affect any RepoClear Contract or RepoClear GC Contract arising under this Regulation, Regulation 3(b) or Regulation 11.
- (d) The Clearing House may, with the agreement of RepoClear Clearing Members party to corresponding RepoClear Contracts or RepoClear GC Contracts, set aside or take such other steps with respect to such Contracts on such terms as may be agreed if either or both RepoClear Clearing Members consider that they have entered into a Contract in error or have agreed to certain terms of the Contract in error.
- (e) In the case of a RepoClear Contract or RepoClear GC Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 55 shall take effect.

Regulation 56 RepoClear transactions entered into by RepoClear Clearing Members through an Automated Trading System

- (a) This Regulation 56 applies to Repo Trades, Bond Trades and GC Trades made by RepoClear Clearing Members (otherwise than pursuant to Regulation 56A) through an Automated Trading System which such RepoClear Clearing Member is authorised by the Clearing House to use under the Procedures (“an ATS”) either as direct participants in the ATS or indirectly through a participant in the ATS. In the event of any inconsistency between the Regulations (including the terms of any other agreement entered into between the RepoClear Clearing Member and the Clearing House), and the rules, practices, procedures and arrangements of the ATS (“ATS Rules”) the Regulations shall prevail.
- (b) If an “ATS participant” (defined for these purposes as a RepoClear Clearing Member, who is a direct or indirect participant in an ATS) has given notice to the Clearing House, in accordance with the Procedures, that it intends to carry out Repo Trades and/or Bond Trades and/or GC Trades through an ATS specified in its notice and has not withdrawn such notice in accordance with the Procedures, the Clearing House will enter into RepoClear Contracts or RepoClear GC Contracts, as the case may be, with the ATS participant pursuant to such dealings in accordance with and subject to the following provisions of this Regulation. The terms of a registered RepoClear Contract or RepoClear GC Contract shall be as notified to the Clearing House by the ATS and otherwise subject to the Regulations (and the Clearing House and the ATS participant party to the registered RepoClear Contract or RepoClear GC Contract, as the case may be, shall be obliged to perform their obligations thereunder in accordance with such terms).
- (c) The Clearing House makes an open offer to the ATS participant that it shall enter into a RepoClear Contract in respect of any Repo Trade or any Bond Trade or to enter into a RepoClear GC Contract in respect of any GC Trade, in accordance with paragraph (d) or paragraph (e) of this Regulation, as applicable, pursuant to the ATS participant’s dealings through any ATS referred to in paragraph (b), provided that the following requirements (“the RepoClear Open Offer Eligibility Criteria”) shall have been complied with:
- (i) not more than ten minutes have lapsed since the Clearing Membership Agreement to which the ATS participant is party was terminated in accordance with its terms and/or the Clearing House removed its authorisation of that ATS participant to participate in the RepoClear Service;
 - (ii) not more than ten minutes have lapsed since a Default Notice was signed in respect of the ATS participant under rule 3 of the Default Rules (without prejudice to the Clearing House’s rights to register new Contracts (including RepoClear Contracts and RepoClear GC Contracts, whether closing out contracts or otherwise) in the ATS participant’s name under the Default Rules in connection with the Clearing House’s default proceedings);
 - (iii) such dealings satisfy the terms and conditions stated in the Regulations and the Procedures with respect to such dealings (together the “RepoClear Eligibility Criteria for RepoClear Contracts and RepoClear GC Contracts”) and the offers made in this Regulation 56, including the terms of any Contract which would arise under paragraph (d) or (e) and all necessary details as required by the Clearing House, shall have been provided to the Clearing House;

- (iv) the dealings are recognised by the relevant ATS as satisfying the RepoClear Eligibility Criteria for a RepoClear Contract or RepoClear GC Contract and as dealings which the parties thereto have identified are to be registered by the Clearing House as RepoClear Contracts or RepoClear GC Contracts, as applicable;
 - (v) the ATS participant has executed such agreements or documents as may be required by the Clearing House from time to time in connection herewith; and
 - (vi) all or any conditions imposed by the Clearing House have been satisfied.
- (d) If particulars with respect to (i) a Repo Trade; (ii) a Bond Trade or (iii) a GC Trade which satisfy the relevant RepoClear Open Offer Eligibility Criteria have been input into the relevant ATS by or on behalf of an ATS participant as seller and have been matched by, or in accordance with the ATS Rules with particulars with respect to a Repo Trade, Bond Trade or GC Trade, on such terms input into such ATS by another ATS participant as buyer, and the relevant RepoClear Open Offer Eligibility Criteria have been satisfied, two RepoClear Contracts or RepoClear GC Contracts, as the case may be, shall arise immediately on the matching of such details as follows (provided that, if the selling ATS participant has not identified all relevant details required by the Clearing House in respect of the securities to be delivered by him under a transaction other than for a RepoClear GC Trade, the RepoClear Open Offer Eligibility Criteria will only be satisfied on his identifying all such relevant details in accordance with the ATS Rules and the two RepoClear Contracts shall arise immediately on such details being identified provided always that the other RepoClear Open Offer Eligibility Criteria are also satisfied at the time of such details being so provided). The Clearing House shall be the buyer under one RepoClear Contract or RepoClear GC Contract (as the case may be) to the selling ATS participant, and the seller under the second RepoClear Contract or relevant RepoClear GC Contract, as the case may be to the buying ATS participant.
- (e) If particulars with respect to (i) a Repo Trade; (ii) a Bond Trade or (iii) a GC Trade, which satisfy the relevant RepoClear Open Offer Eligibility Criteria have been input into the relevant ATS by or on behalf of an ATS participant as buyer and have been matched by, or in accordance with the ATS Rules with particulars with respect to a Repo Trade, Bond Trade or GC Trade, on such terms input into such ATS by another ATS participant as seller and the RepoClear Open Offer Eligibility Criteria have been satisfied, two RepoClear Contracts or two RepoClear GC Contracts, as the case may be, shall arise immediately on the matching of such details as follows (provided that, if the selling ATS participant has not identified all relevant details required by the Clearing House in respect of the securities to be delivered by him under a transaction other than for a RepoClear GC Trade, the RepoClear Open Offer Eligibility Criteria will only be satisfied on his identifying all such relevant details in accordance with the ATS Rules and the two RepoClear Contracts shall arise immediately on such details being identified provided always that the other RepoClear Open Offer Eligibility Criteria are also satisfied at the time of such details being so provided). The Clearing House shall be the seller under one RepoClear Contract or RepoClear GC Contract, as the case may be, to the buying ATS participant, and the buyer under the second RepoClear Contract or RepoClear GC Contract (as the case may be) to the selling ATS participant.
- (f) RepoClear Contracts or RepoClear GC Contracts entered into by the Clearing House under paragraph (d) or (e), as applicable, with RepoClear Clearing Members, shall be registered in the name of each RepoClear Clearing Member following receipt of the details required by the Clearing House of such Contracts from the operator of the relevant ATS.

- (g) If the details required by the Clearing House of RepoClear Contracts or RepoClear GC Contracts arising under paragraph (d) or (e) are not provided to the Clearing House by the operator of the relevant ATS in accordance with the terms of an agreement entered into between the Clearing House and the ATS operator by the time required by the Clearing House from time to time, neither the Clearing House nor the RepoClear Clearing Member party thereto shall be obliged to perform their respective obligations under the RepoClear Contracts or RepoClear GC Contracts, as the case may be arising under paragraph (d) or (e), as applicable. If the Clearing House receives such details after such time from such operator or in accordance with any directions issued by the Clearing House to the affected RepoClear Clearing Member, or any other RepoClear Participant, such RepoClear Contracts or RepoClear GC Contracts shall be performed in accordance with any directions given by the Clearing House which may, without limitation, impose a change to the terms of an affected RepoClear Contract or RepoClear GC Contract. Any directions given by the Clearing House under this paragraph (g) shall be binding on all affected RepoClear Participants.
- (h) The Clearing House undertakes to keep open the offer made by it in this Regulation 56 until such ATS participant is no longer eligible to have RepoClear Contracts or RepoClear GC Contracts registered in its name or has withdrawn from trading through each ATS notified to the Clearing House under paragraph (b). Any such intended withdrawal from trading through an ATS must be notified to the Clearing House in accordance with the Procedures.
- (i) Without prejudice to Regulation 39, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall not be liable to any RepoClear Clearing Member or anyone else for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them in respect of any RepoClear Contract or RepoClear GC Contract arising under paragraph (d) or (e) if the Clearing House does not receive the relevant details referred to in paragraph (g) by the time referred to in such paragraph (g) in respect of such RepoClear Contract or RepoClear GC Contract.
- (j) Notwithstanding the provisions of paragraph (c), if the Clearing House receives details of a trade from an ATS specified by an ATS participant by notice given under paragraph (b) and which notice has not been withdrawn and the details of the trade purportedly meet the relevant RepoClear Open Offer Eligibility Criteria in paragraph (c), the ATS participant shall be bound by any RepoClear Contract or RepoClear GC Contract registered in his name in respect of such trade and the terms of such registered RepoClear Contract or RepoClear GC Contract, as the case may be, shall be as set out in paragraph (b).
- (k) Without prejudice to paragraph (j), the Clearing House may with the agreement of RepoClear Clearing Members party to corresponding RepoClear Contracts or RepoClear GC Contracts, set aside or take such other steps with respect to such contracts on such terms as may be agreed if either or both RepoClear Clearing Members consider that they have entered into a contract in error or have agreed to certain terms of the contract in error.
- (l) In the event of a dispute arising out of, or in respect of, the existence of a trade, or whether it was identified to the ATS by the ATS participants (as defined above) as a trade to be registered by the Clearing House as a RepoClear Contract or RepoClear GC Contract, such dispute shall be settled as provided for in the ATS Rules, without recourse to the Clearing House. In respect of a dispute arising out of, or in respect of, a registered RepoClear Contract or RepoClear GC Contract, other than a dispute in

respect of a matter referred to above as a dispute to be settled as provided for in the ATS Rules, such dispute shall be settled as provided in the Regulations.

Regulation 56A RepoClear transactions entered into by RepoClear Dealers through an Automated Trading System

- (a) This Regulation 56A applies to Repo Trades, Bond Trades and GC Trades made by a RepoClear Dealer (who is not a RepoClear Clearing Member) through an ATS which is an authorised ATS. In the event of any inconsistency between the Regulations, (including the RepoClear Dealer Clearing Agreement and the terms of any other agreement entered into between the RepoClear Dealer, the RepoClear Clearing Member and the Clearing House, or any of them) and relevant ATS Rules, the Regulations shall prevail.
- (b) If an “ATS participant” (defined for these purposes as a RepoClear Dealer who is a direct or indirect participant in an ATS), has given notice to the Clearing House in accordance with the Procedures, that it intends to carry out Repo Trades and/or Bond Trades and/or GC Trades through an ATS and has not withdrawn such notice in accordance with the Procedures, the Clearing House will enter into RepoClear Contracts or RepoClear GC Contracts, as the case may be, with the RepoClear Clearing Member of the ATS participant pursuant to such dealings in accordance with and subject to the following provisions of this Regulation. The terms of a registered RepoClear Contract or RepoClear GC Contract shall be as notified to the Clearing House by the ATS and otherwise subject to the Regulations (and the Clearing House and the RepoClear Clearing Member party to the registered RepoClear Contract or RepoClear GC Contract, as the case may be, shall be obliged to perform their obligations thereunder in accordance with such terms).
- (c) The Clearing House makes an open offer to the RepoClear Clearing Member of the ATS participant to enter into a RepoClear Contract in respect of any Repo Trade or any Bond Trade or to enter into a RepoClear GC Contract in respect of any GC Trade in accordance with paragraph (d) or paragraph (e) of this Regulation, as applicable, pursuant to the ATS participant’s dealings through any ATS referred to in paragraph (b), provided that the following requirements (“the RepoClear Open Offer Eligibility Criteria”) shall have been complied with:
- (i) the Clearing Membership Agreement to which the RepoClear Clearing Member is party has not been terminated in accordance with its terms;
 - (ii) the ATS participant has not been removed or suspended from the Register of RepoClear Dealers;
 - (iii) a Default Notice has not been issued in respect of the RepoClear Clearing Member under rule 3 of the Default Rules (without prejudice to the Clearing House’s rights to register new contracts (including RepoClear Contracts and RepoClear GC Contracts, whether closing out contracts or otherwise) in the RepoClear Clearing Member’s name under the Default Rules in connection with the Clearing House’s default proceedings);
 - (iv) such dealings satisfy the terms and conditions stated in the Regulations and the Procedures with respect to such dealings (the “RepoClear Eligibility Criteria for a RepoClear Contract or RepoClear GC Contracts”) and the offers made in this Regulation 56A, including the terms of any contract which would arise under paragraph (d) or (e) and all necessary details as required by the Clearing House shall have been provided to the Clearing House;
 - (v) the dealings are recognised by the relevant authorised ATS as satisfying the RepoClear Eligibility Criteria for a RepoClear Contract or RepoClear GC

Contract and as dealings which the parties thereto have identified are to be registered by the Clearing House as RepoClear Contracts or RepoClear GC Contracts, as applicable;

- (vi) the RepoClear Clearing Member or the ATS participant as agent for the RepoClear Clearing Member has executed such agreements or documents as may be required by the Clearing House from time to time in connection herewith or the RepoClear Dealer Clearing Agreement; and
 - (vii) all or any conditions imposed by the Clearing House have been satisfied.
- (d) If particulars with respect to (i) a Repo Trade; (ii) a Bond Trade or (iii) a GC Trade which satisfy the RepoClear Open Offer Eligibility Criteria have been input in to the relevant authorised ATS by or on behalf of an ATS participant as seller and have been matched by, or in accordance with the ATS Rules with particulars with respect to a Repo Trade, Bond Trade, or GC Trade on such terms input into such ATS by another ATS participant as buyer, and the RepoClear Open Offer Eligibility Criteria have been satisfied, two RepoClear Contracts or two RepoClear GC Contracts, as the case may be, shall arise immediately on the matching of such details as follows (provided that, if the selling ATS participant has not identified all relevant details required by the Clearing House in respect of the securities to be delivered by him under a transaction other than for a RepoClear GC Trade, the RepoClear Open Offer Eligibility Criteria will only be satisfied on his identifying all such relevant details in accordance with the ATS Rules and the two RepoClear Contracts shall arise immediately on such details being identified provided always that the other RepoClear Open Offer Eligibility Criteria are also satisfied at the time of such details being so provided). The Clearing House shall be the buyer under one RepoClear Contract or RepoClear GC Contract, as the case may be, to the RepoClear Clearing Member of the selling ATS participant, and the seller under the second RepoClear Contract or RepoClear GC Contract, as the case may be, to the RepoClear Clearing Member of the buying ATS participant.
- (e) If particulars in respect of (i) a Repo Trade; (ii) a Bond Trade or (iii) a GC Trade, which satisfy the RepoClear Open Offer Eligibility Criteria have been input into the relevant ATS by or on behalf of an ATS participant as buyer and have been matched by, or in accordance with the ATS Rules with particulars in respect of a Repo Trade, Bond Trade or GC Trade (as the case may be), on such terms input into such ATS by another ATS participant as seller and the RepoClear Open Offer Eligibility Criteria have been satisfied, two RepoClear Contracts or two RepoClear GC Contracts, as the case may be, shall arise immediately on the matching of such details as follows (provided that, if the selling ATS participant has not identified all relevant details required by the Clearing House in respect of the securities to be delivered by him under a transaction other than for a RepoClear GC Trade, the RepoClear Open Offer Eligibility Criteria will only be satisfied on his identifying all such relevant details in accordance with the ATS Rules and the two RepoClear Contracts shall arise immediately on such details being identified provided always that the other RepoClear Open Offer Eligibility Criteria are also satisfied at the time of such details being so provided). The Clearing House shall be the seller under one RepoClear Contract or RepoClear GC Contract (as the case may be) to the RepoClear Clearing Member of the buying ATS participant, and the buyer under the second RepoClear Contract or RepoClear GC Contract (as the case may be) to the RepoClear Clearing Member of the selling ATS participant.
- (f) RepoClear Contracts or RepoClear GC Contracts entered into by the Clearing House under paragraph (d) or (e), as applicable, with RepoClear Clearing Members, shall be registered in the name of each RepoClear Clearing Member following receipt of the

details required by the Clearing House of such contracts from the operator of the relevant ATS.

- (g) If the details required by the Clearing House of RepoClear Contracts or RepoClear GC Contracts arising under paragraph (d) or (e) are not provided to the Clearing House by the operator of the relevant ATS in accordance with the terms of an agreement entered into between the Clearing House and the ATS operator by the time required by the Clearing House from time to time, neither the Clearing House nor the RepoClear Clearing Member party thereto shall be obliged to perform their respective obligations under the RepoClear Contracts or RepoClear GC Contracts arising under paragraph (d) or (e), as applicable. If the Clearing House receives such details after such time from such operator or in accordance with any directions issued by the Clearing House to the affected RepoClear Clearing Member, or any other RepoClear participant, such RepoClear Contracts or RepoClear GC Contracts shall be performed in accordance with any directions given by the Clearing House which may, without limitation, impose a change to the terms of an affected RepoClear Contract or RepoClear GC Contract. Any directions given by the Clearing House under this paragraph (g) shall be binding on all affected RepoClear Participants.
- (h) The Clearing House undertakes to keep open the offer made by it in this Regulation 56A in respect of Repo Trades, Bond Trades or GC Trades meeting the RepoClear Open Offer Eligibility Criteria until each authorised ATS referred to in paragraph (b) has removed from the ATS participant the ability to submit Repo Trades or Bond Trades or GC Trades for registration with the Clearing House.
- (i) Without prejudice to Regulation 39A, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall not be liable to any RepoClear Clearing Member or anyone else for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them in respect of any RepoClear Contract or any RepoClear GC Contract arising under paragraph (d) or (e) if the Clearing House does not receive the relevant details referred to in paragraph (g) by the time referred to in such paragraph (g) in respect of such RepoClear Contract or RepoClear GC Contract.
- (j) Notwithstanding the provisions of paragraph (c), if the Clearing House receives details of a trade from an ATS specified by an ATS participant by notice given under paragraph (b) and which notice has not been withdrawn and the details of the trade purportedly meet the relevant RepoClear Open Offer Eligibility Criteria in paragraph (c), the RepoClear Clearing Member of the relevant ATS participant shall be bound by any RepoClear Contract or RepoClear GC Contract registered in his name in respect of such trade and the terms of such registered RepoClear Contract or RepoClear GC Contract shall be as set out in paragraph (b).
- (k) Without prejudice to paragraph (i), the Clearing House may with the agreement of RepoClear Clearing Members party to corresponding RepoClear Contracts or RepoClear GC Contracts, set aside or take such other steps with respect to such contracts on such terms as may be agreed if either or both RepoClear Clearing Members consider that they have entered into a contract in error or that certain terms of the contract have been agreed by their respective ATS participants in error.
- (l) In the event of a dispute arising out of, or in respect of, the existence of a trade, or whether it was identified to the ATS by the ATS participants (as defined above) as a trade to be registered by the Clearing House as a RepoClear Contract or RepoClear GC Contract, such dispute shall be settled as provided for in the ATS Rules, without recourse to the Clearing House. In respect of a dispute arising out of, or in respect of, a

registered RepoClear Contract or RepoClear GC Contract, other than a dispute in respect of a matter referred to above as a dispute to be settled as provided for in the ATS Rules, such disputes shall be settled as provided in the Regulations.

Regulation 57 RepoClear Dealers

- (a) Application for admission to the Register of RepoClear Dealers shall be made in accordance with these Regulations and the Procedures. An applicant for admission to the Register of RepoClear Dealers must satisfy the criteria prescribed by the Clearing House from time to time in order to be admitted to the Register of RepoClear Dealers. A RepoClear Dealer shall be subject to, and governed by, these Regulations, the Procedures and the RepoClear Dealer Clearing Agreement to which it is for the time being party.
- (b) A person admitted to the Register of RepoClear Dealers shall at all times satisfy the criteria prescribed from time to time by the Clearing House for admission to the Register of RepoClear Dealers and any rules prescribed from time to time by the Clearing House for RepoClear Dealers.
- (c) The Clearing House may suspend or remove a RepoClear Dealer from the Register of RepoClear Dealers in accordance with these Regulations, the Procedures and, if applicable, the RepoClear Dealer Clearing Agreement to which it is for the time being party. Any person who has been suspended from the Register of RepoClear Dealers for a period of more than three months shall be removed from the Register of RepoClear Dealers and must make a new application if it wishes to be re-admitted to the Register.
- (d) A RepoClear Dealer may request, by giving three months' written notice to the Clearing House, that its name be removed from the Register of RepoClear Dealers. At the end of such notice period, the Clearing House shall remove the RepoClear Dealer from the Register of RepoClear Dealers.
- (e) The Clearing House may, for the purposes of Regulation 57(A), prescribe different criteria to be satisfied by RepoClear Dealers in respect of Repo Trades, Bond Trades, RepoClear Transactions, RepoClear GC Transactions or GC Trades.

Regulation 57A Authorisation to act as a RepoClear Clearing Member

- (a) A Member may not become party to RepoClear Contracts or RepoClear GC Contracts unless it has been authorised by the Clearing House as a RepoClear Clearing Member and is eligible to be party to such RepoClear Contracts or RepoClear GC Contracts and such authorisation has not been withdrawn or suspended by the Clearing House.
- (b) Application for authorisation as a RepoClear Clearing Member shall be made in accordance with these Regulations and the Procedures. In order to be authorised as a RepoClear Clearing Member, a Member must meet the criteria applicable to the RepoClear Contracts or RepoClear GC Contracts to which it wishes to become a party. A Clearing Member may be authorised as eligible to become party to certain RepoClear Contracts or RepoClear GC Contracts and not others.
- (c) The withdrawal or suspension of a Member's authorisation referred to in paragraph (a) shall not, of itself, affect its membership of the Clearing House, or its entitlement (if any) to become party to RepoClear Contracts or RepoClear GC Contracts which are not caught by the withdrawal or suspension of such authorisation.
- (d) Where a Default Notice is served in accordance with these Regulations, or the Clearing Membership Agreement of a RepoClear Clearing Member is terminated, the service of such notice or the termination of such Clearing Membership Agreement, as the case may be, shall automatically withdraw the authorisation of that Member to be a RepoClear Clearing Member.
- (e) Without prejudice to paragraph (d) of this Regulation, the Clearing House shall suspend the authorisation referred to in paragraph (a) of any Member who is no longer otherwise eligible to have RepoClear Contracts and/or RepoClear GC Contracts registered in its name for such period as the Clearing House may determine.
- (f) If a Member's authorisation to act as RepoClear Member is withdrawn, or is withdrawn with respect to some but not all RepoClear Contracts and RepoClear GC Contracts, those RepoClear Contracts or RepoClear GC Contracts which the Member is no longer eligible to clear with the Clearing House shall be closed-out in accordance with directions given by the Clearing House.

Regulation 58 Daily Margining of RepoClear Contracts and RepoClear GC Contracts

- (a) This Regulation 58 shall be without prejudice to the Clearing House's rights to require cover to be provided to it under Regulation 12.
- (b) The Net Present Value of each RepoClear Contract and each RepoClear GC Contract shall be calculated by the Clearing House in such manner and at such times as may be provided in the Procedures. Except as prescribed in the Procedures, the Net Present Value calculated by the Clearing House may in no circumstances be challenged.
- (c) Subject to paragraph (d), the Clearing House shall require payment, in accordance with the Procedures, at least daily, of cash cover for variation margin from a RepoClear Clearing Member, or will be required to pay cash cover for variation margin to such RepoClear Clearing Member, representing the change in the Net Present Value of all RepoClear Contracts and RepoClear GC Contracts registered in the RepoClear Clearing Member's name for a particular currency from the preceding RepoClear Opening Day (as defined in the Procedures), in an amount calculated in accordance with the Procedures. Payment of cash cover shall be made in accordance with and by the time or times stated in the Procedures.
- (d) Interest shall be paid by the Clearing House on cash cover paid to the Clearing House by such RepoClear Member and shall be calculated on the basis set out in the Procedures. A RepoClear Clearing Member shall pay interest to the Clearing House on cash cover paid by the Clearing House to the RepoClear Clearing Member as calculated by the Clearing House on the basis set out in the Procedures.

Regulation 59 Delivery (or Other) Failures

- (a) Without prejudice to the Default Rules, if a RepoClear Clearing Member as seller fails to deliver securities to the Clearing House under a RepoClear Contract or RepoClear GC Contract by the due time therefore, the Clearing House shall issue directions, in accordance with the Procedures, to the seller and to a RepoClear Clearing Member as buyer under a corresponding RepoClear Contract or RepoClear GC Contract regarding the performance of such contracts and such directions shall be binding on such members.
- (b) The Clearing House shall be entitled to call for cover for margin in such amounts and in such form as it may require in accordance with the Procedures from the selling RepoClear Clearing Member who has failed to deliver securities under a RepoClear Contract or RepoClear GC Contract by the due time therefore and from the buying RepoClear Clearing Member under the corresponding RepoClear Contract or RepoClear GC Contract.
- (c) Without prejudice to the Default Rules, if a selling RepoClear Clearing Member acts in such a manner (which could, without limit, include persistent failure to deliver securities to the Clearing House under RepoClear Contracts or RepoClear GC Contract (other than in circumstances where Regulations 26 and/or 27 apply)), and the Clearing House in its reasonable opinion determines that the reputation of the RepoClear Service is being, or has been, undermined, the Clearing House shall be entitled to terminate, on written notice, either summarily or at the expiry of the period specified in the notice, the RepoClear Member's ability to have RepoClear Contracts and/or RepoClear GC Contracts registered in his name and to require him to liquidate or transfer under Regulation 11 open contracts, being RepoClear Contracts and/or RepoClear GC Contracts registered in his name.

Regulation 60 Withdrawal of RepoClear Service by the Clearing House

- (a) If at any time the Clearing House decides to withdraw the RepoClear service, it shall give not less than six months' notice to all RepoClear Participants of the date on which the service will be withdrawn ("the RepoClear Withdrawal Date"). The accidental omission by the Clearing House to give notice under this Regulation to, or the non-receipt of notice under this Regulation by, one or more RepoClear Participants shall not invalidate the RepoClear Withdrawal Date.
- (b) Without prejudice to its rights under the Default Rules, any notice given under paragraph (a) shall specify the nature of the service which the Clearing House will provide until the RepoClear Withdrawal Date.
- (c) If, at the RepoClear Withdrawal Date, a RepoClear Clearing Member has open Contracts, being RepoClear Contracts and/or RepoClear GC Contracts, registered in its name, the Clearing House shall, at its sole discretion, be entitled to liquidate any such RepoClear Contracts and/or RepoClear GC Contracts and effect cash settlement in respect of them with the RepoClear Clearing Member.
- (d) The Clearing House shall have the right to postpone the RepoClear Withdrawal Date until such time as the Clearing House determines.

SCHEDULE TO THE REPOCLEAR REGULATIONS**Part A****RepoClear Contract Terms: RepoClear Contracts arising from RepoClear Transactions, Repo Trades or Bond Trades**

Where a RepoClear Contract arises between the Clearing House and a RepoClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such RepoClear Contract shall include these RepoClear Contract Terms, which shall comprise:

- (1) Economic Terms;
- (2) Standard Terms; and
- (3) Interpretation section.

Interpretation Section

Save as otherwise specified herein, words and phrases defined elsewhere in the General Regulations, Procedures and Default Rules of the Clearing House (together, and as amended from time to time, the "**Regulations**") shall have the same meanings in these RepoClear Contract Terms.

In the event of any inconsistency between these RepoClear Contract Terms and the Regulations, the Regulations will prevail, unless expressly otherwise specified.

As used in these RepoClear Contract Terms:

"Equivalent Securities" means securities equivalent to Purchased Securities. If and to the extent that such Purchased Securities have been redeemed, the expression shall mean a sum of money equivalent to the proceeds of redemption.

Securities are **"equivalent to"** other securities for the purposes of these RepoClear Contract Terms if they are: (i) of the same issuer; (ii) part of the same issue; (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other securities.

"Income" means, with respect to any Purchased Securities at any time, all interest, dividends or other distributions thereon (**"Distributions"**).

"Income Payment Date" means, with respect to any Purchased Securities, the date on which Income is paid in respect of such Purchased Securities, or in the case of registered Purchased Securities, the date by reference to which particular registered holders are identified as being entitled to payment of Income.

"Price Differential" means, with regard to this RepoClear Contract if it has arisen from a RepoClear Repo Transaction in accordance with the provisions of Regulation 55, or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulation 56A, the aggregate amount obtained by daily application of the Pricing Rate to the Purchase Price (on a day basis in accordance with the RepoClear Procedures) for the actual number of days during the period commencing on (and including) the Purchase Date and ending on (but excluding) the date of calculation or, if earlier, the Repurchase Date.

“Pricing Rate” means the per annum percentage rate used in the calculation of the Price Differential, which in turn, is used to calculate the Repurchase Price.

“Purchase Date” means the date on which the Purchased Securities will be sold by Seller to Buyer.

“Purchased Securities” means the underlying securities to be sold by Seller to Buyer on the Purchase Date.

“Purchase Price” means the cash amount payable by Buyer to Seller for the Purchased Securities.

“RepoClear Contract” means a contract between Buyer and Seller on the basis of the Standard Terms and the Economic Terms, and references to “this RepoClear Contract” are to the particular RepoClear Contract in question.

“RepoClear Procedures” means the part of the Procedures of the Clearing House that contains provisions in respect of RepoClear Contracts.

“Repurchase Date” means, with regard to this RepoClear Contract if it has arisen from a RepoClear Repo Transaction in accordance with the provisions of Regulation 55 or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulation 56A, the date on which Equivalent Securities will be sold by Buyer to Seller.

“Repurchase Price” with regard to this RepoClear Contract if it has arisen from a RepoClear Repo Transaction in accordance with the provisions of Regulation 55, or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulation 56A, means, as of any date, the sum of the Purchase Price and the Price Differential as of such date.

“Term” means, with respect to this RepoClear Contract if it has arisen from a RepoClear Repo Transaction in accordance with Regulation 55, or from a Repo Trade in accordance with the provisions of Regulations 56 or Regulation 56A, the interval of time commencing with the Purchase Date and ending with the Repurchase Date.

1. Economic Terms

In relation to this RepoClear Contract, the terms in (a) to (g) below (the “Economic Terms”) will: (i) where this RepoClear Contract is dealt with through an automated trade capture system, be derived from the information presented by the RepoClear Participants to the Clearing House for registration, and (ii) where this RepoClear Contract is dealt with through an Automated Trading System, be derived from the information input by the RepoClear Participants and matched by or in accordance with the rules and procedures of such Automated Trading System.

The Economic Terms comprise details of:

- (a) Buyer;
- (b) Seller;
- (c) Pricing Rate;
- (d) Purchase Date;
- (e) Purchase Price;

- (f) Purchased Securities; and
- (g) Repurchase Date.

PROVIDED, however, that, when such information presented or input (as the case may be) by any RepoClear Participant specifies such RepoClear Participant as: (i) Buyer under a contract, with the other party as Seller, the Clearing House will be Seller under the RepoClear Contract; and (ii) Seller under a contract, with the other party as Buyer, the Clearing House will be Buyer under the RepoClear Contract.

2. Standard Terms

2.1. General

- (a) On the Purchase Date, Seller shall transfer the Purchased Securities to Buyer against payment of the Purchase Price by Buyer.
- (b) If this RepoClear Contract has arisen from a RepoClear Repo Transaction in accordance with the provisions of Regulation 55 or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulation 56A, then on the Repurchase Date, Buyer shall transfer to Seller Equivalent Securities against the payment of the Repurchase Price by Seller.
- (c) Notwithstanding the use of expressions such as “margin”, and, if this RepoClear Contract has arisen from a RepoClear Repo Transaction in accordance with Regulation 55 or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulations 56A, the use of expressions such as “Repurchase date”, “Repurchase Price” and “substitution”, which are used to reflect terminology used in the market for transactions of the kinds provided for in these Standard Terms, all right, title and interest in and to Purchased Securities and money transferred or paid under these Standard Terms and, if this RepoClear Contract has arisen from a Repo Trade all right, title and interest in Equivalent Securities, shall pass to the transferee on transfer or payment, and the obligation of the party receiving Purchased Securities if this RepoClear Contract has arisen from a Repo Trade shall be an obligation to transfer Equivalent Securities.
- (d) Subject to the Default Rules, any Purchase Price, Repurchase Price and amounts in respect of Income Payment Dates (if applicable) in the same currency payable by either party to the other under this RepoClear Contract and any other RepoClear Contract on the same date shall be combined in a single calculation of a net sum payable by one party to the other and the obligation to pay that sum shall be the only obligation of either party in respect of those amounts.
- (e) Subject to the Default Rules, all securities of the same issue, denomination, currency and series, transferable by either party to the other under this RepoClear Contract and any other RepoClear Contract on the same date, whether this or any such other RepoClear Contract has arisen from a RepoClear Repo Transaction or from a RepoClear Bond Transaction in accordance with the provisions of Regulation 55, or from a Repo Trade or a Bond Trade in accordance with the provisions of Regulation 56 or Regulation 56A, shall be combined in a single calculation of a net quantity of securities transferable by one party to the other and the obligation to transfer the net quantity of securities shall be the only obligation of either party in respect of the securities so transferable and receivable.

2.2. Margin Maintenance

The provisions set out in the General Regulations and the Procedures in relation to margin and cover for margin shall be applicable to this RepoClear Contract. Any cover for variation margin liability will be in the form of cash only.

2.3. **Income Payments**

If this RepoClear Contract has arisen from a RepoClear Repo Transaction in accordance with the provisions of Regulation 55 or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulation 56A, where the Term of this RepoClear Contract extends over any Income Payment Date in respect of any Purchased Securities subject to this RepoClear Contract, Buyer shall make payment of such amounts in respect of such Income Payment Date in accordance with the RepoClear Procedures.

2.4. **Payment and Transfer**

- (a) Each of the following insofar as it is applicable to this RepoClear Contract shall be paid or transferred, as the case may be, in accordance with the provisions set out in the RepoClear Procedures: the Purchase Price, the Repurchase Price, the Purchased Securities, the Equivalent Securities.
- (b) In accordance with the RepoClear Procedures, either party may appoint another person to make any payments and/or to make any transfers of securities on its behalf. Notwithstanding any such appointment, each of the parties agree that it shall remain liable under this RepoClear Contract as principal.
- (c) The parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Purchased Securities, and if this RepoClear Contract has arisen from a RepoClear Repo Transaction in accordance with the provisions of Regulation 55 or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulation 56A, in any Equivalent Securities, shall pass to the party to which transfer is being made upon transfer of the same in accordance with these Standard Terms, free from all liens, claims, charges and encumbrances.

2.5. **Withholding Tax Provisions**

- (a) All money payable by the RepoClear Clearing Member to the Clearing House in respect of this RepoClear Contract shall be paid free and clear of any deduction. Where however, a RepoClear Clearing Member is required by any applicable law or any taxation authority properly acting within the scope of its authority or power, to withhold or deduct any tax or duty from any payment due in respect of this RepoClear Contract, the RepoClear Clearing Member shall be entitled to withhold or deduct such tax or duty, and shall pay to the Clearing House such additional amounts as will result in the net amounts receivable by the Clearing House (after taking account of such withholding or deduction) being equal to such amounts as would have been received by the Clearing House had no such taxes or duties been required to be withheld or deducted.
- (b) All money payable by the Clearing House to the RepoClear Clearing Member in respect of this RepoClear Contract shall be paid free and clear of any deduction. Where however, the Clearing House is required by any applicable law or any taxation authority properly acting within the scope of its authority or power, to withhold or deduct any tax or duty from any payment due in respect of this RepoClear Contract, the Clearing House shall be entitled to withhold or deduct such tax or duty. In such event, the Clearing House shall pay such additional

amounts as will result in the net amounts receivable by the RepoClear Clearing Member (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted, PROVIDED, however, that the Clearing House shall only be under an obligation to pay such additional amounts to the extent that the Clearing House determines, in its sole and absolute discretion, that it is entitled to recover and does recover the amount payable by it from another RepoClear Clearing Member in respect of any related RepoClear Contract.

2.6. Substitution

- (a) This RepoClear Contract may be varied by the transfer by Buyer to Seller of securities equivalent to the Purchased Securities in exchange for the transfer by Seller to Buyer of other securities, in accordance with the provisions of the RepoClear Procedures.
- (b) Notwithstanding the provisions of the RepoClear Procedures, where this RepoClear Contract has arisen from a RepoClear Repo Transaction in accordance with Regulation 55 or from a Repo Trade in accordance with the provisions of Regulation 56 or Regulation 56A, and the Repurchase Date is not the Business Day immediately following the Purchase Date, Seller shall have the right (subject to the proviso to this paragraph 2.6(b)) by notice to Buyer (such notice to be given in accordance with the RepoClear Procedures) to vary this RepoClear Contract in accordance with the provisions of the RepoClear Procedures; provided, however, that Buyer may elect by close of business on the Business Day on which such notice is received (or by close of business on the next Business Day if notice is received after the time specified in the RepoClear Procedures for the giving of such notice) not to vary this RepoClear Contract. If Buyer elects not to vary this RepoClear Contract, Seller shall have the right, by notice to Buyer, to terminate this RepoClear Contract on the Business Day specified in that notice, such Business Day not to be later than two Business Days after the date of the notice.
- (c) Notwithstanding the provisions of the Default Rules, where the RepoClear Clearing Member is Seller and the Clearing House is Buyer in respect of this RepoClear Contract and the RepoClear Clearing Member exercises its right to vary this RepoClear Contract or to terminate this RepoClear Contract under paragraph 2.6(b), the RepoClear Clearing Member shall be required to pay to the Clearing House by close of business on the Business Day of such variation or termination an amount equal to such amount that the Clearing House determines, in its sole and absolute discretion, that is payable in respect of any related RepoClear Contract by the Clearing House (in its capacity as Seller in respect of such related RepoClear Contract) to a RepoClear Clearing Member in respect of such related RepoClear Contract (in its capacity as Buyer in respect of such related RepoClear Contract).
- (d) Notwithstanding the provisions of the Default Rules, where the Clearing House is Seller and the RepoClear Clearing Member is Buyer in respect of this RepoClear Contract and the Clearing House exercises its right to vary this RepoClear Contract or to terminate this RepoClear Contract under paragraph 2.6(b), the Clearing House shall be required to pay to the RepoClear Clearing Member by close of business on the Business Day of such variation or termination an amount equal to:
 - (i) the RepoClear Clearing Member's actual cost (including all fees, expenses and commissions) of (aa) entering into replacement transactions; (bb)

entering into or terminating hedge transactions; and (cc) terminating or varying transactions with third parties in connection with or as a result of such variation or termination; and

- (ii) to the extent that the RepoClear Clearing Member does not enter into replacement transactions, the loss incurred by the RepoClear Clearing Member directly arising or resulting from such variation or termination,

in each case as determined and calculated in good faith by the RepoClear Clearing Member; PROVIDED, however, that the Clearing House shall only be required to pay such amount to the extent that the Clearing House determines, in its sole and absolute discretion, that it is entitled to recover the amount payable by it from a RepoClear Clearing Member in respect of any related RepoClear Contract.

2.7. **Regulations**

This RepoClear Contract shall be subject to the Regulations, which shall form a part of its terms.

2.8. **“When Issued” Securities**

Where the subject matter of this RepoClear Contract is RepoClear Eligible Securities which have not yet been issued at the time this contract comes into being, in the event that such securities are not issued by the issuer this RepoClear Contract shall be null and void ab initio, and the only liability shall be that of the Clearing House to return to the RepoClear Clearing Member of any margin held by it, subject to compliance by the RepoClear Clearing Member with all the requirements of these Regulations and Procedures in respect of such RepoClear Contract.

2.9. **Governing Law**

This RepoClear Contract shall be governed by, and construed in accordance with, English law and the parties hereby submit to the jurisdiction of the English courts.

2.10. **Third Party Rights**

A person who is not a party to this RepoClear Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of this RepoClear Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

SCHEDULE TO THE REPOCLEAR REGULATIONS**Part B****Product Eligibility Criteria for Registration of a RepoClear Contract****1. Eligibility Criteria**

1.1 Without prejudice to the Regulations and Procedures, including but not limited to the RepoClear Procedures, the Clearing House shall only register a RepoClear Transaction, Repo Trade or a Bond Trade as a RepoClear Contract pursuant to receipt of details of such RepoClear Transaction, Repo Trade or Bond Trade where at the time the details are presented:

- (a) subject to 1.2 below, such RepoClear Transaction, Repo Trade or Bond Trade meets the Eligibility Criteria set out for in 2.1 and 2.2 or 3.1 and 3.2 below (as the case may be), and the securities appear in the list published for this purpose from time to time by the Clearing House; and
- (b) the details of such RepoClear Transaction, Repo Trade or Bond Trade are submitted for registration in accordance with the Regulations, the Procedures and all such other requirements from time to time of the Clearing House; and
- (c) the parties to such RepoClear Transaction, Repo Trade or Bond Trade are RepoClear Participants,

and the requirements of (a) to (c) inclusive continue to be satisfied at Registration Time.

1.2 German Government Debt Securities made available for trading on day of auction:

1.2.1 Where a RepoClear Transaction, Repo Trade or Bond Trade is a trade of RepoClear Eligible Securities which are to be auctioned by the German Government, and the trade is submitted from an Approved Trade Matching System, or Automated Trading System (as referred to in Regulation 56 or Regulation 56A), on the day on which such securities are to be auctioned, then the Clearing House shall register such trade PROVIDING THAT the requirements of 1.1 above are satisfied and the German Government proceeds to issue such securities; in the event that the German Government decides, on the basis of the auction, not to proceed to issue the securities;

1.2.1.1 any such RepoClear Transaction, shall be deemed to be null and void and the Clearing House will reject it. In such circumstances, no RepoClear Contracts will arise with the Clearing House; and

1.2.1.2 any RepoClear Contract already registered by the Clearing House, whether arising from a RepoClear Transaction or a Repo Trade or Bond Trade, shall be deemed to be void ab initio.

1.2.2 The first valid settlement day for a RepoClear Transaction, Repo Trade or Bond Trade referred to in 1.2.1 above shall be trade day plus two days (T+2).

1.3 United Kingdom Government Debt Securities made available for trading prior to issue date:

1.3.1 Where a RepoClear Transaction, Repo Trade or Bond Trade is a trade of RepoClear Eligible Securities which are to be issued by the United Kingdom Government, and the trade is submitted from an Approved Trade Matching System, or Automated Trading

System (as referred to in Regulation 56 or Regulation 56A), on a day prior to the day on which such securities are to be issued, then the Clearing House shall register such trade PROVIDING THAT the requirements of 1.1 above are satisfied and the United Kingdom Government proceeds to issue such securities; in the event that the United Kingdom Government decides not to proceed to issue the securities:

1.3.2 any such RepoClear Transaction shall be deemed to be null and void and the Clearing House will reject it. In such circumstances, no RepoClear Contracts will arise with the Clearing House; and

1.3.2.1 any RepoClear Contract already registered by the Clearing House, whether arising from a RepoClear Transaction or a Repo Trade or Bond Trade, shall be deemed to be void ab initio.

1.3.3 The first valid settlement date for a RepoClear Transaction, Repo Trade or Bond Trade referred to in 1.3.1 above, shall be issue date plus one day (T+1).

1.4 Where the Clearing House rejects any RepoClear Transaction in the circumstances set out in 1.2 or 1.3 above, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability, and where a RepoClear Contract is deemed void ab initio in such circumstances, the only liability shall be that of the Clearing House to return to the relevant RepoClear Clearing Member/s of any margin held by it, subject to compliance by the relevant RepoClear Clearing Members with all the requirements of these Regulations and Procedures in respect of such RepoClear Contract.

1.5 For the purposes of this Part B of the Schedule to the RepoClear Regulations, “**RepoClear Operating Day**” means any RepoClear Opening Day (see Section 2B.2.1) and is also a day when all Approved Depository Systems (as defined in section 2B of the RepoClear Procedures) for the category of the securities are operational for the completion of transfer of those Securities.

2. Repo Trades and RepoClear Repo Transactions

2.1 Product Eligibility Criteria for a Repo Trade or RepoClear Repo Transaction

Deal Types	Classic repo/reverse repo		
Collateral Types	Specifically named collateral		
Structure	Fixed rate repo; Fixed term repo		
Eligible Securities	German Government Debt Securities (see 2.2.1 below)	US Dollar International Bonds	United Kingdom Government Debt Securities (see 2.2.1 below)
	Austrian Government Debt Securities (see 2.2.1 below)		
	Dutch Government Debt Securities (see 2.2.1 below)		
	Irish Government Debt		

		Securities (see 2.2.1 below)		
		Finnish Government Debt Securities (see 2.2.1 below)		
		Portuguese Government Debt Securities (see 2.2.1 below)		
		Spanish Government Debt Securities (see 2.2.1 below)		
		German Jumbo Pfandbrief Bonds (see 2.2.2 below)		
		International Bonds denominated in Euro (see 2.2.2 below)		
Currency		Euro	US Dollar	Sterling
Delivery Depositories		Euroclear; Clearstream Luxemburg (CBL); Clearstream Frankfurt (CBF) (including all cross-border combinations); National Bank of Belgium (via our agent, KBC Brussels)	Euroclear; Clearstream Luxemburg (CBL); (including all cross-border combinations)	Euroclear UK and Ireland
Term				
Minimum Opening Leg		Date of registration by the Clearing House	Date of registration by the Clearing House plus 1 RepoClear Operating Day	Date of registration by the Clearing House
Maximum Opening Leg		Any valid settlement day up to 374 days from the trade date subject to the restrictions with respect to the Closing Leg	Any valid settlement day up to 374 days from the trade date subject to the restrictions with respect to the Closing Leg	Any valid settlement day up to 374 days from the trade date subject to the restrictions with respect to the Closing Leg
Minimum Closing Leg	Closing	Settlement Date of Opening Leg plus 1 RepoClear Operating Day		
Maximum Closing Leg	Closing	Any valid settlement day which is 1 to 374 days later than the opening leg and is no later than bond maturity date minus 2 RepoClear	Any valid settlement day which is 1 to 374 days later than the	Any valid settlement day which is 1 to 374 days later than the

<p>Operating Days. Where the term includes 29 February (inclusive of the opening and closing leg dates) the value of 374 is raised to 375 days.</p>	<p>opening leg and is no later than bond maturity date minus 2 RepoClear Operating Days. Where the term includes 29 February (inclusive of the opening and closing leg dates) the value of 374 is raised to 375 days.</p>	<p>opening leg and is no later than bond maturity date minus 9 RepoClear Operating Days. Where the term includes 29 February (inclusive of the opening and closing leg dates) the value of 374 is raised to 375 days.</p>
---	---	---

2.2 Eligible Securities for a Repo Trade or RepoClear Repo Transaction

The following tables set out a description of the types of bonds which are usually eligible for registration by the Clearing House. A definitive list containing details of all bonds which are RepoClear Eligible Securities is published from time to time by the Clearing House.

2.2.1 Government Debt Securities

<p>Germany</p> <ul style="list-style-type: none"> - Treasury Bills (Bubills) - Schatzanweisungen der Bundesrepublik Deutschland (Schatz) - Schatzanweisungen der Bundesrepublik Deutschland - Fonds "Deutsche Einheit" - German Unity Fund BKO - Anleihen der Bundesrepublik Deutschland (Bunds) - Anleihen der Bundesrepublik Deutschland - Fonds "Deutsche Einheit" (German Unity Fund) - Anleihen der Bundesrepublik Deutschland (Bund Principal Strips) - Anleihen der Bundesrepublik Deutschland (Bund Coupon Strips) - Obligationen der Bundesrepublik Deutschland (Bobl) - Anleihen der Treuhandstalt - Obligationen der Treuhandstalt (Tobl)
--

<p>Belgium</p> <ul style="list-style-type: none"> - Fixed-coupon linear-bonds (OLOs) - Principal strips - Coupon strips - Belgian Treasury Certificates
--

<p>Austria</p> <ul style="list-style-type: none"> - Austrian Government Bonds

<p>Netherlands</p> <ul style="list-style-type: none"> - Dutch Government Bonds (also known as Dutch State Loans)
--

- Dutch Treasury Certificates
Ireland
- Irish Government Bonds
Finland
- Finnish Government Bonds
Portugal
- Portuguese Government Bonds
Spain
- Spanish Government Bonds
United Kingdom
- United Kingdom Government Bonds and Treasury Bills

2.2.2 Other Bonds

<p>German Jumbo Pfandbriefe</p> <p>Issuers:</p> <ul style="list-style-type: none"> Allgemeine Hypothekenbank Bayerische Hypo-und Vereinsbank AG Bayerische Landesbank Girozentrale Berlin-Hannover Hypothekenbank DekaBank Depfa Bank Deutsche Genossenschafts-Hypothekenbank Deutsche Hypothekenbank Frankfurt AG Deutsche Hyp-Deutsche Hypothekenbank Frankfurt-Hamburg AG Dexia Hypothekenbank Dusseldorfer Hypothekenbank Enrohypo AG Europaeische Hypothekenbank der Deutschen Bank Eurohypo Aktiengesellschaft Hypothekenbank IN Essen Hypo Real Estate Bank AG Landesbank Baden-Wuerttemberg Landesbank Berlin Landesbank Hessen-Thueringen Landesbank NRW Landesbank Rheiland-Pflaz-Girozentrale Landesbank Sachsen Munchener Hypothekenbank Norddeutsche Landesbank Rheinhyp Schleswig-Holsteinische SEB Hypothekenbank Westfaelische Hypothekenbank WestLB Wuerttembergische Hypothekenbank AG
<p>International Bonds (denominated in Euro or in US Dollar)</p> <ul style="list-style-type: none"> Agency Bonds Sovereign Bonds Supranational Bonds

German Jumbo Pfandbriefe

The Clearing House may, from time to time and at its sole discretion, refuse to register certain bonds which would otherwise meet the criteria set out in 2.1 and ~~2.2 above~~ 2.2 above to be RepoClear Eligible Securities.

3. **Bond Trades and RepoClear Bond Transactions**

3.1 **Product Eligibility Criteria for a Bond Trade or RepoClear Bond Transaction**

Eligible Securities	German Government Debt Securities (see 3.2.1 below) Belgian Government Debt Securities (see 3.2.1 below) Austrian Government Debt Securities (see 3.2.1 below) Dutch Government Debt Securities (see 3.2.1 below) Irish Government Debt Securities (see 3.2.1 below) Finnish Government Debt Securities (see 3.2.1 below) German Jumbo Pfandbrief Bonds (see 3.2.2 below) Portuguese Government Debt Securities (see 3.2.1 below) Spanish Government Debt Securities (see 3.2.1 below) International Bonds denominated in Euro (see 3.2.2 below) Please see LCH.Clearnet Limited website for full details of all bonds eligible from time to time	US Dollar International Bonds	United Kingdom Government Bonds (see 3.2.1 below)
Currency	Euro	US Dollar	Sterling

Delivery Depositories	Euroclear; Clearstream Luxemburg (CBL); Clearstream Frankfurt (CBF) (including all cross-border combinations); National Bank of Belgium (via our agent, KBC Brussels)	Euroclear; Clearstream Luxemburg (CBL); (including all cross-border combinations)	Euroclear UK and Ireland
Minimum Settlement Date	Date of registration by the Clearing House	Date of registration by the Clearing House plus 1 RepoClear Operating Day	Date of registration by the Clearing House
Maximum Settlement Date	Any valid settlement day up to 385 days from the date of registration by the Clearing House and being no later than bond maturity date minus 2 RepoClear Operating Days.	Any valid settlement day up to 385 days from the date of registration by the Clearing House and being no later than bond maturity date minus 2 RepoClear Operating Days.	Any valid settlement day up to 385 days from the date of registration by the Clearing House and being no later than bond maturity date minus 9 RepoClear Operating Days or Treasury Bill maturity date minus 1 RepoClear Operating d

3.2 Eligible Securities for a Bond Trade or RepoClear Bond Transaction

The following tables set out a description of the types of bonds which are usually eligible for registration by the Clearing House. A definitive list containing details of all bonds which are RepoClear Eligible Securities is published from time to time by the Clearing House.

3.2.1 Government Debt Securities

Germany
<ul style="list-style-type: none"> - Treasury Bills (Bubills) - Schatzanweisungen der Bundesrepublik Deutschland (Schatz) - Schatzanweisungen der Bundesrepublik Deutschland - Fonds "Deutsche Einheit" - German Unity Fund BKO - Anleihen der Bundesrepublik Deutschland (Bunds) - Anleihen der Bundesrepublik Deutschland - Fonds "Deutsche Einheit" (German Unity Fund) - Anleihen der Bundesrepublik Deutschland (Bund Principal Strips) - Anleihen der Bundesrepublik Deutschland (Bund Coupon Strips) - Obligationen der Bundesrepublik Deutschland (Bobl) - Anleihen der Treuhandstalt - Obligationen der Treuhandstalt (Tobl)

Belgium
- Fixed-coupon linear-bonds (OLOs)
- Principal strips
- Coupon strips
- Belgian Treasury Certificates
Austria
- Austrian Government Bonds
Netherlands
- Dutch Government Bonds (also known as Dutch State Loans)
- Dutch Treasury Certificates
Ireland
- Irish Government Bonds
Finland
- Finnish Government Bonds
Portugal
- Portuguese Government Bonds
Spain
- Spanish Government Bonds
United Kingdom
- United Kingdom Government Bonds and Treasury Bills

3.2.2 Other Bonds

German Jumbo Pfandbriefe
Issuers:
Allgemeine Hypothekenbank
Bayerische Hypo-und Vereinsbank AG
Bayerische Landesbank Girozentrale
Berlin-Hannover Hypothekenbank
DekaBank
Depfa Bank
Deutsche Genossenschafts-Hypothekenbank
Deutsche Hypothekenbank Frankfurt AG
Deutsche Hyp-Deutsche Hypothekenbank Frankfurt-Hamburg AG
Dexia Hypothekenbank
Dusseldorfer Hypothekenbank
Enrohypo AG Europaeische Hypothekenbank der Deutschen Bank
Eurohypo Aktiengesellschaft
Hypothekenbank IN Essen
Hypo Real Estate Bank AG
Landesbank Baden-Wuerttemberg
Landesbank Berlin
Landesbank Hessen-Thueringen
Landesbank NRW
Landesbank Rheiland-Pflaz-Girozentrale
Landesbank Sachsen
Munchener Hypothekenback

German Jumbo Pfandbriefe
Norddeutsche Landesbank Rheinhyp Schleswig-Holsteinische
SEB Hypothekenbank Westfaelische Hypothekenbank WestLB Wuerttembergische Hypothekenbank AG
International Bonds (denominated in Euro or in US Dollar)
Agency Bonds Sovereign Bonds Supranational Bonds

The Clearing House may, from time to time and at its sole discretion, refuse to register certain bonds which would otherwise meet the criteria set out in 3.1 and ~~3.2 above~~ 3.2 above to be RepoClear Eligible Securities.

SCHEDULE TO THE REPOCLEAR REGULATIONS

Part C

LCH GC Repo Contract Terms

PART C of the Schedule to the RepoClear Regulations has been deleted as the service offering for LCH GC Repo has been withdrawn for the time being.

SCHEDULE TO THE REPOCLEAR REGULATIONS

Part D

Product Eligibility Criteria for Registration of a LCH GC Repo Contract

PART D of the Schedule to the RepoClear Regulations has been deleted as the service offering for LCH GC Repo has been withdrawn for the time being.

SCHEDULE TO THE REPOCLEAR REGULATIONS**Part E****RepoClear SGC Contract Terms: RepoClear SGC Contracts arising from RepoClear SGC Transactions or SGC Trades**

Where a RepoClear SGC Contract arises between the Clearing House and a RepoClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such RepoClear SGC Contract shall include these REPOCLEAR SGC CONTRACT TERMS, which shall comprise:

- (1) Interpretation section;
- (2) Economic Terms; and
- (3) Standard Terms.

Interpretation Section

Save as otherwise specified herein, words and phrases defined elsewhere in this Rulebook shall have the same meanings in these RepoClear SGC Contract Terms.

In the event of any inconsistency between these RepoClear SGC Contract Terms and the Rulebook, the Rulebook will prevail, unless expressly otherwise specified.

As used in these RepoClear SGC Contract Terms:

“**Closing Cash Amount**” means the cash amount identified in the Economic Terms as set out in paragraph ~~1~~^{below}1 below.

“**Daily Cash Amount**” means, on any SGC Day, the net cash amount payable by either party to the other, calculated under paragraph ~~2.5(c)~~2.5(c).

“**Daily Equivalent Securities**” means, on any day, the net securities transferable by either party to the other, calculated under paragraph ~~2.5(b)~~2.5(b).

“**Daily Purchased Securities**” means, on any SGC Day, the net securities transferable by either party to the other, calculated under paragraph ~~2.5(a)~~2.5(a).

“**Daily Return Amount**” means, on any SGC Day, the net cash amount payable by either party to the other, calculated under paragraph ~~2.5(d)~~2.5(d).

“**Eligible Securities**” means securities of any issue of securities comprised in a SGC Basket.

“**Eligible SGC Basket**” means an SGC Basket which appears in the list containing details of all Eligible SGC Baskets published for this purpose from time to time by the Clearing House.

“**Eligible SGC Trade**” means a RepoClear SGC Transaction or SGC Trade, as applicable.

“**End Date**” means the last day upon which Equivalent Securities will be delivered by the Buyer to the Seller in accordance with these RepoClear SGC Contract Terms, as stated in the Economic Terms.

“**Equivalent Securities**” means, on any day, securities equivalent to the Purchased Securities that were transferred by Seller to Buyer on the immediate preceding SGC Day.

Securities are “**equivalent to**” other securities for the purposes of these RepoClear SGC Contract Terms if they are: (i) of the same issuer; (ii) part of the same issue; and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other securities.

“**Interest**” means with regard to this RepoClear SGC Contract, the amount obtained by deducting the Opening Cash Amount from the Closing Cash Amount.

“**Last SGC Date**” means, with regard to this RepoClear SGC Contract, the last date upon which Purchased Securities will be sold by Seller to Buyer in accordance with these RepoClear SGC Contract Terms.

“**Opening Cash Amount**” means the cash amount identified in the Economic Terms as set out in paragraph 1 below.

“**Purchased Securities**” means, on any SGC Day, Eligible Securities transferable by Seller to Buyer on that SGC Day under these RepoClear SGC Contract Terms.

“**RepoClear Procedures**” means the part of the Rulebook of the Clearing House that contains provisions in respect of RepoClear SGC Contracts.

“**RepoClear SGC Contract**” means a RepoClear SGC Contract between Buyer and Seller on the RepoClear SGC Contract Terms and references to “this RepoClear SGC Contract” are to the particular RepoClear SGC Contract in question.

“**Return Amount**” means a cash amount which is equivalent in value to, and in the same currency as, the Opening Cash Amount.

“**SGC Basket**” means the issues of securities published by the Clearing House from time to time in accordance with the RepoClear Procedures which, together, comprise a basket of securities.

“**SGC Cut-Off Time**” means such time on each SGC day as is set out in the RepoClear Procedures (as the time after which on that day no further Eligible SGC Trades will be accepted by the Clearing House for registration which are to be settled on the same SGC day).

“**SGC Day**” means any day of the Term on which the RepoClear SGC Service operates.

“**Start Date**” means the SGC Day being the first day upon which Purchased Securities will be sold by Seller to Buyer as stated in the Economic Terms and in accordance with these RepoClear SGC Contract Terms.

“**Term**” means the interval of time commencing on and including the Start Date and ending on and including the Last SGC Date.

“**Underlying SGC Basket**” means the SGC Basket identified in the Economic Terms of a RepoClear SGC Contract.

1. **Economic Terms**

In relation to this RepoClear SGC Contract, the terms in (a) to (h) below (the “**Economic Terms**”) will (i) where this RepoClear SGC Contract is dealt with through an Approved Trade Matching System, be derived from the information presented by the RepoClear Participants to the Clearing House for registration, and (ii) where this RepoClear SGC Contract is dealt with through an Automated Trading System, be derived from the information input by the RepoClear Participants and matched by or in accordance with the rules and procedures of such Automated Trading System.

The Economic Terms comprise details of:

- (a) Buyer;
- (b) Seller;
- (c) Underlying SGC Basket (identified by ISIN);
- (d) Trade date and time;
- (e) Start Date;
- (f) End Date;
- (g) Opening Cash Amount;
- (h) Closing Cash Amount;

PROVIDED, however, that, when such information presented or input (as the case may be) by any RepoClear Participants specifies such RepoClear Participant as (i) Buyer under a contract, with the other party as Seller, the Clearing House will be Seller under the RepoClear SGC Contract; and (ii) Seller under a contract, with the other party as Buyer, the Clearing House will be Buyer under the RepoClear SGC Contract.

2. Standard Terms

- 2.1 RepoClear SGC Contracts shall arise in accordance with the Rulebook and shall be on these RepoClear SGC Contract Terms.

Allocation of Eligible Securities

- 2.2 On each SGC Day of this RepoClear SGC Contract, Seller agrees that Purchased Securities shall be allocated from the Underlying SGC Basket in accordance with the terms of this RepoClear SGC Contract and the RepoClear Procedures. Purchased Securities may be allocated from more than one issue of securities in the Underlying SGC Basket. Following the application of paragraph 2.5, the value of Daily Purchased Securities to be allocated on any SGC Day shall be equal to the Daily Cash Amount (subject to any minor discrepancies in value attributable to allocation methodologies as contemplated within the RepoClear Procedures from time to time).

- 2.3 [].

Transfer of Securities and Cash

- 2.4 Subject to paragraph ~~2.5 below~~ 2.5 below:

- (a) on the Start Date and each subsequent SGC Day, Seller shall transfer Purchased Securities to Buyer against payment of the Opening Cash Amount by Buyer, in accordance with the RepoClear Procedures.
- (b) on the SGC Day immediately after the Start Date and on each subsequent SGC Day and also the End Date, Buyer shall transfer Equivalent Securities to Seller against payment of the Return Amount, in accordance with the RepoClear Procedures.

- 2.5 Subject to the Default Rules:

- (a) the value of Purchased Securities transferable by Seller to Buyer under this RepoClear SGC Contract on any SGC Day and the value of Purchased Securities transferable by either party to the other under any other open RepoClear SGC Contract relating to the same Underlying SGC Basket on the same day shall be combined into a single calculation of a net value of securities of that SGC Basket transferable by one party to the other and the obligation to transfer securities of that net value and of that SGC Basket (the “**Daily Purchased Securities**”) through the CREST DBV System on that day shall be the only obligation of either party in respect of all Purchased Securities so transferable and receivable on that day;
- (b) the Equivalent Securities transferable by Buyer to Seller under this RepoClear SGC Contract on any day and the Equivalent Securities transferable by either party to the other under any other open RepoClear SGC Contract relating to the same Underlying SGC Basket on the same day shall be replaced by a single obligation by one party (the “**delivering party**”) to transfer on that day to the other party (the “**receiving party**”) through the CREST DBV System securities equivalent to the Daily Purchased Securities that were transferred on the previous SGC Day by the receiving party to the delivering party (the “**Daily Equivalent Securities**”), and that obligation to transfer the Daily Equivalent Securities shall be the only obligation of either party in respect of all Equivalent Securities so transferable and receivable on that day;
- (c) the Opening Cash Amount transferable by Buyer to Seller under this RepoClear SGC Contract on any SGC Day and any Opening Cash Amount transferable by either party to the other under any other open RepoClear SGC Contract on the same day shall be combined in a single calculation of a net cash amount (“**the Daily Cash Amount**”) transferable by one party to the other and the obligation to transfer the Daily Cash Amount shall be the only obligation of either party in respect of all Opening Cash Amounts so transferable and receivable on that day;
- (d) the Return Amount transferable by Seller to Buyer under this RepoClear SGC Contract on any day and any Return Amount transferable by either party to the other under any other open RepoClear SGC Contract on the same day shall be replaced by a single net obligation by one party (the “**paying party**”) to transfer to the other party (the “**receiving party**”) on that day cash equivalent in amount to, and of the same currency as, the Daily Cash Amount that was transferred on the previous SGC Day by the receiving party to the paying party (“**the Daily Return Amount**”), and that obligation to transfer the Daily Return Amount shall be the only obligation of either party in respect of all Return Amounts so transferable and receivable on that day;

PROVIDED ALWAYS THAT any obligation of a party to transfer any Daily Cash Amount shall not be combined with any obligation of a party to transfer any Daily Return Amount arising on the same day and payment of such Daily Cash Amount shall be made gross and separate from such Daily Return Amount in accordance with the RepoClear Procedures.

Terminology

- 2.6 Notwithstanding the use of expressions such as “margin”, “Equivalent Securities”, “Opening Cash Amount”, “Purchased Securities”, “Daily Cash Amount”, “Daily Return Amount”, “Daily Purchased Securities” and “Daily Equivalent Securities” which are used to reflect terminology used in the market for transactions of the kinds provided for in

these RepoClear SGC Contract Terms, all right, title and interest in and to Daily Purchased Securities, Daily Cash Amount and Daily Return Amount transferred or paid under these RepoClear SGC Contract Terms and, all right, title and interest in Daily Equivalent Securities, shall pass to the transferee on transfer or payment, and the obligation of the party receiving Daily Purchased Securities on any SGC Day shall be an obligation to transfer Daily Equivalent Securities on the next following day, at such time as is set out in the RepoClear Procedures.

Interest

- 2.7 Seller shall pay the Interest to Buyer on the End Date in accordance with these RepoClear SGC Contract Terms and the RepoClear Procedures.
- 2.8 Subject to the Default Rules, Interest payable under this RepoClear SGC Contract and Interest payable by either party to the other under any other RepoClear SGC Contract with the same End Date shall be combined in a single calculation of a net cash amount payable by one party to the other and the obligation to pay that sum shall be the only obligation of either party in respect of those amounts.

Payment and Transfer

- 2.9 Each of the following insofar as it is applicable to this RepoClear SGC Contract, shall be paid or transferred in accordance with the provisions set out in the RepoClear Procedures: Daily Purchased Securities; Daily Equivalent Securities; Daily Cash Amount; Daily Return Amount; Interest.
- 2.10 In accordance with the RepoClear Procedures, either party may appoint another person to make any payments and to make any transfers of securities on its behalf. Notwithstanding any such appointment, each of the parties agrees that it shall remain liable under this RepoClear SGC Contract as principal.
- 2.11 The parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Purchased Securities, and in any Equivalent Securities, shall pass to the party to which transfer is being made upon transfer of the same in accordance with these Standard Terms, free from all liens, claims, charges and encumbrances.

3. **General**

Margin Maintenance

- 3.1 The provisions set out in the General Regulations and the Procedures in relation to margin and cover for margin shall be applicable to this RepoClear SGC Contract. Any cover for variation margin liability will be in the form of cash only.

Withholding Tax Provisions

- 3.2 All money payable by a RepoClear Clearing Member to the Clearing House in respect of this RepoClear SGC Contract shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having the power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the RepoClear Clearing Member shall pay such additional amounts as will result in the net amounts receivable by the Clearing House (after taking account of such withholding or deduction)

being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted.

- 3.3 All money payable by the Clearing House to a RepoClear Clearing Member in respect of this RepoClear SGC Contract shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having the power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Clearing House shall pay such additional amounts as will result in the net amounts receivable by the RepoClear Clearing Member (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted; PROVIDED, however, that the Clearing House shall only be under an obligation to pay such additional amounts to the extent that the Clearing House determines, in its sole and absolute discretion, that it is entitled to recover the amount payable by it from a RepoClear Clearing Member in respect of any related RepoClear SGC Contract.

Regulations

- 3.4 This RepoClear SGC Contract shall be subject to the Regulations, which shall form a part of its terms.

Governing Law

- 3.5 This RepoClear SGC Contract shall be governed by and construed in accordance with English law and the parties hereby submit to the exclusive jurisdiction of the English courts.

Third Party Rights

- 3.6 A person who is not a party to this RepoClear SGC Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of his RepoClear SGC Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

SCHEDULE TO THE REPOCLEAR REGULATIONS

Part F

Product Eligibility Criteria for Registration of a RepoClear SGC Contract

1. Eligibility Criteria

Without prejudice to the Regulations and Procedures, including but not limited to the RepoClear Procedures, the Clearing House shall only register a RepoClear SGC Transaction or a SGC Trade as a RepoClear SGC Contract pursuant to receipt of details of such RepoClear SGC transaction or SGC Trade where at the time the details are presented:

- (a) RepoClear SGC Transaction or SGC Trade meets the Eligibility Criteria set out for in 2.1 and 2.2 and the Underlying SGC Basket appears in the list containing details of all Eligible SGC Baskets published for this purpose from time to time by the Clearing House; and
- (b) the details of such RepoClear SGC Transaction or SGC Trade are submitted for registration in accordance with the Rulebook and all such other requirements from time to time of the Clearing House; and
- (c) the parties to such RepoClear SGC Transaction or SGC Trade are RepoClear Participants,

and the requirements of (a) to (c) inclusive continue to be satisfied at Registration Time.

2. RepoClear SGC Transactions and SGC Trades

2.1 *Product Eligibility Criteria for a RepoClear SGC Transaction or RepoClear SGC Trade*

Deal Types	classic repo; reverse repo
Collateral Types	Securities combined in specifically named SGC Baskets
Structure	A series of one or more overnight (with respect to days on which the RepoClear SGC service is operational) repo transactions with immediate or forward start and Fixed rate repo
SGC Baskets	ISIN GB00B1347K44 LCH.Clearnet GC Basket – RepoClear STLG GC UK Government BD Basket
Currency	Pounds sterling
Settlement Depository	Euroclear UK and Ireland
Term	
Minimum Opening Leg	Date of registration by the Clearing House up to the SGC Cut-

Off Time

Maximum Opening Leg	Any valid SGC Day up to 374 days from the trade date
Minimum Closing Leg	Opening Leg plus 1 SGC Day
Maximum Closing Leg	Any valid SGC settlement day, which is 1 to 374 days later than, the opening leg. Where the term includes 29 February (inclusive of the opening and closing leg dates) the value of 374 is raised to 375

2.2 Eligible SGC Baskets for a RepoClear SGC Transaction or SGC Trade

The following SGC Baskets are available for trading as subject to these Rulebook provisions:

- (a) British Government Unstripped Sterling SGC Basket; Eligible Securities in this SGC Basket are such Unstripped British Government bonds as are published from time to time by the Clearing House on the LCH.Clearnet Member-only web site.

SCHEDULE TO THE REPOCLEAR REGULATIONS**Part G****RepoClear GC Contract Terms: RepoClear €GC Contracts arising from RepoClear €GC Transactions or €GC Trades**

Where a RepoClear €GC Contract arises between the Clearing House and a RepoClear Clearing Member pursuant to the Regulations and the terms of any agreement entered into between them, the terms of such RepoClear €GC Contract shall include these REPOCLEAR €GC CONTRACT TERMS, which shall comprise:

- (1) Interpretation section;
- (2) Economic Terms; and
- (3) Standard Term.

Interpretation Section

Save as otherwise specified herein, words and phrases defined elsewhere in this Rulebook shall have the same meanings in these RepoClear €GC Contract Terms.

In the event of any inconsistency between these RepoClear €GC Contract Terms and the Rulebook, the Rulebook will prevail, unless expressly otherwise specified.

As used in these RepoClear €GC Contract Terms:

“AutoAssign Supplement” means the CBL arrangement outlining services facilitating selection of securities for €GC Contracts.

“AutoSelect” means the Euroclear electronic processing module facilitating the selection of securities for €GC Contracts.

“CBL” means Clearstream Banking Limited.

“Closing Cash Amount” means the cash amount identified in the Economic Terms as set out in paragraph ~~1~~^{below} below.

“Daily Cash Amount” means, on any €GC Day, the net cash amount payable by either party to the other, calculated under paragraph ~~2.4(e)~~2.4(c).

“Daily Equivalent Securities” means, on any day, the net securities transferable by either party to the other, calculated under paragraph ~~2.4(b)~~2.4(b).

“Daily Purchased Securities” means, on any €GC Day, the net securities transferable by either party to the other, calculated under paragraph ~~2.4(a)~~2.4(a).

“Daily Return Amount” means, on any €GC Day, the net cash amount payable by either party to the other, calculated under paragraph ~~2.4(d)~~2.4(d).

“Eligible €GC Basket” means a €GC Basket which appears in the list containing details of all Eligible €GC Baskets published for this purpose from time to time by the Clearing House.

“Eligible €GC Trade” means a RepoClear €GC Transaction or €GC Trade, as applicable.

“**Eligible Securities**” means securities of any issue of securities comprised in a €GC Basket.

“**End Date**” means the last day upon which Equivalent Securities will be delivered by the Buyer to the Seller in accordance with these RepoClear €GC Contract Terms, as stated in the Economic Terms.

“**Equivalent Securities**” means, on any day, securities equivalent to the Purchased Securities that were transferred by Seller to Buyer on the immediate preceding €GC Day.

Securities are “**equivalent to**” other securities for the purposes of these RepoClear €GC Contract Terms if they are: (i) of the same issuer; (ii) part of the same issue; and (iii) of an identical type, nominal value, description and (except where otherwise stated) amount as those other securities.

“**Euroclear**” means Euroclear Bank.

“**€GC Basket**” means the issues of securities recognised by the Clearing House in accordance with the RepoClear Procedures which, together, comprise each basket of securities as set out in Part H of the Schedule to the RepoClear Regulations.

“**€GC Cut-Off Time**” means such time on each €GC day as is set out in the RepoClear Procedures (as the time after which on that day no further Eligible €GC Trades will be accepted by the Clearing House for registration which are to be settled on the same €GC day).

“**€GC Day**” means any day of the Term on which the RepoClear €GC service operates.

“**Euro Zone Countries**” means the countries which are member states of the European Union who have adopted the euro currency union.

“**Interest**” means with regard to this RepoClear €GC Contract, the amount obtained by deducting the Opening Cash Amount from the Closing Cash Amount.

“**Last €GC Date**” means, with regard to this RepoClear €GC Contract, the last date upon which Purchased Securities will be sold by Seller to Buyer in accordance with these RepoClear €GC Contract Terms.

“**Opening Cash Amount**” means the cash amount identified in the Economic Terms as set out in paragraph ~~1~~below below.

“**Purchased Securities**” means on any €GC Day, Eligible Securities transferable by Seller to Buyer on that €GC Day under these RepoClear €GC Contract Terms.

“**RepoClear Procedures**” means the part of the Rulebook of the Clearing House that contains provisions in respect of RepoClear €GC Contracts.

“**RepoClear €GC Contract**” means a RepoClear €GC Contract between Buyer and Seller on these RepoClear €GC Contract Terms and references to “this RepoClear €GC Contract” are to the particular RepoClear €GC Contract in question.

“**Return Amount**” means a cash amount which is equivalent in value to, and in the same currency as, the Opening Cash Amount.

“**Start Date**” means the €GC Day being the first day upon which Purchased Securities will be sold by Seller to Buyer as stated in the Economic Terms and in accordance with these RepoClear €GC Contract Terms.

“**Triparty Agent**” means CBL, Euroclear or any other agent as the Clearing House may appoint from time to time.

“**Term**” means the interval of time commencing on and including the Start Date and ending on and including the Last €GC Date.

“**Underlying €GC Basket**” means the €GC Basket identified in the Economic Terms of a RepoClear €GC Contract.

1. **Economic Terms**

In relation to this RepoClear €GC Contract, the terms in (a) to (g) below (the “**Economic Terms**”) will (i) where this RepoClear €GC Contract is dealt with through an Approved Trade Matching System, be derived from the information presented by the RepoClear Participants to the Clearing House for registration, and (ii) where this RepoClear €GC Contract is dealt with through an Automated Trading System, be derived from the information input by the RepoClear Participants and matched by or in accordance with the rules and procedures of such Automated Trading System.

The Economic Terms comprise details of:

- (a) Buyer;
- (b) Seller;
- (c) Underlying €GC Basket (identified by ISIN);
- (d) Trade date and time;
- (e) Start Date;
- (f) End Date;
- (g) Opening Cash Amount;
- (h) Closing Cash Amount;

PROVIDED, however, that, when such information presented or input (as the case may be) by any RepoClear Participants specifies such RepoClear Participant as (i) Buyer under a contract, with the other party as Seller, the Clearing House will be Seller under the RepoClear €GC Contract; and (ii) Seller under a contract, with the other party as Buyer, the Clearing House will be Buyer under the RepoClear €GC Contract.

2. **Standard Terms**

2.1 RepoClear €GC Contracts shall arise in accordance with the Rulebook and shall be on these RepoClear €GC Contract Terms.

Allocation of Eligible Securities

2.2 On each €GC Day of this RepoClear €GC Contract, Seller agrees that Purchased Securities shall be allocated from the Underlying €GC Basket in accordance with the terms of this RepoClear €GC Contract and the RepoClear Procedures. Purchased Securities may be allocated from more than one issue of securities in the Underlying €GC Basket. Following the application of paragraph 2.4, the value of Daily Purchased Securities to be allocated on any €GC Day shall be equal to the Daily Cash Amount

(subject to any discrepancies in value attributable to allocation methodologies as contemplated within the RepoClear Procedures from time to time).

Transfer of Securities and Cash

2.3 Subject to paragraph ~~2.4 below~~ 2.4 below:

- (a) on the Start Date and each subsequent €GC Day, Seller shall transfer Purchased Securities to Buyer against payment of the Opening Cash Amount by Buyer, in accordance with the RepoClear Procedures;
- (b) on the €GC Day immediately after the Start Date and on each subsequent €GC Day and also the End Date, Buyer shall transfer Equivalent Securities to Seller against payment of the Return Amount, in accordance with the RepoClear Procedures.

2.4 Subject to the Default Rules:

- (a) the value of Purchased Securities transferable by Seller to Buyer under this RepoClear €GC Contract on any €GC Day and the value of Purchased Securities transferable by either party to the other under any other open RepoClear €GC Contract relating to the same Underlying €GC Basket on the same day shall be combined into a single calculation of a net value of securities of that €GC Basket transferable by one party to the other and the obligation to transfer securities of that net value and of that €GC Basket (the “**Daily Purchased Securities**”) through either CBL’s service under the AutoAssign Supplement, Euroclear’s AutoSelect service or any other equivalent service provided by a Triparty Agent, as the case may be, on that day shall be the only obligation of either party in respect of all Purchased Securities in relation to that €GC Basket so transferable and receivable on that day;
- (b) the Equivalent Securities transferable by Buyer to Seller under this RepoClear €GC Contract on any day and the Equivalent Securities transferable by either party to the other under any other open RepoClear €GC Contract relating to the same Underlying €GC Basket on the same day shall be replaced by a single obligation by one party (the “**delivering party**”) to transfer on that day to the other party (the “**receiving party**”) in the same manner as set out above at 2.4(a) securities equivalent to the Daily Purchased Securities that were transferred on the previous €GC Day by the receiving party to the delivering party (the “**Daily Equivalent Securities**”), and that obligation to transfer the Daily Equivalent Securities shall be the only obligation of either party in respect of all Equivalent Securities in relation to that €GC Basket so transferable and receivable on that day;
- (c) the Opening Cash Amount transferable by Buyer to Seller under this RepoClear €GC Contract on any €GC Day and any Opening Cash Amount transferable by either party to the other under any other open RepoClear €GC Contract in relation to the same Underlying €GC Basket on the same day shall be combined in a single calculation of a net cash amount (“**the Daily Cash Amount**”) transferable by one party to the other and the obligation to transfer the Daily Cash Amount shall be the only obligation of either party in respect of all Opening Cash Amounts in relation to the same Underlying €GC Basket so transferable and receivable on that day;

- (d) the Return Amount transferable by Seller to Buyer under this RepoClear €GC Contract on any day and any Return Amount transferable by either party to the other under any other open RepoClear €GC Contract in relation to the same Underlying €GC Basket on the same day shall be replaced by a single net obligation by one party (the “**paying party**”) to transfer to the other party (the “**receiving party**”) on that day cash equivalent in amount to, and of the same currency as, the Daily Cash Amount that was transferred on the previous €GC Day by the receiving party to the paying party (“**the Daily Return Amount**”), and that obligation to transfer the Daily Return Amount shall be the only obligation of either party in respect of all Return Amounts in relation to the same Underlying €GC Basket so transferable and receivable on that day;

PROVIDED ALWAYS THAT any obligation of a party to transfer any Daily Cash Amount shall not be combined with any obligation of a party to transfer any Daily Return Amount arising on the same day and payment of such Daily Cash Amount shall be made gross and separate from such Daily Return Amount in accordance with the RepoClear Procedures.

Terminology

- 2.5 Notwithstanding the use of expressions such as “margin”, “Equivalent Securities”, “Opening Cash Amount”, “Purchased Securities”, “Daily Cash Amount”, “Daily Return Amount”, “Daily Purchased Securities” and “Daily Equivalent Securities” which are used to reflect terminology used in the market for transactions of the kinds provided for in these RepoClear €GC Contract Terms, all right, title and interest in and to Daily Purchased Securities, Daily Cash Amount and Daily Return Amount transferred or paid under these RepoClear €GC Contract Terms and, all right, title and interest in Daily Equivalent Securities, shall pass to the transferee on transfer or payment, and the obligation of the party receiving Daily Purchased Securities on any €GC Day shall be an obligation to transfer Daily Equivalent Securities on the next following day, at such time as is set out in the RepoClear Procedures.

Interest

- 2.6 Seller shall pay the Interest to Buyer on the End Date in accordance with these RepoClear €GC Contract Terms and the RepoClear Procedures.
- 2.7 Subject to the Default Rules, Interest payable under this RepoClear €GC Contract and Interest payable by either party to the other under any other RepoClear €GC Contract with the same End Date and settled through the same Triparty Agent shall be combined in a single calculation of a net cash amount payable by one party to the other and the obligation to pay that sum shall be the only obligation of either party in respect of those amounts.

Payment and Transfer

- 2.8 Each of the following, insofar as it is applicable to this RepoClear €GC Contract, shall be paid or transferred in accordance with the provisions set out in the RepoClear Procedures: Daily Purchased Securities; Daily Equivalent Securities; Daily Cash Amount; Daily Return Amount; Interest.
- 2.9 In accordance with the RepoClear Procedures, either party may appoint another person to make any payments and to make any transfers of securities on its behalf. Notwithstanding any such appointment, each of the parties agrees that it shall remain liable under this RepoClear €GC Contract as principal.

- 2.10 The parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Purchased Securities and in any Equivalent Securities shall pass to the party to which transfer is being made upon transfer of the same in accordance with these Standard Terms, free from all liens, claims, charges and encumbrances.

3. General

Margin Maintenance

- 3.1 The provisions set out in the General Regulations and the Procedures in relation to margin and cover for margin shall be applicable to this RepoClear €GC Contract. Any cover for variation margin liability will be in the form of cash only denominated in Euro.

Withholding Tax Provisions

- 3.2 All money payable by a RepoClear Clearing Member to the Clearing House in respect of this RepoClear €GC Contract shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having the power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the RepoClear Clearing Member shall pay such additional amounts as will result in the net amounts receivable by the Clearing House (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted.
- 3.3 All money payable by the Clearing House to a RepoClear Clearing Member in respect of this RepoClear €GC Contract shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having the power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Clearing House shall pay such additional amounts as will result in the net amounts receivable by the RepoClear Clearing Member (after taking account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted; PROVIDED, however, that the Clearing House shall only be under an obligation to pay such additional amounts to the extent that the Clearing House determines, in its sole and absolute discretion, that it is entitled to recover the amount payable by it from a RepoClear Clearing Member in respect of any related RepoClear €GC Contract.

Regulations

- 3.4 This RepoClear €GC Contract shall be subject to the Regulations, which shall form a part of its terms.

Governing Law

- 3.5 This RepoClear €GC Contract shall be governed by, and construed in accordance with English law and the parties hereby submit to the exclusive jurisdiction of the English courts.

Third Party Rights

- 3.6 A person who is not a party to this RepoClear €GC Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of his RepoClear €GC

Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

SCHEDULE TO THE REPOCLEAR REGULATIONS

Part H

Product Eligibility Criteria for Registration of A RepoClear €GC Contract

1. Eligibility Criteria

Without prejudice to the Regulations and Procedures, including but not limited to the RepoClear Procedures, the Clearing House shall only register a RepoClear €GC Transaction or a €GC Trade as a RepoClear €GC Contract pursuant to receipt of details of such RepoClear €GC Transaction or €GC Trade where at the time the details are presented:

- (a) RepoClear €GC Transaction or €GC Trade meets the Eligibility Criteria set out for in 2.1 and 2.2 and the Underlying €GC Basket appears in the list containing details of all Eligible €GC Baskets published for this purpose from time to time by the Clearing House; and
- (b) the details of such RepoClear €GC Transaction or €GC Trade are submitted for registration in accordance with the Rulebook and all such other requirements from time to time of the Clearing House; and
- (c) the parties to such RepoClear €GC Transaction or €GC Trade are RepoClear Participants,

and the requirements of (a) to (c) inclusive continue to be satisfied at Registration Time.

2. RepoClear €GC Transactions and €GC Trades

2.1 *Product Eligibility Criteria for a RepoClear €GC Transaction or RepoClear €GC Trade*

Deal Types	Classic repo; reverse repo
Collateral Types	Securities combined in specifically named €GC Baskets
Structure	A series of one or more overnight (with respect to days on which the RepoClear €GC service is operational) repo transactions with immediate or forward start and Fixed rate repo.
€GC Baskets	RepoClear €GC AAA Euro Government Bond Basket (EB) ISIN code XS0334393260 RepoClear €GC AA Euro Government Bond Basket (EB) ISIN code XS0334393187 RepoClear €GC A Euro Government Bond Basket (EB) ISIN code XS0334392965 RepoClear €GC German Government Bond Basket (EB) ISIN code XS0417057287 RepoClear €GC German Sub-10 Government Bond Basket (EB) ISIN code XS0434408539 RepoClear €GC French Government Bond Basket (EB) ISIN code XS0417060588 RepoClear €GC Spanish Government Bond Basket (EB) ISIN code XS0417076584 RepoClear €GC Dutch Government Bond Basket (EB) ISIN code XS0417074969

RepoClear €GC Belgian Government Bond Basket (EB) ISIN code XS0417076741

RepoClear €GC Italian Government Bond Basket (EB) ISIN code XS0417087607

RepoClear €GC AAA Euro Government Bond Basket (CBL) ISIN code XS0333936523

RepoClear €GC AA Euro Government Bond Basket (CBL) ISIN code XS0333972080

RepoClear €GC A Euro Government Bond Basket (CBL) ISIN code XS0334012647

RepoClear €GC German Government Bond Basket (CBL) ISIN code XS0414733989

RepoClear €GC German Sub-10 Government Bond Basket (CBL) ISIN code XS0432413200

RepoClear €GC French Government Bond Basket (CBL) ISIN code XS0414742626

RepoClear €GC Spanish Government Bond Basket (CBL) ISIN code XS0414744325

RepoClear €GC Dutch Government Bond Basket (CBL) ISIN code XS0414743517

RepoClear €GC Belgian Government Bond Basket (CBL) ISIN code XS0414748748

RepoClear €GC Italian Government Bond Basket (CBL) ISIN code XS0414746965

Currency	Euro
Settlement	Clearstream Banking, Luxembourg or Euroclear Bank
Depository	
Term	
Minimum	Date of registration by the Clearing House, up to the €GC Cut-Off Time.
Opening Leg	
Maximum	Any valid €GC Day up to 374 days from the trade date
Opening Leg	
Minimum	Opening Leg plus 1 RepoClear Operating Day on which the €GC service operates.
Closing Leg	
Maximum	Any valid €GC settlement day which is 1 to 374 days later than the opening leg. Where the term includes 29 February (inclusive of the opening and closing leg dates) the value of 374 is raised to 375
Closing Leg	

2.2 **Eligible €GC Baskets for a RepoClear €GC Transaction or €GC Trade**

The following €GC Baskets are available for trading as subject to these Rulebook provisions:

Eligible €GC Baskets for settlement at Euroclear Bank

- (1) RepoClear €GC AAA Euro Government Bond Basket (EB) - ISIN code XS0334393260

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated government debt of Euro Zone Countries where the Combined Credit Rating of the country is AAA.

- (2) RepoClear €GC AA Euro Government Bond Basket (EB) - ISIN code XS0334393187

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated government debt of Euro Zone Countries where the Combined Credit Rating of the country is AA or AAA.

- (3) RepoClear €GC A Euro Government Bond Basket (EB) - ISIN code XS0334392965

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated government debt of Euro Zone Countries where the Combined Credit Rating of the country is A, AA or AAA.

- (4) RepoClear €GC German Government Bond Basket (EB) - ISIN code XS0417057287

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated German government debt.

- (5) RepoClear €GC German Sub-10 Government Bond Basket (EB) - ISIN code XS0434408539

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated German government debt with less than 10 years to maturity.

- (6) RepoClear €GC French Government Bond Basket (EB) - ISIN code XS0417060588

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated French government debt.

- (7) RepoClear €GC Spanish Government Bond Basket (EB) - ISIN code XS0417076584

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated Spanish government debt.

- (8) RepoClear €GC Dutch Government Bond Basket (EB) - ISIN code XS0417074969

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated Dutch government debt.

- (9) RepoClear €GC Belgian Government Bond Basket (EB) - ISIN code XS0417076741

Eligible Securities in this €GC Basket are such issues of Securities that are euro-denominated Belgian government debt.

- (10) RepoClear €GC Italian Government Bond Basket (EB) - ISIN code XS0417087607

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated Italian government debt

Eligible €GC Baskets for settlement at Clearstream Bank Luxembourg

- (11) RepoClear €GC AAA Euro Government Bond Basket (CBL) -ISIN code XS0333936523

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated government debt of Euro Zone Countries where the Combined Credit Rating of the country is AAA.

- (12) RepoClear €GC AA Euro Government Bond Basket (CBL)- ISIN code XS0333972080

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated government debt of Euro Zone Countries where the Combined Credit Rating of the country is AA or AAA.

- (13) RepoClear €GC A Euro Government Bond Basket (CBL)- ISIN code XS0334012647

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated government debt of Euro Zone Countries where the combined credit rating of the country is A, AA or AAA.

- (14) RepoClear €GC German Government Bond Basket (CBL) ISIN: XS0414733989

Eligible Securities in this €GC Basket are such issues of securities that are euro denominated German government debt.

- (15) RepoClear €GC German Sub-10 Government Bond Basket (CBL) ISIN: XS0432413200

Eligible Securities in this €GC Basket are such issues of securities that are euro denominated German government debt with less than 10 years to maturity.

- (16) RepoClear €GC French Government Bond Basket (CBL) ISIN: XS0414742626

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated French government debt.

- (17) RepoClear €GC Spanish Government Bond Basket (CBL) ISIN: XS0414744325

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated Spanish government debt.

- (18) RepoClear €GC Dutch Government Bond Basket (CBL) ISIN: XS0414743517

Eligible Securities in this €GC Basket are such issues of securities that are euro denominated Dutch government debt.

- (19) RepoClear €GC Belgian Government Bond Basket (CBL) ISIN: XS0414748748

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated Belgian government debt.

- (20) RepoClear €GC Italian Government Bond Basket (CBL) ISIN: XS0414746965

Eligible Securities in this €GC Basket are such issues of securities that are euro-denominated Italian government debt.

For each of the above Eligible €GC Baskets, individual issues of securities which would otherwise meet the eligibility criteria defined for an Eligible €GC Basket, may be excluded from that Eligible €GC Basket at the sole discretion of the Clearing House, where that issue of securities does not meet the Clearing House's requirements for risk management purposes.

Notwithstanding that individual issues of securities meet the eligibility criteria defined for an Eligible €GC Basket, where the relevant Triparty Agent for that €GC Basket does not allow the allocation of that issue of security as part of its Autoselect or AutoAssign Supplement, that issue of securities will be excluded from the relevant basket.

DERIVATION OF COMBINED CREDIT RATING

Combined Credit Rating	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
A	A1	A+	A+
	A2	A	A
	A3	A-	A-

To determine the Combined Credit Rating of a country, the lowest rating allocated by Moody's, S&P and Fitch should be used.

3. Netting across Triparty Agent's accounts

When the triparty systems of Euroclear and CBL are able to support the necessary level of interoperability (the "Triparty Bridge"), the Clearing House reserves the right to:

- (a) cease to register new trades in the Eligible €GC Baskets defined in section 2.2; and
- (b) for each set of two Eligible €GC Baskets which have the same Eligible Securities, introduce one new Eligible €GC Basket which can be settled at either Euroclear or CBL, and re-register any existing trades in the original two Eligible €GC basket into the single Eligible €GC Basket which replaces them.

EQUITYCLEAR REGULATIONS

Regulation 61 Application of EquityClear Regulations

- (a) These EquityClear Regulations, which form part of the Regulations, together with the Regulations referred to in paragraph (b) apply to EquityClear Contracts, EquityClear Clearing Members and, insofar as relevant EquityClear NCMs.
- (b) The Default Rules, Default Fund Rules, the Definitions and Regulations 1, 2, 3(b), 4, 5, 8, 9(b) and (c), 10, 11, 12, 13, 23, 24, 26 to 39B inclusive (other than Regulation 35(a), Regulation 37(b) and Regulation 38(b)) of the Regulations apply to EquityClear Contracts, EquityClear Clearing Members and, insofar as relevant, to EquityClear NCMs.

Regulation 62 EquityClear**Regulation 62A EquityClear (Equities) Open Offer for EquityClear (Equities) ATP Matches**

- (a) This Regulation 62A applies to EquityClear (Equities) ATP Matches arising on an ATP pursuant to Trading Platform Particulars submitted by or on behalf of an EquityClear Clearing Member (which shall, for the avoidance of doubt, exclude any Co-operating Clearing House in connection with the EquityClear service). In the event of any inconsistency between the Regulations, (including the terms of any agreement entered into between the EquityClear Clearing Member and the Clearing House) and the relevant ATP Market Rules, the Regulations shall prevail.
- (b) If an EquityClear Clearing Member has been given approval by the Clearing House to clear eligible EquityClear (Equities) ATP Matches in respect of the ATP specified in such approval and such approval has not been withdrawn by the Clearing House the Clearing House will enter into EquityClear Contracts with that EquityClear Clearing Member pursuant to such approval in accordance with and subject to the following provisions of this Regulation. The terms of a registered EquityClear Contract shall be as received by the Clearing House, or its relevant approved agent, from the relevant ATP and otherwise subject to the Regulations (and the Clearing House and the EquityClear Clearing Member party to the registered EquityClear Contract shall be obliged to perform their obligations thereunder in accordance with such terms and the Regulations).
- (c) The Clearing House makes an open offer to the EquityClear Clearing Member to enter into an EquityClear (Equities) Contract in respect of an EquityClear (Equities) ATP Match made on the relevant ATP (as referred to in paragraph (b)) in accordance with paragraphs (e) to (g) of this Regulation 62A, as applicable, pursuant to the submission of Trading Platform Particulars by or on behalf of that EquityClear Clearing Member (including by an EquityClear NCM under the provisions of the relevant Approved EquityClear Clearing Agreement) provided that the following requirements ("the EquityClear (Equities) Open Offer Eligibility Criteria") shall have been satisfied:
- (i) where the EquityClear (Equities) ATP Match arises pursuant to Trading Platform Particulars submitted by an EquityClear NCM on behalf of the EquityClear Clearing Member, and without prejudice to the other provisions of Regulation 62A: (aa) there was in place at the time that the Trading Platform Particulars were submitted and up to and including the time the EquityClear (Equities) ATP Match was made (the "relevant times"), an Approved EquityClear Clearing Agreement relating to such ATP to which that EquityClear Clearing Member and that EquityClear NCM are party; (bb) such Approved EquityClear Clearing Agreement had not been terminated or suspended at the relevant times; (cc) the EquityClear NCM had not been suspended or removed from the Register of EquityClear NCMs at the relevant times; and (dd) the EquityClear (Equities) Open Offer had not, at the relevant times, been suspended by the Clearing House in respect of EquityClear (Equities) ATP Matches made on such ATP pursuant to the relevant Approved EquityClear Clearing Agreement;
 - (ii) at the relevant times the EquityClear Clearing Member was party to a valid and subsisting Clearing Membership Agreement;
 - (iii) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under subparagraph (v) of this paragraph (c) the EquityClear Clearing Member had not

- been declared a defaulter, by default notice or otherwise, by the Clearing House or the ATP, where applicable;
- (iv) the securities the subject of the EquityClear (Equities) ATP Match satisfy, at the relevant times, the EquityClear Eligible Equities criteria;
 - (v) all necessary details as required by the Clearing House from time to time in respect of the EquityClear (Equities) ATP Match shall have been provided to the Clearing House or its approved agent in the form, and by the times, prescribed by the Clearing House from time to time. Such information must be complete, must not be corrupted and must be legible at the time of receipt by the Clearing House, or its relevant approved agent, as applicable;
 - (vi) the EquityClear Eligible Equities, which are the subject of the EquityClear (Equities) ATP Match, are not subject to any trading halts, suspension of dealings or any other action having equivalent effect published by the relevant ATP;
 - (vii) at the relevant times, the EquityClear service or the EquityClear (Equities) Open Offer in respect of EquityClear (Equities) ATP Matches made on such ATP had not been suspended or withdrawn;
 - (viii) the EquityClear Clearing Member has executed such other agreements or documents as may be required by the Clearing House from time to time in connection with the EquityClear service;
 - (ix) there are in place appropriate arrangements (as prescribed from time to time by the Clearing House) between the EquityClear Clearing Member (or its nominated agent, who may be the EquityClear NCM, where applicable) and an Approved EquityClear Settlement Provider for the delivery, or receipt, as applicable, of the EquityClear Eligible Equities which are the subject of an EquityClear (Equities) ATP Match; and
 - (x) in the case of an EquityClear (Equities) ATP Match which is an EquityClear Mixed Member Match:
 - (1) the eligibility criteria (howsoever defined) of the relevant Co-operating Clearing House in respect of such EquityClear (Equities) ATP Match have been satisfied and the relevant Co-operating Clearing House has not declined to register, rejected, cancelled, avoided or terminated such EquityClear (Equities) ATP Match or any contract between the Co-operating Clearing House and its member arising out of it; and
 - (2) a balancing contract is deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear (Equities) ATP Match pursuant to the agreement in place between them in relation to the co-clearing of the relevant ATP and such balancing contract has not been rejected, cancelled, avoided or terminated for any reason; and
 - (3) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under sub-paragraph (v) of this paragraph (c), neither of the Clearing House or the relevant Co-operating Clearing House has been declared a defaulter by the other, by default notice or otherwise.

- (d) For the avoidance of doubt, Trading Platform Particulars are deemed to have been submitted by or on behalf of the EquityClear Clearing Member if the details of the EquityClear (Equities) ATP Match received by the Clearing House identify, in accordance with the relevant ATP Market Rules or the Procedures, the EquityClear (Equities) ATP Match as having been made by or on behalf of that EquityClear Clearing Member.
- (e) If Trading Platform Particulars have been input into the relevant ATP by or on behalf of an EquityClear Clearing Member (including on its behalf by an EquityClear NCM), as seller (the "selling EquityClear Clearing Member") and have been matched by, or in accordance with the ATP Market Rules with Trading Platform Particulars input into such ATP by or on behalf of another EquityClear Clearing Member (including on its behalf by an EquityClear NCM), as buyer (the "buying EquityClear Clearing Member"), and the resulting EquityClear (Equities) ATP Match satisfies the EquityClear (Equities) Open Offer Eligibility Criteria, two EquityClear (Equities) Contracts shall arise immediately on the EquityClear (Equities) ATP Match being made, as follows:
- (i) the Clearing House shall be the buyer under one EquityClear (Equities) Contract to the selling EquityClear Clearing Member; and
 - (ii) the Clearing House shall be the seller under one EquityClear (Equities) Contract to the buying EquityClear Clearing Member.
- (f) If Trading Platform Particulars have been input into the relevant ATP by or on behalf of an EquityClear Clearing Member, (including on its behalf by an EquityClear NCM), as buyer (the "buying EquityClear Clearing Member") and have been matched by, or in accordance with the ATP Market Rules with Trading Platform Particulars input into such ATP by or on behalf of another EquityClear Clearing Member, (including on its behalf by its EquityClear NCM), as seller (the "selling EquityClear Clearing Member"), and the resulting EquityClear (Equities) ATP Match satisfies the EquityClear (Equities) Open Offer Eligibility Criteria, two EquityClear (Equities) Contracts shall arise immediately on the EquityClear (Equities) ATP Match being made, as follows:
- (i) the Clearing House shall be the seller under one EquityClear (Equities) Contract to the buying EquityClear Clearing Member; and
 - (ii) the Clearing House shall be the buyer under one EquityClear (Equities) Contract to the selling EquityClear Clearing Member.
- (g) In respect of an EquityClear Mixed Member Match which is at EquityClear (Equities) ATP Match, where Trading Platform Particulars submitted by, or on behalf of, an EquityClear Clearing Member to the relevant ATP have been matched, in accordance with the ATP Market Rules, with Trading Platform Particulars submitted by, or on behalf of, a member of a relevant Co-operating Clearing House, the Clearing House shall, on receipt of details of such EquityClear (Equities) ATP Match through the ATP (or by such other means) and subject to the EquityClear (Equities) Open Offer Eligibility Criteria having been met with respect to such EquityClear Clearing Member and the relevant Co-operating Clearing House being party to a valid and subsisting agreement with the Clearing House for the co-clearing of EquityClear Mixed Member Matches, register Contracts in the name of the EquityClear Clearing Member and in the name of the relevant Co-operating Clearing House as follows:
- (i) where the EquityClear Clearing Member is identified in the EquityClear (Equities) ATP Match as the buyer, (A) the Clearing House shall be the seller under an EquityClear (Equities) Contract with the EquityClear Clearing Member

as buyer; and (B) the Clearing House shall be the buyer under a Contract with the Co-operating Clearing House as seller; and

- (ii) where the EquityClear Clearing Member is identified in the EquityClear (Equities) ATP Match as the seller, (A) the Clearing House shall be the buyer under an EquityClear (Equities) Contract with the EquityClear Clearing Member as seller; and (B) the Clearing House shall be the seller under a Contract with the Co-operating Clearing House as buyer.
- (h) EquityClear (Equities) Contracts entered into by the Clearing House under paragraphs (e) to (g), as applicable, with EquityClear Clearing Members, shall be registered in the name of each EquityClear Clearing Member following receipt by the Clearing House of the details required by the Clearing House of such Contracts, such details to be made available to the Clearing House by the operator of the relevant ATP or the relevant approved agent, as applicable (in accordance with the arrangements made between the Clearing House and such ATP or approved agent from time to time).
- (i) If the details of EquityClear (Equities) Contracts arising under paragraphs (e) to (g) required by the Clearing House are not made available to the Clearing House by the operator of the relevant ATP or the relevant approved agent, as applicable, as required by the Clearing House in accordance with the Clearing House's requirements, by the time prescribed by the Clearing House from time to time, or the Clearing House is not able to access such details the Clearing House may decree that neither the Clearing House nor the EquityClear Clearing Member party thereto shall be obliged to perform their respective obligations under the EquityClear (Equities) Contracts arising under paragraphs (e) to (g), as applicable. If the Clearing House so decrees, the Clearing House shall issue directions to the affected EquityClear Clearing Members and such EquityClear (Equities) Contracts shall be performed in accordance with any such directions given by the Clearing House which may, without limitation, impose a change to the terms of an affected EquityClear (Equities) Contract. Any directions given by the Clearing House under this paragraph (i) shall be binding on all affected EquityClear Clearing Members.
- (j) Subject to its rights to suspend the EquityClear (Equities) Open Offer and/or the EquityClear service generally or in respect of one or more ATPs and/or one or more EquityClear NCMs, or to withdraw the EquityClear service in whole or in part, as set out in an Approved EquityClear Clearing Agreement, these Regulations or the Procedures, the Clearing House undertakes to keep open the offer made by it in this Regulation 62A until such EquityClear Clearing Member is no longer eligible to have EquityClear (Equities) Contracts registered in its name or has withdrawn from trading through each ATP notified to the Clearing House under paragraph (b). Any such intended withdrawal from trading through an ATP must be notified to the Clearing House in accordance with the Procedures.
- (k) Without prejudice to Regulation 39A, the Clearing House shall not be liable to any EquityClear Clearing Member (or anyone else, including but not limited to any EquityClear NCM), for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them in respect of any EquityClear (Equities) Contract arising under paragraphs (e) to (g) if the Clearing House does not receive the relevant details referred to in paragraph (i) by the time referred to in such paragraph (i) in respect of such EquityClear (Equities) Contract and has not pursuant to paragraph (i) performed its obligations under any such contract.
- (l) Notwithstanding the provisions of paragraph (c), if the Clearing House or its approved agent receives details of an EquityClear (Equities) ATP Match in respect of an

EquityClear Clearing Member from an ATP specified by the EquityClear Clearing Member by notice given under paragraph (b) and which has not been withdrawn in respect of that ATP, and the details of the EquityClear (Equities) ATP Match purportedly meet the relevant EquityClear (Equities) Open Offer Eligibility Criteria in paragraph (c) the EquityClear Clearing Member shall be bound by any EquityClear (Equities) Contract registered in his name in respect of such EquityClear (Equities) ATP Match and the terms of such registered EquityClear (Equities) Contract shall be as set out in paragraph (b).

- (m) Without prejudice to paragraph (l), the Clearing House may with the agreement of each EquityClear Clearing Member party to any corresponding EquityClear (Equities) Contract and the relevant ATP, set aside or take such other steps with respect to such Contracts on such terms as may be agreed between each such EquityClear Clearing Member and the Clearing House, if any such EquityClear Clearing Member considers that a Contract has been entered into in error or certain terms of the Contract have been agreed in error.
- (n) In the event of a dispute:
 - (i) arising out of, or in respect of, the existence of an EquityClear (Equities) ATP Match or, where applicable, whether it was identified to the ATP by the relevant EquityClear Participants as an EquityClear (Equities) ATP Match to be registered by the Clearing House as an EquityClear (Equities) Contract such dispute shall be settled as provided for in the ATP Market Rules without recourse to the Clearing House;
 - (ii) in respect of registered EquityClear (Equities) Contracts a dispute arising out of, or in respect of, such registered EquityClear (Equities) Contracts, or in relation to these Regulations relating to the clearing of such EquityClear (Equities) Contracts, other than a dispute referred to in (i) above, shall be referred to arbitration and settled as provided in Regulation 23 where the relevant ATP Market Rules provide for arbitration. Where the relevant ATP Market Rules do not include relevant arbitration provisions, or the application of such arbitration provisions to EquityClear (Equities) Contracts is disapplied in these Regulations or the Procedures, a dispute arising out of, or in respect of, such registered

EquityClear (Equities) Contracts, or in relation to these Regulations relating to the clearing of such EquityClear (Equities) Contracts, shall be settled in accordance with the Regulations and the Procedures, as applicable.

- (o) Without prejudice to the generality of Regulation 39 or any other provision of the Regulations or Procedures concerning liability of the Clearing House or a Member, any liability of the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) to a Member or to any other person (including, without limitation, any client of a Member) which might otherwise arise in connection with the EquityClear service shall, if and to the extent such liability arises out of any act or omission of any third party upon whom the Clearing House is reliant in any material respect in its provision of the EquityClear service (including, without limitation, an Approved EquityClear Trading Platform, Approved EquityClear Settlement Provider, a Co-operating Clearing House or any provider of transaction routing functionality), be limited to such amounts as the Clearing House is entitled to recover and is successful in recovering from that third party in respect of that party's acts and/or omissions.

Regulation 62B EquityClear Novation Transactions

- (a) Details of any EquityClear Novation Transaction in respect of an ATP which is to be submitted for registration must be submitted in accordance with the Procedures by or on behalf of the EquityClear Clearing Member (including by an EquityClear NCM on their behalf under the provisions of the relevant Approved EquityClear Clearing Agreement or by any person acting on behalf of such an EquityClear NCM) who is party to, or is providing clearing services to a party to, such EquityClear Novation Transaction. For the avoidance of doubt, where the particulars of an EquityClear Novation Transaction submitted by or on behalf of an EquityClear Clearing Member and received by the Clearing House identify, in accordance with the relevant ATP Market Rules or the Procedures, that EquityClear Clearing Member as buyer or seller, or as acting as clearing member for the buyer or seller, in respect of the EquityClear Novation Transaction, the Clearing House will enter into an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract, as applicable with that EquityClear Clearing Member in accordance with and subject to the following provisions of this Regulation 62B.
- (b) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation 62B, an EquityClear Clearing Member shall be bound by an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract registered in its name pursuant to the presentation of details of an EquityClear Novation Transaction by it or on its behalf (including on its behalf by an EquityClear NCM or any person acting on behalf of an EquityClear NCM in respect of an EquityClear (Equities) Contract only).
- (c) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation 62B, an EquityClear Novation Transaction, particulars of which are submitted for registration as an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract by or on behalf of an EquityClear Clearing Member, must meet the following eligibility criteria at the time when the particulars of such EquityClear Novation Transaction are presented to the Clearing House and must continue to meet such criteria at all times thereafter up to and including the Registration Time (each such time, for the purposes of this Regulation 62B, the "relevant times") in order to be registered as an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract, as applicable:
- (i) without prejudice to the other provisions of this Regulation 62B, in the case of particulars of any EquityClear Novation Transaction submitted by an EquityClear NCM (or by any person acting on behalf of an EquityClear NCM) on behalf of an EquityClear Clearing Member:
- (1) there is in place at the relevant times an Approved EquityClear Clearing Agreement in a form approved in writing by the Clearing House to which that EquityClear NCM and the EquityClear Clearing Member are party; and
 - (2) such Approved EquityClear Clearing Agreement has not been terminated or suspended at the relevant times;
 - (3) at the relevant times the EquityClear Clearing Member was party to a valid and subsisting Clearing Membership Agreement;
 - (4) at the relevant times, the EquityClear Clearing Member has not been declared a defaulter, by default notice or otherwise, by the Clearing House or the ATP, where applicable;

- (ii) either (x) the securities the subject of the EquityClear Novation Transaction are, at the relevant times, EquityClear Eligible Equities or (y) the financial instruments the subject of the EquityClear Novation Transaction are, at the relevant times, EquityClear Eligible ccCFD Underlying Instruments, as applicable;
- (iii) all necessary details as required by the Clearing House from time to time in respect of the EquityClear Novation Transaction shall have been provided to the Clearing House or its approved agent in the form, and by the times, prescribed by the Clearing House from time to time. Such information must be complete, must not be corrupted and must be legible at the time of receipt by the Clearing House, or its relevant approved agent, as applicable;
- (iv) the EquityClear Eligible Equities, which are the subject of the EquityClear Novation Transaction, are not subject to any trading halts, suspension of dealings or any other action having equivalent effect published by or on behalf of the ATP;
- (v) at the relevant times, the EquityClear services for the relevant ATP has not been suspended or withdrawn, generally or in relation to the relevant EquityClear Eligible Equities or EquityClear Clearing Member;
- (vi) the EquityClear Clearing Member has executed such other agreements or documents as may be required by the Clearing House from time to time in connection with the EquityClear service;
- (vii) there are in place appropriate arrangements (as prescribed from time to time by the Clearing House) between the EquityClear Clearing Member (or its nominated agent, who may be an EquityClear NCM or any person acting on behalf of an EquityClear NCM, where applicable) and an ASP for the delivery, or receipt, as applicable, of the EquityClear Eligible Equities which are the subject of the EquityClear Novation Transaction; and
- (viii) in the case of an EquityClear Novation Transaction which is an EquityClear Mixed Member Match:
 - (1) the eligibility criteria (howsoever defined) of the relevant Co-operating Clearing House in respect of such EquityClear Novation Transaction have been satisfied and the relevant Co-operating Clearing House has not declined to register, rejected, cancelled, avoided or terminated such EquityClear Novation Transaction or any contract between the Co-operating Clearing House and its member arising out of it; and
 - (2) a balancing contract is deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear Novation Transaction pursuant to the agreement in place between them in relation to the co-clearing of the relevant ATP and such balancing contract has not been rejected, cancelled, avoided or terminated for any reason; and
 - (3) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under sub-paragraph (v) of this paragraph (c), neither of the Clearing House or the relevant Co-operating Clearing House has been declared a defaulter by the other, by default notice or otherwise.

- (d) The Clearing House shall be deemed to register an EquityClear (Equities) Contract and/or EquityClear (ccCFD) Contract, as the case may be, in accordance with Regulation 62B, in the name of an EquityClear Clearing Member at the time prescribed in the Procedures ("Registration Time").
- (e) For the avoidance of doubt, any transaction of which details have been presented by or on behalf of EquityClear Clearing Members (including on their behalf by an EquityClear NCM or any person acting on behalf of an EquityClear NCM) for registration as an EquityClear (Equities) Contract and/or EquityClear (ccCFD) Contract, as the case may be which is not so registered will remain in effect between the original parties to that transaction or be terminated, as the case may be, according to any terms agreed between the parties thereto (directly or by virtue of the application of the relevant ATP Market Rules), and the Clearing House shall have no obligations or liability in relation thereto.
- (f) If at any time after registration of an EquityClear (Equities) Contract and EquityClear (ccCFD) Contract, as the case may be the Clearing House determines that the EquityClear Novation Transaction did not, at the Registration Time, meet the eligibility criteria for registration as an EquityClear (Equities) Contract or an EquityClear (ccCFD) Contract, as the case may be, the Clearing House shall, as soon as practicable thereafter, set aside such EquityClear (Equities) Contract or EquityClear (ccCFD) Contract. Upon an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract being set aside under this Regulation 62B, the particulars of the transaction in question shall be deemed never to have been submitted to the Clearing House and such transaction shall remain in effect between the original parties to that transaction or be terminated, as the case may be, in accordance with any terms agreed between the parties thereto (directly or by virtue of the application of the relevant ATP Market Rules). Any payment made under, or in respect of, an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract set aside under this paragraph shall be repayable to the person who made the payment. Without prejudice to Regulation 39 and its obligations under this Regulation 62B, the Clearing House (and each other of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract in respect of a transaction which did not meet the eligibility criteria at the Registration Time to enable it to be registered as an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract .
- (g) Without prejudice to the Clearing House's rights to effect further novation under Regulation 3(b), particulars of an EquityClear Novation Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House in accordance with the Procedures as two EquityClear (Equities) Contracts or two EquityClear (ccCFD) Contracts, as the case may be, in each case, one between the First EquityClear Clearing Member being the seller and the Clearing House as the buyer as principals to such contract, and the other between the Clearing House as the seller and the Second EquityClear Clearing Member being the buyer as principals to such contract. For the purposes of this Regulation 62B(g):
- (i) "First EquityClear Clearing Member" is an EquityClear Clearing Member who was, before registration of the EquityClear (Equities) Contract or EquityClear (ccCFD) Contract, as applicable, identified in the particulars of the corresponding EquityClear Novation Transaction as, or as acting as clearing member for, the seller;

- (ii) "Second EquityClear Clearing Member" is an EquityClear Clearing Member who was, before registration of the EquityClear (Equities) Contract or EquityClear (ccCFD) Contract, as applicable, identified in the particulars of the corresponding EquityClear Novation Transaction as, or as acting as clearing member for, the buyer.

In the case of an EquityClear Novation Transaction which is an EquityClear Mixed Member Match.

The Clearing House shall, on receipt of details of such EquityClear Novation Transaction and subject to Regulation 62B(c) having been met with respect to such EquityClear Novation Transaction and the relevant Co-operating Clearing House being party to a valid and subsisting agreement with the Clearing House for the co-clearing of EquityClear Mixed Member Matches, register Contracts in the name of the EquityClear Clearing Member and in the name of the relevant Co-operating Clearing House as follows:

- (1) where the EquityClear Clearing Member is identified in the EquityClear Novation Transaction as the buyer, (A) the Clearing House shall be the seller under an EquityClear (Equities) Contract with the EquityClear Clearing Member as buyer; and (B) the Clearing House shall be the buyer under a Contract with the Co-operating Clearing House as seller; and
 - (2) where the EquityClear Clearing Member is identified in the EquityClear Novation Transaction as the seller, (A) the Clearing House shall be the buyer under an EquityClear (Equities) Contract with the EquityClear Clearing Member as seller; and (B) the Clearing House shall be the seller under a Contract with the Co-operating Clearing House as buyer.
- (h) With effect from registration of an EquityClear Novation Transaction as two EquityClear (Equities) Contracts or EquityClear (ccCFD) Contracts, as the case may be under paragraph (g) of this Regulation:
- (i) the parties to the corresponding EquityClear Novation Transaction shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time;
 - (ii) each EquityClear (Equities) Contract or EquityClear (ccCFD) Contract registered under paragraph (g) of this Regulation 62B shall be governed by the relevant EquityClear (Equities) Contract Terms or EquityClear (ccCFD) Contract Terms as applicable to that Contract and the General Regulations and Procedures.
 - (iii) subject always to sub-paragraph (ii) above, in respect of the Economic Terms, the First EquityClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the respective EquityClear (Equities) Contract or EquityClear (ccCFD) Contract Terms to which it is a party as the party which is identified in the particulars of the corresponding EquityClear Novation Transaction as, or as acting as clearing member for, the seller; and
 - (iv) subject always to sub-paragraph (ii) above, in respect of the Economic Terms, the Second EquityClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the respective EquityClear (Equities) Contract or EquityClear (ccCFD) Contract, as applicable to which it is a party as the party which is identified in the particulars of the

corresponding EquityClear Novation Transaction as, or as acting as clearing member for, the buyer.

In subparagraphs ~~(iii)~~(iii) and ~~(iv) above,~~(iv) above, a reference to the “same” rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the Economic Terms of the corresponding EquityClear Novation Transaction (it being assumed, for this purpose, that such EquityClear Novation Transaction was a legal, valid, binding and enforceable obligation of the parties thereto and that the Economic Terms thereof were as presented to the Clearing House for registration), notwithstanding the change in the person entitled to them or obliged to perform them, and subject to any change thereto as a result of the operation of the EquityClear (Equities) Contract Terms or EquityClear (ccCFD) Contract Terms, as applicable.

If an EquityClear Novation Transaction is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any EquityClear (Equities) Contract arising under this Regulation or Regulation 3(b).

In the case of an EquityClear (Equities) Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 62B shall take effect.

Regulation 62C EquityClear Open Offer for EquityClear (ccCFD) ATP Matches ("EquityClear (ccCFD) Open Offer")

- (a) This Regulation 62C applies to EquityClear (ccCFD) ATP Matches arising pursuant to Trading Platform Particulars submitted by or on behalf of an EquityClear Clearing Member.
- (b) If an EquityClear Clearing Member has been given approval by the Clearing House to clear eligible EquityClear (ccCFD) ATP Matches in respect of the ATP specified in such approval and such approval has not been withdrawn by the Clearing House, the Clearing House will enter into EquityClear (ccCFD) Contracts with that EquityClear Clearing Member pursuant to such approval in accordance with and subject to the following provisions of this Regulation. The terms of a registered EquityClear (ccCFD) Contract shall be as received by the Clearing House, or its relevant approved agent, from the relevant EquityClear Clearing Member and otherwise subject to the Regulations (and the Clearing House, and the EquityClear Clearing Members party to the registered EquityClear (ccCFD) Contract shall be obliged to perform their obligations thereunder in accordance with such terms and the Regulations).
- (c) The Clearing House makes an open offer to EquityClear Clearing Members to enter into an EquityClear (ccCFD) Contract in respect of an EquityClear (ccCFD) ATP Match in accordance with paragraph (e) or (f) of this Regulation 62C, as applicable, pursuant to the submission of Trading Platform Particulars by or on behalf of those EquityClear Clearing Members (including by an EquityClear NCM on behalf of EquityClear Clearing Member under the provisions of the relevant Approved EquityClear Clearing Agreement) provided that the following requirements ("the EquityClear (ccCFD) Open Offer Eligibility Criteria") shall have been satisfied:
 - (i) where the EquityClear (ccCFD) ATP Match arises pursuant to Trading Platform Particulars submitted by an EquityClear NCM on behalf of an EquityClear Clearing Member, and without prejudice to the other provisions of Regulation 62C;
 - (1) there was in place at the time that the Trading Platform Particulars were submitted and up to and including the time the EquityClear (ccCFD) ATP Match was made (the "relevant times"), an Approved EquityClear Clearing Agreement relating to such ATP to which that EquityClear Clearing Member and that EquityClear NCM are party;
 - (2) such Approved EquityClear Clearing Agreement had not be terminated or suspended at the relevant times;
 - (3) the EquityClear NCM had not been suspended or removed from the Register of EquityClear NCMs at the relevant times; and
 - (4) the EquityClear (ccCFD) Open Offer had not, at the relevant times, been suspended by the Clearing House in respect of EquityClear (ccCFD) ATP Matches made pursuant to the relevant Approved EquityClear Clearing Agreement;
 - (ii) at the relevant times the EquityClear Clearing Member was party to a valid and subsisting Clearing Membership Agreement;
 - (iii) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under sub-

paragraph (v) of this paragraph (c) the EquityClear Clearing Member has not been declared a defaulter, by default notice or otherwise, by the Clearing House or the ATP, where applicable;

- (iv) the financial instruments the subject of the EquityClear (ccCFD) ATP Matches satisfy, at the relevant times, the EquityClear Eligible ccCFD criteria;
 - (v) all necessary details as required by the Clearing House from time to time in respect of the EquityClear (ccCFD) ATP Matches shall have been provided to the Clearing House or its approved agent in the form, and by the times, prescribed by the Clearing House from time to time. Such information must be complete, must not be corrupted and must be legible at the time of receipt by the Clearing House, or its relevant approved agent, as applicable;
 - (vi) the EquityClear Eligible ccCFD, which is the subject of the EquityClear (ccCFD) ATP Match, is not subject to any trading halts, suspension of dealings or any other action having equivalent effect published by the relevant ATP;
 - (vii) at the relevant times, the EquityClear service or any relevant part of it or the EquityClear (ccCFD) Open Offer in respect of EquityClear (ccCFD) ATP Matches made on such ATP had not been suspended or withdrawn; and
 - (viii) the EquityClear Clearing Member has executed such other agreements or documents as may be required by the Clearing House from time to time in connection with the EquityClear service.
- (d) For the avoidance of doubt, Trading Platform Particulars are deemed to have been submitted by or on behalf of the EquityClear Clearing Member if the details of the EquityClear (ccCFD) ATP Matches received by the Clearing House identify, in accordance with the relevant Regulations or the Procedures, the EquityClear (ccCFD) ATP Matches as having been made by or on behalf of that EquityClear Clearing Member.
- (e) If Trading Platform Particulars have been input into the relevant ATP by or on behalf of an EquityClear Clearing Member (including on its behalf by an EquityClear NCM), as seller (the "selling EquityClear Clearing Member") and have been matched by, or in accordance with the ATP Market Rules with Trading Platform Particulars input into such ATP by or on behalf of another EquityClear Clearing Member (including on its behalf by an EquityClear NCM), as buyer (the "buying EquityClear Clearing Member"), and the resulting EquityClear (ccCFD) ATP Match satisfies the EquityClear (ccCFD) Open Offer Eligibility Criteria, two EquityClear (ccCFD) Contracts shall arise immediately on the EquityClear (ccCFD) ATP Match being made, as follows:
- (i) the Clearing House shall be the buyer under one EquityClear (ccCFD) Contract to the selling EquityClear Clearing Member; and
 - (ii) the Clearing House shall be the seller under one EquityClear (ccCFD) Contract to the buying EquityClear Clearing Member.
- (f) If Trading Platform Particulars have been input into the relevant ATP by or on behalf of an EquityClear Clearing Member (including on its behalf by an EquityClear NCM) as buyer (the "buying EquityClear Clearing Member") and have been matched by, or in accordance with the ATP Market Rules with Trading Platform Particulars input into such ATP by or on behalf of another EquityClear Clearing Member, (including on its behalf by its EquityClear NCM), as seller (the "selling EquityClear Clearing Member"), and the

resulting EquityClear (ccCFD) ATP Match satisfies the EquityClear (ccCFD) Open Offer Eligibility Criteria, two EquityClear (ccCFD) Contracts shall arise immediately on the EquityClear (ccCFD) ATP Match being made, as follows:

- (i) the Clearing House shall be the seller under one EquityClear (ccCFD) Contract to the buying EquityClear Clearing Member; and
 - (ii) the Clearing House shall be the buyer under one EquityClear (ccCFD) Contract to the selling EquityClear Clearing Member.
- (g) EquityClear (ccCFD) Contracts entered into by the Clearing House under paragraphs (e) or (f), as applicable, with EquityClear Clearing Members, shall be registered in the name of each respective EquityClear Clearing Member following receipt by the Clearing House of the details required by the Clearing House of such Contracts, such details to be made available to the Clearing House by the operator of the ATP or the relevant approved agent, as applicable, in accordance with the arrangements made between the Clearing House and such ATP or approved agent from time to time.
- (h) If the details of EquityClear (ccCFD) Contracts arising under paragraphs (e) or (f) required by the Clearing House are not made available to the Clearing House by the operator of the relevant ATP or the relevant approved agent, as applicable, as required by the Clearing House in accordance with the Clearing House's requirements, by the time prescribed by the Clearing House from time to time, or the Clearing House is not able to access such details the Clearing House may decree that neither the Clearing House nor the EquityClear Clearing Member party thereto shall be obliged to perform their respective obligations under the EquityClear (ccCFD) Contracts arising under paragraphs (e) or (f), as applicable. If the Clearing House so decrees, the Clearing House shall issue directions to the affected EquityClear Clearing Members and such EquityClear (ccCFD) Contracts shall be performed in accordance with any such directions given by the Clearing House which may, without limitation, impose a change to the terms of an affected EquityClear (ccCFD) Contract. Any directions given by the Clearing House under this paragraph (h) shall be binding on all affected EquityClear Clearing Members.
- (i) Subject to its rights to suspend the EquityClear (ccCFD) Open Offer and/or the EquityClear service generally or in respect of one or more ATPs and/or one or more EquityClear NCMs, or to withdraw the EquityClear service in whole or in part, as set out in an Approved EquityClear Clearing Agreement, these Regulations or the Procedures, the Clearing House undertakes to keep open the offer made by it in this Regulation 62C until such EquityClear Clearing Member is no longer eligible to have EquityClear (ccCFD) Contracts registered in its name or has withdrawn from trading through each ATP notified to the Clearing House under paragraph (b). Any such intended withdrawal from trading through an ATP must be notified to the Clearing House in accordance with the Procedures.
- (j) Without prejudice to Regulation 39A, the Clearing House shall not be liable to any EquityClear Clearing Member (or anyone else, including but not limited to any EquityClear NCM), for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them in respect of any EquityClear (ccCFD) Contract arising under paragraphs (e) or (f) if the Clearing House does not receive the relevant details referred to in paragraph (h) by the time referred to in such paragraph (h) in respect of such EquityClear (ccCFD) Contract and has not pursuant to paragraph (h) performed its obligations under any such contract.

- (k) Notwithstanding the provisions of paragraph (c), if the Clearing House or its approved agent receives details of an EquityClear (ccCFD) ATP Match, and the details of the EquityClear (ccCFD) ATP Match purportedly meet the relevant EquityClear (ccCFD) Open Offer Eligibility Criteria in paragraph (c), the EquityClear Clearing Members shall each be bound by any EquityClear (ccCFD) Contract registered in his name in respect of such EquityClear (ccCFD) ATP Match and the terms of such registered EquityClear (ccCFD) Contract shall be as set out in paragraph (b).
- (l) Without prejudice to paragraph (k), the Clearing House may with the agreement of an EquityClear Clearing Member party to an EquityClear (ccCFD) Contract and the relevant ATP, set aside or take such other steps with respect to such Contracts on such terms as may be agreed between each such EquityClear Clearing Member and the Clearing House, if any such EquityClear Clearing Member considers that a Contract has been entered into in error or certain terms of the Contract have been agreed in error.
- (m) In the event of a dispute:
- (i) arising out of, or in respect of, the existence of an EquityClear (ccCFD) ATP Match or, where applicable, whether it was identified to the ATP by the relevant EquityClear Trading Participants as an EquityClear (ccCFD) ATP Match to be registered by the Clearing House as an EquityClear (ccCFD) Contract such dispute shall be settled as provided for in the ATP Market Rules without recourse to the Clearing House;
 - (ii) in respect of registered EquityClear (ccCFD) Contracts, arising out of, or in respect of, such registered EquityClear (ccCFD) Contracts, or in relation to these Regulations relating to the clearing of such EquityClear (ccCFD) Contracts, other than a dispute referred to in (i) above, shall be referred to arbitration and settled as provided in Regulation 23 where the relevant ATP Market Rules provide for arbitration. Where the relevant ATP Market Rules do not include relevant arbitration provisions, or the application of such arbitration provisions to EquityClear (ccCFD) Contracts is disappplied in these Regulations or the Procedures, a dispute arising out of, or in respect of, such registered EquityClear (ccCFD) Contracts, or in relation to these Regulations relating to the clearing of such EquityClear (ccCFD) Contracts, shall be settled in accordance with the Regulations and the Procedures, as applicable.
- (n) Without prejudice to the generality of Regulation 39 or any other provision of the Regulations or Procedures concerning liability of the Clearing House or a Member, any liability of the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) to a Member or to any other person (including, without limitation, any client of a Member) which might otherwise arise in connection with the EquityClear service shall, if and to the extent such liability arises out of any act or omission of any third party upon whom the Clearing House is reliant in any material respect in its provision of the EquityClear service (including, without limitation, an Approved EquityClear Trading Platform, or any provider of transaction routing functionality), be limited to such amounts as the Clearing House is entitled to recover and is successful in recovering from that third party in respect of that party's acts and/or omissions.

Regulation 63 EquityClear NCMs

- (a) A person who is not a Member but who is party to an Approved EquityClear Clearing Agreement shall be admitted by the Clearing House to the Register of EquityClear NCMs and shall remain on the Register for so long as that Approved EquityClear Clearing Agreement subsists.
- (b) The Clearing House shall suspend from the Register of EquityClear NCMs any EquityClear NCM who is party to an Approved EquityClear Clearing Agreement with an EquityClear Clearing Member whose Clearing Membership Agreement has been terminated or who is no longer eligible to have EquityClear Contracts registered in its name, for such period as the Clearing House may determine.

Regulation 64 Delivery (or Other) Failures

- (a) Without prejudice to the Default Rules and the Procedures, if an EquityClear Clearing Member as seller fails to deliver financial instruments to the Clearing House under an EquityClear Contract by the due time therefor, the Clearing House may issue directions, in accordance with the Procedures, to the seller and to an EquityClear Clearing Member as buyer under a corresponding EquityClear Contract regarding the performance of such contracts and such directions shall be binding on such members.
- (b) The Clearing House shall be entitled to call for cover for margin in such amounts and in such form as it may require in accordance with the Procedures from the selling EquityClear Clearing Member who has failed to deliver securities under an EquityClear Contract by the due time therefor and from the buying EquityClear Clearing Member under the corresponding EquityClear Contract.
- (c) Without prejudice to the Default Rules, if a selling EquityClear Clearing Member acts in such a manner (which could, without limit, include persistent failure to deliver securities to the Clearing House under EquityClear Contracts (other than in circumstances where Regulations 26 and/or 27 apply)), and the Clearing House in its reasonable opinion determines that the reputation of the EquityClear Service is being, or has been, undermined, the Clearing House shall be entitled to terminate, on written notice, either summarily or at the expiry of the period specified in the notice, the EquityClear Clearing Member's ability to have EquityClear Contracts registered in his name and to require him to liquidate or transfer under Regulation 11 open contracts, being EquityClear Contracts registered in his name.

Regulation 65 Suspension of the EquityClear service or the EquityClear Open Offer

The Clearing House may, from time to time, in its absolute discretion suspend the EquityClear service or the EquityClear Open Offer in respect of ATP Matches or the EquityClear (ccCFD) Open Offer in respect of EquityClear (ccCFD) ATP Matches or its service in respect of any EquityClear Novation Transaction on one or more ATPs for such period of time as it may determine.

Regulation 66 Withdrawal of EquityClear Service by the Clearing House

- (a) If at any time the Clearing House decides to withdraw part or the whole of the EquityClear service it shall give not less than six months' notice to all affected EquityClear Clearing Members of the date on which the service will be withdrawn ("the EquityClear Withdrawal Date"). The accidental omission by the Clearing House to give notice under this Regulation to, or the non-receipt of notice under this Regulation 66 by, one or more affected EquityClear Clearing Members shall not invalidate the EquityClear Withdrawal Date.
- (b) Without prejudice to its rights under the Default Rules, any notice given under paragraph (a) shall specify the nature of the service which the Clearing House will provide until the EquityClear Withdrawal Date.
- (c) If, at the EquityClear Withdrawal Date, an EquityClear Clearing Member has open Contracts, being affected EquityClear Contracts, registered in its name, the Clearing House shall, at its sole discretion, be entitled to liquidate any such EquityClear Contracts and effect cash settlement in respect of them with the EquityClear Clearing Member.
- (d) The Clearing House shall have the right to postpone the EquityClear Withdrawal Date until such time as the Clearing House determines.

Regulation 67 Rejection of ATP Matches and of EquityClear Novation Transactions

- (a) Any EquityClear (Equities) ATP Match, particulars of which are submitted to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear Contract, which does not meet the EquityClear (Equities) Open Offer Eligibility Criteria as set out in Regulation 62A (or any EquityClear (Equities) ATP Match which is an EquityClear Mixed Member Match where the relevant Co-operating Clearing House subsequently declines to register, rejects, cancels, avoids or terminates such EquityClear (Equities) ATP Match or any contract between the Co-operating Clearing House and its member arising out of it and any balancing contract deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear (Equities) ATP Match), or which the Clearing House declines to register under any other provision within these Regulations will, subject to paragraph (c), be rejected by the Clearing House and no EquityClear Contracts shall be deemed to have arisen. Without prejudice to the generality of Regulation 39, or any other provision of the Regulation or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person (including but not limited to any EquityClear NCM) with regard to the rejection by it of any such EquityClear (Equities) ATP Match.
- (b) Any EquityClear Novation Transaction, particulars of which are submitted to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear Contract, which does not meet the applicable eligibility criteria as set out in Regulation 62B (or any EquityClear Novation Transaction which is an EquityClear Mixed Member Match where the relevant Co-operating Clearing House subsequently declines to register, rejects, cancels, avoids or terminates such EquityClear Novation Transaction or any contract between the Co-operating Clearing House and its member arising out of it and any balancing contract deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear Novation Transaction), or which the Clearing House declines to register under any other provision within these Regulations will, subject to paragraph (c), be rejected by the Clearing House and no EquityClear Contracts shall be deemed to have arisen. Without prejudice to the generality of Regulation 39, or any other provision of the Regulation or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person (including but not limited to any EquityClear NCM) with regard to the rejection by it of any such EquityClear Novation Transaction.
- (c) The Clearing House may, in its absolute discretion, agree to register an EquityClear Contract, notwithstanding that it does not meet the EquityClear (Equities) Open Offer Eligibility Criteria or the eligibility criteria set out in Regulation 62B(c) (as applicable) or it contains invalid or incomplete message data, in accordance with provisions prescribed by the Clearing House from time to time in the Procedures.

Regulation 67A Rejection of EquityClear (ccCFD) ATP Matches

- (a) Any EquityClear (ccCFD) ATP Match, particulars of which are submitted to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear (ccCFD) Contract, which does not meet the EquityClear (ccCFD) Open Offer Eligibility Criteria (as set out in Regulation 62C) as the case may be, or which the Clearing House declines to register under any other provision within these Regulations will, subject to paragraph (b), be rejected by the Clearing House and no EquityClear (ccCFD) Contracts shall be deemed to have arisen. Without prejudice to the generality of Regulation 39, or any other provision of the Regulation or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person (including but not limited to any EquityClear NCM) with regard to the rejection by it of any such EquityClear (ccCFD) ATP Match.
- (b) The Clearing House may, in its absolute discretion, agree to register an EquityClear (ccCFD) Contract, notwithstanding that it does not meet the EquityClear (ccCFD) Eligibility Criteria or it contains invalid or incomplete message data, in accordance with provisions prescribed by the Clearing House from time to time in the Procedures.

SCHEDULE TO THE EQUITYCLEAR REGULATIONS**Part A****EquityClear (Equities) Contract Terms**

The terms of an EquityClear Contract shall comprise the Economic Terms and the General Terms.

1. The Economic Terms of an EquityClear (Equities) Contract shall comprise:
 - (a) Buyer;
 - (b) Seller;
 - (c) Security (type and number);
 - (d) Price;
 - (e) Settlement date.
2. The General Terms shall comprise such further and other provisions as may be set out in this Part A and the Procedures.
3. Obligations regarding taxes and corporate events shall be as set out in the Procedures.
4. Economic Terms will be as set out in the information received by the Clearing House from the relevant ATP in respect of the EquityClear (Equities) ATP Match or EquityClear Novation Transaction giving rise to the EquityClear (Equities) Contract except that :
 - (c) in respect of an EquityClear (Equities) ATP Match or EquityClear Novation Transaction under Regulation 62A or 62B respectively, where such information specifies the EquityClear Clearing Members as the
 - (i) Buyer under the EquityClear (Equities) ATP Match or EquityClear Novation Transaction, with the other party as Seller, the Clearing House will be Seller under the EquityClear (Equities) Contract; or
 - (ii) Seller under the EquityClear (Equities) ATP Match or EquityClear Novation Transaction, with the other party as Buyer, the Clearing House will be the Buyer under the EquityClear (Equities) Contract.

5. Third Party Rights

A person who is not a party to an EquityClear (Equities) Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of an EquityClear (Equities) Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

6. Regulations

Each EquityClear (Equities) Contract shall be subject to the Regulations, which shall form a part of its terms.

7. Governing Law

Each EquityClear (Equities) Contract shall be governed by, and construed in accordance with English law and the parties hereby submit to the exclusive jurisdiction of the English courts.

8. EquityClear (Equities) ATP Matches and EquityClear Novation Transactions

Without prejudice to these Regulations or the Procedures, the relevant ATP Market Rules shall apply in respect of EquityClear (Equities) Contracts, and such EquityClear (Equities) Contracts shall be settled in accordance with the ATP Market Rules, the settlement rules of the relevant Approved EquityClear Settlement Provider, and these Regulations and Procedures, including but not limited to the relevant provisions in respect of suspension of settlement, for instance on the insolvency of the issuer of the relevant securities, or otherwise. Where there is any conflict between any term of any ATP Market Rule or any term of the settlement rules of any Approved EquityClear Settlement Provider, and the Regulations and Procedures of the Clearing House, the latter shall prevail.

SCHEDULE TO THE EQUITYCLEAR REGULATIONS

Part B

EquityClear Eligible (Equities)

Such securities, as are prescribed, for these purposes from time to time by the Clearing House, and published by the Clearing House, in accordance with the Procedures.

SCHEDULE TO THE EQUITYCLEAR REGULATIONS**Part C****EquityClear (ccCFD) Contract Terms**

The terms of an EquityClear (ccCFD) Contract shall include these EquityClear (ccCFD) Contract Terms which shall comprise:

- (1) Interpretation section;
- (2) Economic Terms; and
- (3) Standard Terms – (i) Specific Standard Terms and (ii) General Standard Terms.

1. Interpretation Section

1.1 Save as otherwise specified herein, words and phrases defined elsewhere in the General Regulations, Procedures and Default Rules of the Clearing House (together, and as amended from time to time, the "**Rulebook**") shall have the same meanings in these EquityClear (ccCFD) Contract Terms.

1.2 In the event of any inconsistency between these LCH EquityClear (ccCFD) Contract Terms and the Rulebook, the Rulebook will prevail, unless expressly otherwise specified.

1.3 In these EquityClear (ccCFD) Contract Terms, the following terms have the following meanings:

"Benchmark Interest Rate" means the relevant interbank cash interest rate applicable to the Relevant Currency;

"Contract Date" means the date on which the EquityClear (ccCFD) Contract is first entered into by the Clearing House;

"Contract Quantity" means the number of Units bought or sold under the EquityClear (ccCFD) Contract;

"Relevant ATP" means the ATP on which the EquityClear ATP Match underlying this EquityClear (ccCFD) arises;

"Relevant Currency" means the currency in which an EquityClear (ccCFD) Contract is traded and will be settled, as identified in the Economic Terms;

"Spread Charge" means the daily cost charged by LCH for holding an open position in an EquityClear (ccCFD) Contracts;

"Underlying Exchange" means the exchange on which an Underlying Security is listed;

"Underlying Instrument" means the Underlying Security, index, commodity, currency pair or other asset or product that is the subject matter of an EquityClear (ccCFD) Contract;

"Underlying Security" Means the equity security listed by the Underlying Exchange and identified as the Underlying Instrument in the Economic Terms

“Unit” means the minimum quantity of the relevant Underlying Instrument may be bought or sold under an EquityClear (ccCFD) Contract.

2. Economic Terms

2.1 The Economic Terms of a EquityClear (ccCFD) Contract shall comprise details of:

- (a) Buyer
- (b) Seller
- (c) Price
- (d) Contract Quantity
- (e) Relevant Currency
- (f) Underlying Instrument
- (g) Unit

2.2 The Economic Terms of an EquityClear (ccCFD) Contract will be as set out in the information received by the Clearing House from the relevant ATP in respect of an EquityClear ATP Match except that (a) where such information specifies an EquityClear Clearing Member as the buyer, the Clearing House shall be the seller; and (b) where such information specifies an EquityClear Clearing Member as the seller, the Clearing House shall be the buyer.

3. Specific Standard Terms

3.1 Contracts for Difference on Equities

Type of Contract	Equity Contract for Difference
Description	Contract for Difference on the Underlying Security
Unit	One Unit represents 1 share of the Underlying Security. Follows Underlying Exchange electronic order book price format
Minimum contract size	One Unit
Relevant Currency	The currency in which the Underlying Security is denominated
Trading hours	7.30 am to 5.30pm GMT
Daily settlement price	The price is equal to that of the closing price as determined by Clearing House
Contract Standard	Daily margining based on Daily Settlement Price Closure of the contract is performed by an equal and opposite transaction.
Benchmark Interest Rate	Seller: Receives Benchmark Interest Rate (or Relevant Currency equivalent) Buyer: Pays Benchmark Interest Rate (or Relevant Currency equivalent)

Spread Charge	Seller: Pays or receives daily Spread Charge Buyer: Pays or receives daily Spread Charge
Financing Amount	The net amount of the Benchmark Interest Rate and the Spread Charge paid or received daily
Expiry	N/A
Cash Equivalent Dividend Payment	If a dividend is declared in respect of the Underlying Security of an EquityClear (ccCFD) Contract, then the Seller must pay to the Buyer an amount calculated in accordance with the Rulebook and payable at the time specified in the Rulebook. UK Equities Seller: Net cash equivalent paid at the applicable rate . Buyer: Net cash equivalent received at the applicable rate.

4. General Standard Terms

The following General Standard Terms apply to all EquityClear (ccCFD) Contracts:

4.1 Term

This EquityClear (ccCFD) Contract shall be of indefinite duration, subject to termination in accordance with the Rulebook.

4.2 Daily Settlement

This EquityClear (ccCFD) Contract shall be subject to daily settlement in accordance with the Rulebook.

4.3 Lack of Daily Settlement Price

If no Daily Settlement Price is available, for whatsoever reason, the Clearing House may, in consultation with the Relevant ATP, fix an alternative at a price determined by them, in their absolute discretion, as being consistent with cash market values of the Underlying Instrument.

4.4 Financing Amount

A daily Financing Amount will be calculated and payable daily by reference to the net number of those open EquityClear (ccCFD) Contracts held by the Buyer and Seller in its House account and Client account. The Financing Amount will be calculated in arrears commencing 3 days from the trade date.

The daily Financing Amount is based on two components: (i) the Benchmark Interest Rate; and (ii) the Spread Charge. Holders of long positions pay the daily Benchmark Interest Rate and pay or receive the Spread Charge. Holders of short positions receive the daily Benchmark Interest Rate and pay or receive the Spread Charge. At the end of each day, the daily Financing Amount of each position is calculated, using the following formula:

Long CFD (adjustable by trade source and currency)

$$F = n \times p \times (L \pm \text{CMIs}) \times (d / b)$$

Short CFD (adjustable by trade source and currency)

$$F = n \times p \times (L \pm \text{CMss}) \times (d / b)$$

Where:

F	is the daily Financing Amount per ISIN paid to or received from the Buyer or Seller.
n	is the end of day position quantity per ISIN.
p	is the end of day daily price
L	is the applicable Benchmark Rate (or Relevant Currency equivalent).
CMIs or CMss	is the applicable long (or short) Spread Charge charged or paid by the Buyer or Seller. Note, the short Spread Charge also includes the stock borrow rate for equities. Can be positive or negative.
d	is the number of days position is financed for, (between current business day and next cost of carry run) using a currency calendar. For example, one for overnight calculations and 3 days for standard weekends.
b	is the standard days basis for the settlement currency. For UK 365 days is used.

4.5 Third Party Rights

A person who is not a party to an EquityClear (ccCFD) Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of an EquityClear (ccCFD) Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

4.6 Regulations

Each EquityClear (ccCFD) Contract shall be subject to the Regulations, which shall form a part of its terms.

4.7 Governing Law

Each EquityClear (ccCFD) Contract shall be governed by, and construed in accordance with English law and the parties hereby submit to the exclusive jurisdiction of the English courts

LCH ENCLEAR OTC REGULATIONS

Regulation 68 Application of LCH EnClear OTC Regulations

- (a) The LCH EnClear OTC Regulations, which form part of the Regulations, together with the Regulations referred to in paragraph (b) apply to LCH EnClear OTC Contracts and LCH EnClear OTC Clearing Members.
- (b) The Default Rules, Default Fund Rules, the definitions and Regulations 1, 2, 3(b), 4, 5, 8, 9(b) and (c), 10, 11, 12, 14, 16, 23, 24, 26 to 39B inclusive (other than Regulation 35(a) and Regulation 37(b)) of the General Regulations apply to LCH EnClear OTC Contracts and LCH EnClear OTC Clearing Members.

Regulation 69 **Registration of LCH EnClear Contracts**

[Regulations 69-73 (inclusive) are no longer in force.]

Regulation 70 **LCH EnClear Contracts**

[Regulations 69-73 (inclusive) are no longer in force.]

Regulation 71 LCH EnClear Third Party Clearing Participants

[Regulations 69-73 (inclusive) are no longer in force.]

Regulation 72 Daily Settlement

[Regulations 69-73 (inclusive) are no longer in force.]

Regulation 73 **Withdrawal of the LCH EnClear Service by the Clearing House**

[Regulations 69-73 (inclusive) are no longer in force.]

Regulation 73A Registration of LCH EnClear OTC Contracts

- (a) An LCH EnClear OTC Clearing Member must submit particulars of an Eligible OTC Trade for registration as an LCH EnClear OTC Contract, through such means as shall be prescribed by the Procedures.
- (b) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation, an LCH EnClear OTC Clearing Member shall be bound by an LCH EnClear OTC Contract registered in its name pursuant to the presentation of particulars of an Eligible OTC Trade by it or on its behalf, or by an Approved Broker or presented by another LCH EnClear OTC Clearing Member provided that the particulars of such Eligible OTC Trade are submitted to the Clearing House through such means as shall be prescribed by the Procedures.
- (c) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation, an Eligible OTC Trade, particulars of which are submitted for registration as an LCH EnClear OTC Contract, must meet the eligibility criteria prescribed in these Regulations and the Procedures at the time the particulars of such Eligible OTC Trade are presented to the Clearing House and must continue to meet such criteria at the Registration Time in order to be registered as an LCH EnClear OTC Contract.
- (d) The Clearing House shall be deemed to register an LCH EnClear OTC Contract, in accordance with Regulation 73A in the name of an LCH EnClear OTC Clearing Member at the time prescribed in the LCH EnClear Procedures ("Registration Time").
- (e) For the avoidance of doubt, any transaction of which details have been submitted by or on behalf of, a LCH EnClear OTC Clearing Member or by an Approved Broker for registration as an LCH EnClear OTC Contract which is not so registered shall remain in effect or be terminated, as the case may be, according to any terms agreed between the parties thereto, and the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no obligations or liability in relation thereto.
- (f) If at any time after registration of an LCH EnClear OTC Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration was not an Eligible OTC Trade or did not, at the Registration Time, meet the eligibility criteria for registration as an LCH EnClear OTC Contract, the Clearing House shall, as soon as practicable thereafter, set aside such LCH EnClear OTC Contract. Upon the LCH EnClear OTC Contract being set aside under this Regulation 73A(f), the particulars of the transaction in question shall be deemed never to have been submitted to the Clearing House and such transaction shall remain in effect or be terminated, as the case may be, in accordance with any terms agreed between the parties thereto. Any payment made under, or in respect of, an LCH EnClear OTC Contract set aside under this paragraph shall be repayable to the person who made the payment. Without prejudice to Regulation 39 and its obligations under this Regulation 73A(f), the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of an LCH EnClear OTC Contract in respect of a transaction which did not meet the eligibility criteria at the Registration Time to enable it to be registered as an LCH EnClear OTC Contract.

Regulation 73B LCH EnClear OTC Contracts

- (a) Without prejudice to the Clearing House's rights to effect further novation under Regulation 3(b), an Eligible OTC Trade presented for registration to, and accepted by the Clearing House, shall be registered by the Clearing House as two LCH EnClear OTC Contracts, one between the First LCH EnClear OTC Clearing Member being the seller, or party paying a Fixed Price (as the case may be) and the Clearing House as buyer, or the party paying a Floating Price (as the case may be) as principals to such contract, and the other between the Clearing House as the seller or party paying a Fixed Price (as the case may be) and the Second LCH EnClear OTC Clearing Member being the buyer or the party paying a Floating Price (as the case may be) as principals to such contract. For the purposes of this Regulation:
- (i) "First LCH EnClear OTC Clearing Member" is an LCH EnClear OTC Clearing Member who was, before registration of the LCH EnClear OTC Contract, party to the corresponding Eligible OTC Trade as the seller, or party paying a Fixed Price (as the case may be), or, if appropriate, who has Accepted such Eligible OTC Trade in accordance with the relevant Procedures; and
 - (ii) "Second LCH EnClear OTC Clearing Member" is an LCH EnClear OTC Clearing Member who was, before registration of the LCH EnClear OTC Contract, party to the corresponding Eligible OTC Trade as the buyer, or the party paying a Floating Price (as the case may be), or, if appropriate, who has accepted such Eligible OTC Trade in accordance with the relevant Procedures.

For the purposes of this Regulation 73B, "Accepted" shall mean that the relevant LCH EnClear OTC Clearing Member has agreed, by such means as may be prescribed from time to time by the Procedures, to become counterparty with the Clearing House to such LCH EnClear OTC Contract.

- (b) With effect from registration of an Eligible OTC Trade as two LCH EnClear OTC Contracts under paragraph ~~(a)~~(a) of this Regulation:
- (i) the parties to the corresponding Eligible OTC Trade, to the extent that they are bound by these Regulations, shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time; where the parties to the corresponding OTC Eligible Trade are not bound by these Regulations, such trade shall be dealt with according to the terms agreed by the parties to that trade;
 - (ii) each LCH EnClear OTC Contract registered under paragraph (a) of this Regulation shall be governed by the relevant LCH EnClear OTC Contract Terms as applicable to that Contract;
 - (iii) subject always to sub-paragraph (ii) above, in respect of the Economic Terms, the First LCH EnClear OTC Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the LCH EnClear OTC Contract to which it is party as the seller had and owed in respect of its counterparty under the corresponding Eligible OTC Trade; and
 - (iv) subject always to sub-paragraph (ii) above, in respect of the Economic Terms, the Second LCH EnClear OTC Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the LCH EnClear OTC Contract to which it is party as the buyer, had and owed in respect of its counterparty under the corresponding Eligible OTC Trade.

In sub-paragraphs (iii) and (iv) above, a reference to the “same” rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the Economic Terms of the corresponding Eligible OTC Trade (it being assumed, for this purpose, that such Eligible OTC Trade was a legal, valid, binding and enforceable obligation of the parties thereto and that the Economic Terms thereof were as presented to the Clearing House for registration), notwithstanding the change in the person entitled to them or obliged to perform them, and subject to any change thereto as a result of the operation of the Standard Terms.

- (c) If an Eligible OTC Trade is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any LCH EnClear OTC Contract arising under this Regulation, Regulation 3(b) or Regulation 11.
- (d) In the case of a LCH EnClear OTC Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 73B shall take effect.

Regulation 73C Daily Settlement

- (a) Where the LCH EnClear OTC Procedures so provide, in respect of any Eligible OTC Trade, and any LCH EnClear OTC Contract arising therefrom the Clearing House may affect the daily settlement to market, of such open LCH EnClear OTC Contracts in accordance with the Procedures.
- (b) The Clearing House may, in accordance with the Procedures, in respect of each such open LCH EnClear OTC Contract in an LCH EnClear OTC Clearing Member's name which is subject to daily settlement to market, effect and register a settlement contract, being a contract on the same terms (except as to price) as the open contract, save that where that Clearing Member is the seller or the party paying a Fixed Price (as the case may be) under the terms of the open contract, that Clearing Member shall be the buyer or the party paying a Floating Price (as the case may be) under the terms of the settlement contract and vice-versa, such settlement contract to be effected in accordance with the Procedures at the relevant Reference Price for that day. The Clearing House shall thereupon settle each open contract against the respective settlement contract in accordance with the Procedures.
- (c) Upon completion of the procedure set out in paragraph (b) above, the Clearing House may, if the Procedures so provide, calculate the daily settlement amounts in accordance with the Procedures and may thereafter make up the LCH EnClear OTC Clearing Member's account and upon the Clearing House so doing, that Clearing Member and the Clearing House shall (unless otherwise agreed) settle any daily settlement amounts arising in accordance with the arrangements set out in the Procedures in respect of the relevant LCH EnClear OTC Contract.
- (d) The Clearing House shall, upon completion of the calculation of daily settlement amounts pursuant to paragraph (c) above in the manner prescribed by the Procedures, in respect of those open LCH EnClear OTC Contracts in an LCH EnClear OTC Clearing Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily settlement to market, register at the Reference Price referred to in paragraph (b) above, which price shall be deemed to be the Traded Price, contracts in that Clearing Member's name as open LCH EnClear OTC Contracts on the same terms (except as to price) as the settled open contracts, save that no contract for the purchase and no contract for the sale of the same commodity, for the same delivery month, or expiry month and price, shall be registered in that Clearing Member's name.
- (e) [This provision has been left blank intentionally]
- (f) [This provision has been left blank intentionally]
- (g) [This provision has been left blank intentionally]
- (h) [This provision has been left blank intentionally]
- (i) [This provision has been left blank intentionally]
- (j) [This provision has been left blank intentionally]

Regulation 73D *[This provision has been left blank intentionally]*

Regulation 73E Withdrawal of the LCH EnClear OTC Services by the Clearing House

- (a) If at any time the Clearing House decides to withdraw its LCH EnClear OTC Services (or any part of it) it shall give not less than six months' notice in accordance with the Procedures to all LCH EnClear OTC Clearing Members of the date on which the service will be withdrawn ("the LCH EnClear OTC Services Withdrawal Date"). The accidental omission by the Clearing House to give notice under this Regulation to, or the non-receipt of notice under this Regulation by a LCH EnClear OTC Clearing Member shall not invalidate the LCH EnClear OTC Services Withdrawal Date. Where only a part of the LCH EnClear OTC Services is being withdrawn, notice shall only be given to those LCH EnClear OTC Clearing Members authorised or approved to participate in that part of the Services.
- (b) Without prejudice to its rights under the Default Rules, the Clearing House will not, other than pursuant to action under the Default Rules, register an LCH EnClear OTC Contract, other than a closing-out contract after notice to withdraw the service has been given under Regulation 73E(a).
- (c) If, at the LCH EnClear OTC Services Withdrawal Date, an LCH EnClear OTC Clearing Member has not closed out all open LCH EnClear OTC Contracts registered in its name, the Clearing House shall, at its sole discretion, be entitled to:
 - (i) liquidate any or all of such LCH EnClear OTC Contracts and require such contracts to be cash settled at a price determined by the Clearing House; and
 - (ii) postpone the LCH EnClear OTC Services Withdrawal Date until such time as the Clearing House determines.

SCHEDULE TO THE LCH ENCLEAR OTC REGULATIONS**Part A****LCH EnClear OTC Contract Terms**

Where an LCH EnClear OTC Contract arises between the Clearing House and an LCH EnClear OTC Clearing Member pursuant to the Regulations and the terms of any agreement between them, the terms of a registered LCH EnClear OTC Contract shall include these LCH EnClear OTC Contracts Terms which shall comprise:

- (1) Interpretation and Definitions;
- (2) Economic Terms;
- (3) Specific Standard Terms*; and
- (4) General Standard Terms

Section 1 Interpretation and Definitions: General

- 1.1 [This section has been removed.]
- 1.2 Words and expressions used in these LCH OTC EnClear OTC Contract Terms shall have the same meaning as in the General Regulations, Default Rules and Procedures of the Clearing House (together, and as amended from time to time, the "Regulations").
- 1.3 The accidental omission to give any notice which may be required under the Regulations or Procedures for the amendment of these Contract Terms, or the non-receipt of any such notice by any LCH EnClear OTC Clearing Member shall not invalidate the amendment with which such notice is concerned.
- 1.4 In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.
- 1.5 Subject to the Regulations and the Procedures, the Clearing House will use the relevant LCH EnClear OTC Contract Terms applicable to an LCH EnClear OTC Contract to calculate the amounts due under the LCH EnClear OTC Contract to, or from, the Clearing House in accordance with the Procedures.
- 1.6 Subject to the Regulations and the Procedures, the Clearing House will use the relevant LCH EnClear OTC Contract Terms applicable to an LCH EnClear OTC Contract to calculate the amounts due under the LCH EnClear OTC Contract to, or from, the Clearing House in accordance with the Procedures.
- 1.7 "US Business Day" means a day upon which banks in the United States of America are generally open to settle payments and for general business. "UK Business Day" means a day upon which banks in England and Wales are generally open to settle payments and for general business.

Section 2 Economic Terms

- 2.1 The Economic Terms of an LCH EnClear OTC Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding Eligible OTC Trade in respect of the terms designated as Economic Terms in this Schedule.

- 2.2 It is part of the eligibility criteria for registration as an LCH EnClear OTC Contract that the particulars of an Eligible OTC Trade presented to the Clearing House must include matched information in respect of all such designated Economic Terms with the exception of 2.3(viii) which will be determined in accordance with the Procedures.
- 2.3 The Economic Terms comprise:
- (a) Fixed Rate Payer or seller;
 - (b) Floating Rate Payer or buyer;
 - (c) Contract;
 - (d) Contract Series;
 - (e) Quantity;
 - (f) Delivery Period (where applicable);
 - (g) Fixed Price or Traded Price (as the case may be);
 - (h) Floating Price (where applicable).

PROVIDED, however, that, as set out in Regulation 73B where the Eligible OTC Trade specifies an LCH EnClear OTC Clearing Member as the party paying the Fixed Price or being the seller (“the First LCH EnClear OTC Clearing Member”) with the other LCH EnClear OTC Clearing Member as the party paying the Floating Price or being the buyer (“the Second LCH EnClear OTC Clearing Member”) the Clearing House, in respect of each LCH EnClear OTC Contract it is party to pursuant to the corresponding Eligible OTC Trade, shall be (i) the party paying the Floating Price or the buyer to the First LCH EnClear OTC Clearing Member under the LCH EnClear OTC Contract; and (ii) the party paying the Fixed Price or seller to the Second LCH EnClear OTC Clearing Member under the LCH EnClear OTC Contract.

Section 3 Specific Standard Terms For LCH EnClear OTC Contracts

[Sections 3.1 and 3.2 no longer in force]

3.3 LCH EnClear OTC Services: Energy Division

The following sets of terms are designated as Specific Standard Terms of a registered LCH EnClear OTC Contract arising from an Eligible OTC Trade in the Energy Division of the LCH EnClear OTC Services.

Section	Contract
3.3A	No longer in force
3.3B	No longer in force
3.3C and 3.3D	OTC Emissions – EUAs
3.3C and 3.3E	OTC Emissions – CERs
3.3F	OTC Emissions – EUA Spot
3.3G	OTC Emissions – CER Spot
3.3H	OTC Emissions – EUA Options
3.3I	OTC Emissions – CER Options
3.3A	No longer in force

3.3B **No longer in force**3.3C **LCH EnClear OTC Services: Energy**3.3C.1 **Standard Terms: Additional Definitions**

The following additional definitions shall apply to any LCH EnClear OTC Contract within the LCH EnClear OTC Services: Energy Division.

Defined Term	Definition
CER	A certified emissions reduction, as defined in the Directive, that may be used for determining compliance with emissions limitation commitments pursuant to and in accordance with the Scheme, excluding allowances generated by hydroelectric projects with a generating capacity exceeding 20MW.
CITL	The independent transaction log provided for in Article 20(1) of the Directive.
Commitment Period Reserve	The commitment period reserve requirements set out in paragraphs 6 and 7 of the Annex to Decision 11 of the Meeting of the Parties to the UNFCCC (modalities, rules and guidelines for emissions trading under Article 17 of the Kyoto Protocol), as amended from time to time.
Compliance Period	The first five-year period referred to in Article 11(2) of the Directive, namely 2008 to 2012 inclusive.
Delivery Period	The period beginning at 09.30 hours on the first business day following the last trading day and ending at 19.30 hours on the third business day following the last trading day.
Directive	Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time.
EUA	An allowance to permit the emission of one tonne of carbon dioxide equivalent during the relevant period that has been issued by a competent authority pursuant to the Directive for the purposes of the Scheme.
Holding Account	A holding account maintained pursuant to the Registry Regulation.
ITL	The international transaction log established pursuant to paragraph 38 of the Annex to Decision 13 of the Conference of the Parties to the UNFCCC.
ITL Operation	The establishment and continuing functioning of the link between the ITL, the CITL, the relevant Registry or Registries and, where applicable, the UNFCCC Clean Delivery Mechanism Registry.
LEBA Index	The index as published daily by the London Energy Brokers Association.
Registry Regulation	The EU Commission Regulation (EC) No 2216/2004 for a standardised and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time.
Scheme	The scheme for transferring emissions allowances, including EUAs and CERS, established pursuant to the Directive and the

Defined Term	Definition Registry Regulation and as implemented by the national laws of EU member states.
Suspension Event	(i) The absence of ITL Operation; (ii) the suspension of the Scheme; or (iii) the inability of a party to perform its obligations under an LCH EnClear OTC Contract as a result of a breach or breaches of the Commitment Period Reserve in each of the member states in which that party maintains a Holding Account.
UNFCCC	The United Nations Framework Convention on Climate Change.

3.3C.2 Standard Terms: Additional Provisions

(a) Suspension Event

If and to the extent that the performance of any LCH EnClear OTC Contract is frustrated by a Suspension Event, that event shall be deemed to be an event beyond the reasonable control of the parties for the purposes of Regulation 27 of the General Regulations and the Clearing House may act accordingly. In such circumstances, the Clearing House may, without limitation and acting in its sole discretion, issue directions such that the obligations of the Clearing Members under any affected LCH EnClear OTC Contract shall be fulfilled at such future time and by such means as the Clearing House may acting in its sole discretion determine.

(b) Abandonment of ITL Operation

Without prejudice to or limitation of any powers that the Clearing House may have under the General Regulations, if by official announcement of the European Commission or the UNFCCC or by joint announcement of those bodies it is established that ITL Operation will not be achieved during the Compliance Period, the Clearing House may invoice back such LCH EnClear OTC Contracts as are open at the relevant time. If and when LCH EnClear OTC Contracts are invoiced back in such circumstances, opposite contracts shall be effected and registered at the LEBA Index price published on the business day immediately preceding the day on which the official announcement referred to above is made. If such price is not available for whatever reason, or if in all the circumstances it would be unreasonable to use such price in the opinion of the Clearing House, opposite contracts shall be effected and registered at such other price as the Clearing House shall, acting in its sole discretion, reasonably determine.

(c) Exclusion of Liability

Without prejudice to the General Regulations, including without limitation those provisions of the General Regulations concerning liability, the Clearing House excludes all liability of any kind to the fullest extent possible in respect of any performance of or failure to perform an LCH EnClear OTC Contract that may be attributable to:

- (i) the lack of availability, failure and/or malfunction of any system, device, software or hardware which forms part of the Scheme or which has been designed for use in connection with it;
- (ii) any act or omission by any third party in connection with the Scheme.

3.3D Standard Terms: Basic Provisions – EUAs

Description	Physically settled contracts for the forward delivery of EUAs.
Unit of Trading	One lot of 1000 EUAs.
Minimum Contract Size	One lot.
Currency	Euros.
Tick Size	One euro cent (ten euros per lot).
Reference Price for Daily Settlement	LEBA EUA closing price or such other price as may be prescribed by the Clearing House from time to time.
Final Settlement	LEBA EUA closing price or such other price as may be prescribed by the Clearing House from time to time.
Minimum Fluctuation	Price One euro cent.
Maximum Price Fluctuation	Unlimited.
Contract Series	Annual December contract months beginning December 2008 and ending December 2015.
Business Days	UK Business days plus the UK Bank Holiday at the end of May and the UK Bank Holiday in August.
Expiry/Last Trading Date	Contracts will expire at 18:00 on the last Monday of the contract month. Where the last Monday of the contract month is not a business day, or there is a non-business day in the four days following the last Monday of the contract month, then the expiry day will be the second last Monday of the contract month. In cases where there is a non-business day in the four days following the second last Monday of the contract month, then the expiry day will be the third last Monday of the contract month.
Settlement	Physical delivery by the transfer of EUAs in accordance with the Procedures.
Final Payment Date	The business day following the last trading day.

3.3E Standard Terms: Basic Provisions – CERs

Description	Physically settled contracts for the forward delivery of CERs.
Nature	of A contract for the transfer of CERs as specified for

Contract		that contract.
Unit of Trading		One lot of 1000 CERs.
Minimum Contract Size		One lot.
Currency		Euros.
Tick Size		One euro cent (ten euros per lot).
Reference Price for Daily Settlement	Price	LEBA CER closing price or such other price as may be prescribed by the Clearing House from time to time.
Final Settlement		LEBA CER closing price or such other price as may be prescribed by the Clearing House from time to time.
Minimum Fluctuation	Price	One euro cent.
Maximum Fluctuation	Price	Unlimited.
Contract Series		Annual December contract months beginning December 2008 and ending December 2015.
Business Days		UK Business days plus the UK Bank Holiday at the end of May and the UK Bank Holiday in August.
Expiry/Last Trading Date		Contracts will expire at 18:00 on the last Monday of the contract month. Where the last Monday of the contract month is not a business day, or there is a non-business day in the four days following the last Monday of the contract month, then the expiry day will be the second last Monday of the contract month. In cases where there is a non-business day in the four days following the second last Monday of the contract month, then the expiry day will be the third last Monday of the contract month.
Settlement		Physical delivery by the transfer of CERs in accordance with the Procedures.
Final Date	Payment	The business day following the last trading day.

3.3F **Standard Terms: Basic Provisions EUA Spot Contract**

Description	Physically settled day ahead spot contract for the delivery of EU Allowances issued in accordance with the terms of Directive 1003/87/EC.
--------------------	---

Lot Size	One lot is equal to 1000 EU Allowance units. A unit being the right to emit 1 tonne of CO2 equivalent.
Minimum Contract Size	One Lot
Currency	Euros (€)
Minimum Tick Size	One Euro cent per tonne, €0.01/tonne
Settlement Price	LEBA EUA closing price or such or other price as may be prescribed by LCH.Clearnet from time to time.
Contract Series	Rolling day ahead spot contract for business days only. Contracts for Monday delivery are made available for trading on the Friday prior to delivery.
Expiry Day	Contracts will expire at 18:00 on the trading day.
Delivery	Delivery is fulfilled by the transfer of EU Allowances from the Holding Account at a designated Registry of the Seller to the Holding Account of LCH.Clearnet Ltd at the UK Emissions Trading Registry and from there to the Holding Account at the designated Registry of the Buyer.

3.3G **Standard Terms: Basic Provisions CER Spot Contract**

Description	Physically settled day ahead spot contract for the delivery of Certified Emissions Reductions issued pursuant to Article 12 of the Kyoto Protocol that may be used for determining compliance with emissions limitation commitments in accordance with the EU Emissions Trading Scheme. Excluding allowances generated by hydroelectric projects with a generating capacity exceeding 20MW.
Lot Size	One lot is equal to 1000 Certified Emission Reductions units. A unit being the right to emit 1 tonne of CO2 equivalent.
Minimum Contract Size	One lot
Currency	Euros (€)
Minimum Tick Size	One Euro cent per tonne, €0.01/tonne
Settlement Price	LEBA CER closing price or such or other price as may be prescribed by LCH.Clearnet from time to

time.

Contract Series	Rolling day ahead spot contract for business days only. Contracts for Monday delivery are made available for trading on the Friday prior to delivery.
Expiry Day	Contracts will expire at 18:00 on the trading day.
Delivery	Delivery is fulfilled by the transfer of Certified Emissions Reductions from the Holding Account at a designated Registry of the Seller to the Holding Account of LCH.Clearnet Ltd at the UK Emissions Trading Registry and from there to the Holding Account at the designated Registry of the Buyer.

3.3H **Standard Terms: Basic Provisions – EUA Options Contract**

Description	Physically settled Premium Paid Option on the underlying EUA Forward contract for the corresponding December expiry. These contracts, if “in the money” expire into their underlying EUA Forward contracts with a traded price equal to the Strike Price (see below)
Lot size	1000 tonnes
Currency	Euro
Pricing	Euro and Euro cents per metric tonne
Minimum tick	€0.01 per tonne
Option Type	Options are European style and will be automatically exercised on the expiry day if they are “in the money”. If an option is “out of the money” it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted.
Option Premium	The Premium is paid at the time of purchase.
Last trading day	Contracts will expire at 18:00 hours UK time 3 business days prior to the last Monday of the options contract month. Where the last Monday of the contract month is not a business day, or there is a non-business day in the four days following the last Monday of the contract month, then the expiry day will be 3 days prior to the second last Monday of the contract month. In cases where there is a non-business day in the four days following the second last Monday of the contract month, then the expiry day will be 3 days prior to the

third last Monday of the contract month.

Expiry

18:00 hours UK time on the last trading day

Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or greater "in-the-money" when compared to the relevant reference price.

Members are not permitted to override automatic exercise settings or manually enter exercise instructions for this contract.

The reference price will be a price in Euros and Euro cents, equal to the daily settlement price for the December EUA Forward contract of the corresponding year.

For these purposes "final settlement price" means the final settlement price on the expiry day of the underlying EUA forward contract.

Contract series

Four rolling month contracts (March, June, September and December) plus an additional two December contracts

All option contracts expire into the underlying December contract of the corresponding year.

Strike Price

Fifty strike prices in increments of €0.50 above and below the "at-the-money" strike price in all contract series.

Where the "at the money" strike price of the underlying commodity moves, additional strikes will be added each business day

Margin

Options will be subject to Initial Margin and Net Liquidation Value variation margin on a daily basis.

Business Days

UK business days

3.31 **Standard Terms: Basic Provisions – CER Options Contract**

Description

Physically settled Premium Paid Option on the underlying CER Forward contract for the corresponding December expiry.

These contracts, if "in the money" expire into their underlying CER Forward contracts with a traded price equal to the Strike Price (see below)

Lot size

1000 tonnes

Currency

Euro

Pricing	Euro and Euro cents per metric tonne
Minimum tick	€0.01 per tonne
Option Type	Options are European style and will be automatically exercised on the expiry day if they are “in the money”. If an option is “out of the money” it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted.
Option Premium	The Premium is paid at the time of purchase.
Last trading day	Contracts will expire at 18:00 hours UK time 3 business days prior to the last Monday of the options contract month. Where the last Monday of the contract month is not a business day, or there is a non-business day in the four days following the last Monday of the contract month, then the expiry day will be 3 days prior to the second last Monday of the contract month. In cases where there is a non-business day in the four days following the second last Monday of the contract month, then the expiry day will be 3 days prior to the third last Monday of the contract month.
Expiry	18:00 hours UK time on the last trading day Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or greater "in-the-money" when compared to the relevant reference price. Members are not permitted to override automatic exercise settings or manually enter exercise instructions for this contract. The reference price will be a price in Euros and Euro cents, equal to the daily settlement price for the December EUA Forward contract of the corresponding year For these purposes “final settlement price” means the final settlement price on the expiry day of the underlying EUA forward contract.
Contract series	Four rolling month contracts (March, June, September and December) plus an additional two December contracts. All option contracts expire into the underlying December contract of the corresponding year.

Strike Price	Fifty strike prices in increments of €0.50 above and below the “at-the-money” strike price in all contract series. Where the “at the money” strike price of the underlying commodity moves, additional strikes will be added each business day
Margin	Options will be subject to Initial Margin and Net Liquidation Value variation margin on a daily basis.
Business Days	UK business days

3.4 LCH EnClear OTC Services: Freight Division

The following terms are designated as Specific Standard Terms of a registered LCH EnClear OTC Contract arising from an Eligible OTC Trade in the Freight Division of the LCH EnClear OTC Service.

3.4.1 Standard Terms: Additional Definitions

“*Baltic Exchange*” means The Baltic Exchange Limited of St Mary Axe, London EC3A 8BH, UK.

“*FIS*” means Freight Investor Services Pte Ltd of 16 Collyer Quay, 10-01 Hitachi Tower, Singapore.

“*Flat Rate*” means an amount in respect of each pricing date expressed in US\$/mt for that route for that pricing date as published by the Worldscale Association (London) Ltd, and the Worldscale Association (NYC) Inc.

“*LEBA*” means The London Energy Brokers Association

“*mt*” means metric tonnes.

“*Reference Price*” means the daily or final settlement price, as the case may be, for that route, as set out herein below.

“*Shanghai Shipping Exchange*” means Shanghai Shipping Exchange of 88 Yang Shu Pu Road, Shanghai 200082, PRC.

“*TSI*” means The Steel Index Limited of Palladium House, 1-4 Argyll Street, London W1F 7LD.

“*Worldscale Point*” or “*WS Point*” means a point of the pricing index operated by the Worldscale Association.

“*Worldscale Rate*” or “*WS Rate*” means the number of Worldscale Points.

Tanker Voyage Routes, Dry Voyage Routes, Dry Timecharter Basket Routes, Dry Trip Timecharter Routes and Timecharter Voyage Routes are those defined by the Baltic Exchange.

3.4.2 The following sets of terms are designated as Specific Standard Terms of a registered LCH EnClear OTC Contract arising from an Eligible OTC Trade (Freight Division).

The table below shows which set of terms (identified by the individual sub-section number of this section 3) applies to the relevant type of freight forward contract or option contract and route:

Name of freight contract and route	Section
Tanker Voyage Routes	Section 3.4A
\$ Per Tonne Tanker Voyage Routes	Section 3.4B
Dry Voyage Routes	Section 3.4C
Dry Timecharter Basket Routes - Forwards	Section 3.4D
Dry Trip Timecharter Routes	Section 3.4E
Timecharter Voyage Route	Section 3.4F
Dry Timecharter Basket Routes - Options	Section 3.4G
Baltic Exchange Dry Index	Section 3.4H
Iron Ore Swap	Section 3.4I
Fertilizer Swaps	Section 3.4J
Container Swaps	Section 3.4K
API 2 cif ARA (Argus/McCloskey) Coal Swap Contract	Section 3.4L
API 4 fob Richards Bay (Argus/McCloskey) Coal Swap Contract	Section 3.4M
European Hot Rolled Coil Steel Swaps	Section 3.4N
Chinese Hot Rolled Coil Steel Swap	Section 3.4O
Turkish Import Scrap Steel Swap	Section 3.4P
Chinese Domestic Hot Rolled Ribbed Bar Steel Swap	Section 3.4Q
API 2 of ARA (Argus/McCloskey) Coal Option Contract	Section 3.4R
API 4 fob Richard Bay (Argus McCloskey) Coal Option Contract	Section 3.4S

3.4A **Cash Settled Freight Forward Contracts: Tanker Voyage Routes**

Description Cash settled freight forward contracts on any of the following Tanker Voyage Routes:

Baltic TD3 (260,000 mt ME Gulf – Japan)

Baltic TD5 (130,000 mt W Africa – USAC)
 Baltic TD7 (80,000 mt North Sea – Cont)
 Baltic TC2 (37,000 mt Continent – USAC)
 Baltic TC4 (30,000 mt Singapore – Japan)
 Baltic TC5 (55,000 mt ME – Japan)
 Baltic TC6 (30,000 mt Algeria/Euromed)

Lot Size	1,000 mt
Currency	US Dollars
Minimum Tick	US\$0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price, calculated as Flatrate x WS Rate /100
Floating Price	In respect of daily revaluation, the floating price will be calculated as Flat Rate x WS Rate/100, where the WS rate is the end of day price as supplied by the Baltic Exchange. In respect of final settlement, the floating price will be a price in US\$ per mt calculated as the mean of the Baltic Exchange WS rate spot price assessments multiplied by the Flat Rate divided by 100 for each pricing date in the expiry month.
Last Trading Day	At 18:00 hours UK time on last business day of each month within the contract series. Exception – December contracts will expire on the 24th December, or previous business day, where the 24th December is a non working day.
Contract Series	Front 6 Months, Front 5 Quarters (TC2, TC6, TD3, TD5, TD7), Front 4 Quarters (TC4, TC5), Front 2 Whole Calendar years. Out to a maximum of 36 months
Final Payment Date	The first business day following the expiry day
Business Days	UK business days

3.4B Cash Settled Freight Forward Contracts: \$ Per Tonne Tanker Voyage Routes

Description	Cash settled \$ per tonne freight forward contracts on the following Tanker Voyage Routes: Baltic TC2 (DC2) (37,000 mt Continent – USAC) Baltic TD3 (DD3) (260,000 mt ME Gulf – Japan)
-------------	--

Baltic TD5 (DD5) (130,000 mt W Africa – USAC)

Baltic TD7 (DD7) (80,000 mt North Sea – Cont)

Lot Size	1,000 mt
Currency	US Dollars
Pricing	US \$/tonne
Minimum Tick	US \$ 0.0001 to account for final settlement
Fixed Price	The traded price (in \$/t) or the previous day's settlement price, as supplied end of day by the Baltic Exchange
Floating Price	In respect of daily settlement, the floating price is the end of day price (in \$/t) as supplied by the Baltic Exchange. In respect of final settlement, the floating price will be a price in US\$ per mt calculated as the mean of the Baltic Exchange WS rate spot price assessments multiplied by the Flate Rate divided by 100 for each pricing date in the expiry month.
Last Trading Day	At 18:00 hours UK time on last business day of each month within the contract series. Exception – December contracts will expire on the 24th December, or previous business day, where the 24th December is a non-working day.
Contract Series	Front 6 Months, Front 5 Quarters, Front 2 Whole Calendar Years. Out to a maximum of 35 months
Final Payment	The first business day following the expiry day.
Business Days	UK business days.

3.4C Cash Settled Freight Forward Contracts: Dry Voyage Routes

Description	Cash settled freight forward contracts on any of the following Dry Voyage Routes: C3E (Tubarao – Beilun/Baoshan) C4E (Capesize Richards Bay – Rotterdam) C5E (W Australia – Beilun/Baoshan) C7E (Capesize Bolivar – Rotterdam)
Lot Size	1,000 mt
Currency	US Dollars

Pricing	US \$/mt, \$0.01
Minimum Tick	US \$ 0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by the Baltic Exchange
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by the Baltic Exchange. In respect of final settlement, the floating price will be the mean of the daily Baltic Exchange spot price assessments for every trading day in the expiry month.
Last Trading Day	At 18:00 hours UK time on last business day of each month within the contract series. Exception – December contracts will expire on the 24th December, or previous business day, where the 24th December is a non working day
Contract Series	C4E and C7E – out to a time horizon of 3 whole Calendar Years (max 47 months), traded as either monthly contracts, quarters or Calendar Years. C3E and C5E - Front 3 months, 4 whole quarters
Final Payment Date	The first business day following the expiry day
Business Days	UK Business Days

3.4D **Cash Settled Freight Forward Contracts: Dry Timecharter Basket Routes**

Description	Cash settled freight forward contracts on any of the following Dry Timecharter Basket Routes: CTC (Capesize TC Avg 4 routes) PTC (Panamax TC Avg 4 routes) STC (Supramax TC Avg 6 routes) HTC (Handysize TC Avg 6 routes)
Lot Size	1 day
Currency	US Dollars
Pricing	US \$ per day
Minimum Tick	US \$ 0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by the Baltic Exchange

Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by the Baltic Exchange. In respect of final settlement, the floating price will be the mean of the daily Baltic Exchange spot price assessments for every trading day in the expiry month.
Last Trading Day	At 18:00 hours UK time on last business day of each month within the contract series. Exception – December contracts will expire on the 24th December, or previous business day, where the 24th December is a non working day
Contract Series	CTC, PTC – Front 1 or 2 months (remaining from expired front quarter) Front 4 Quarters, Front 2 Half Years, Front 7 Calendar Years. STC, HTC – Front 1 or 2 months (remaining from expired front quarter) Front 4 Quarters, Front 2 Half Years, Front 5 Calendar Years.
Final Payment Date	The first business day following the expiry day
Business Days	UK Business Days

3.4E **Cash Settled Freight Forward Contracts: Dry Trip Timecharter Routes**

Description	Cash settled freight forward contracts on any of the following Dry Trip Timecharter routes: P1A, P1E (Panamax Transatlantic RV) P2A (Panamax Cont Trip Far East) P3A (Panamax trans Pacific round voyage)
Lot Size	1 day
Currency	US Dollars
Pricing	US\$ per/day
Minimum Tick	US\$0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied by the Baltic Exchange
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by the Baltic Exchange. In respect of final settlement, the floating price will be the mean of the last 7 Baltic Exchange spot price assessments in the expiry month.

Last Trading Day	At 18:00 hours UK time on last business day of each month within the contract series. Exception – December contracts will expire on the 24th December, or previous business day, where the 24th December is a non working day
Contract Series	P1A, P1E – Front 6 Months, front 4 whole quarters P2A, P3A – Front 6 Months, front 3 whole quarters
Final Payment Date	The first business day following the expiry day
Business Days	UK Business Days

3.4F **Timecharter Voyager Route**

Description	Cash settled freight forward contract on the following Timecharter Voyager Route: S7 (East coast India – China)
Lot Size	1 day
Currency	US Dollars
Pricing	US \$ per day
Minimum tick	US \$ 0.0001 to account for final settlement
Fixed price	The traded price or the previous day's settlement price as supplied end of day by the Baltic Exchange
Floating price	In respect of daily settlement, the floating price will be the end of day price as supplied by the Baltic Exchange. In respect of final settlement, the floating price will be the mean of the daily Baltic Exchange spot price assessments for every trading day in the expiry month.
Last Trading Day	At 18:00 hours UK time on last business day of each month within the contract series. Exception – December contracts will expire on the 24th December, or previous business day, where the 24th December is a non-working day.
Contract series	Current quarter and following 4 quarters
Final payment	The first business day following the last trading day
Business days	UK business days

3.4G **Cash Settled Premium Paid Options: Dry Timecharter Basket Routes**

Description	<p>Cash settled Premium Paid Options on any of the following Dry Timecharter Basket Routes: -</p> <p style="padding-left: 40px;">CTO (Capesize TC Avg 4 routes)</p> <p style="padding-left: 40px;">PTO (Panamax TC Avg 4 routes)</p> <p style="padding-left: 40px;">STO (Supramax TC Avg 6 routes)</p> <p style="padding-left: 40px;">HTO (Handysize TC Avg 6 routes)</p> <p>These contracts, if “in the money” expire into their underlying freight forward contracts with a traded price equal to the Strike Price (see below)</p>
Lot Size	1 day
Currency	US Dollars
Pricing	US\$ per day
Minimum Tick	US\$1 per day
Option Type	Options are European style and will be automatically exercised on the expiry day if they are “in the money”. If an option is “out of the money” it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted.
Option Premium	The Premium is paid at the time of purchase.
Last Trading Day	<p>At 17:00 hours UK time on last Business Day of each month within the contract series.</p> <p>Exception – December contracts will expire on the 24th December, or previous Business Day, where the 24th December is a non working day</p>
Expiry	<p>17:00 hours UK time on the Last Trading Day</p> <p>Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or greater in-the-money when compared to the relevant reference price.</p> <p>Members are not permitted to override automatic exercise settings or manually enter exercise instructions for this contract.</p> <p>The reference price will be a price in US dollars, cents and hundredths of a cent (\$0.0001), per day equal to the final settlement price for the underlying freight forward</p>

contracts.

For these purposes “final settlement price” means the final settlement price on the expiry day of the underlying freight forward contracts.

Contract Series	Front 1 or 2 months (remaining from expired front quarter) Front 4 Quarters, Front 3 Calendar Years.
Strike Price	CTO – Sixty strike prices in increments of \$250 per day both above and below the “at-the-money” strike price in all contract series. STO - Thirty strike prices in increments of \$250 per day both above and below the “at-the-money” strike price in all contract series. PTO - Thirty strike prices in increments of \$250 per day both above and below the “at-the-money” strike price in all contract series. HTO - Thirty strike prices in increments of \$100 per day both above and below the “at-the-money” strike price in all contract series. Where the “at the money” strike price of the underlying commodity moves additional strikes will be added each Business Day.
Business Days	UK Business Days

3.4H **Cash Settled Freight Index Contract: Baltic Exchange Dry Index**

Description	Cash settled freight swap on the Baltic Exchange Dry Index (BDI)
Lot Size	1 BDI tick
Currency	US Dollars
Pricing	1 BDI tick = US \$1
Minimum Tick	US \$ 0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by the Baltic Exchange
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by the Baltic Exchange. In respect of final settlement, the floating price will be the mean of the daily Baltic Exchange BDI assessments for every trading day in the expiry month.

Last Trading Day At 18:00 hours UK time on last business day of each month within the contract series.

Exception – December contracts will expire on the 24th December, or previous business day, where the 24th December is a non working day.

Contract Series Front 4 Months, Front 4 Quarters, One Whole Calendar

Final Payment Date The first business day following the expiry day

Business Days UK Business days

3.4I **Iron Ore Swap**

Description Iron ore swap contract – settled against the daily TSI index (The Steel Index) 62% fe

Contract Code TSI

Lot Size 1,000mt

Currency US Dollars

Minimum Tick \$0.01/mt

Fixed Price The traded price or the previous day's settlement price as supplied end of day by IOSDA or such other price as may be prescribed by the Clearing House from time to time.

Floating Price In respect of daily settlement, the floating price will be the end of day price as supplied by IOSDA or such other price as may be prescribed by the Clearing House from time to time.

In respect of final settlement, the floating price will be the mean of the daily TSI spot indices for that month.

Contract Series Front 3 months, 4 quarters, 2 calendar years.

Expiry/Settlement Last business day of the contract month.

Delivery Cash settled monthly against the arithmetic average of all the indices in the contract month.

Final Payment The first business day following expiry.

Business Days UK Business Days

3.4J **Fertilizer Swaps**

Description Fertilizer swap contracts cash settled against:

UREA – New Orleans (UNO)

	UREA – Yuzhnyy (UYZ)
	UREA – Egypt (UNE)
	DAP – Tampa (DTA)
	DAP – New Orleans (DNO)
	UAN – NOLA (UAN)
Lot Size	500mt – UYZ, DTA, UNE 500st – UNO, DNO, UAN
Currency	US Dollars
Minimum Tick	US\$0.0001
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by FIS.
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by FIS. In respect of final settlement, the floating price will be the arithmetic average of the relevant weekly indices for that contract as supplied by FIS for that month.
Contract Series	Front 6 months, 4 quarters
Expiry	Last publication day of the relevant index in the contract month (i.e. the last business Thursday of every month). Exception – December contracts will expire on the penultimate Thursday, as there is no publication of an index in the week prior to New Year. Where the last Thursday of the month is a non-business day, the expiry day will be the first business day preceding that Thursday
Settlement	The first business day following the expiry day
Delivery	Cash settled monthly against the average of all the relevant indices for that contract during the month.
Business Days	UK Business Days

3.4K **Container Freight Swap Agreement**

Description	SCFI cash settled container freight swap agreements on the following routes: CNW (Shanghai – North West Europe)
-------------	--

	CMD (Shanghai – Mediterranean)
	CSW (Shanghai – US West Coast)
	CSE (Shanghai – US East Coast)
Lot Size	1 TEU 20ft container (CMD and CNW) 1 FEU 40ft container (CSE and CSW)
Currency	US Dollars
Pricing	US \$ per TEU (CMD and CNW) US \$ per FEU (CSE and CSW)
Minimum Tick	US \$ 0.01 to account for final settlement.
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by Approved OTC brokers, or such other price as may be prescribed by the Clearing House from time to time.
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by Approved OTC brokers, or such other price as may be prescribed by the Clearing House from time to time. In respect of final settlement, the floating price will be the mean of the all the SCFI weekly spot assessments for the contract route as published by the Shanghai Shipping Exchange each Friday during the contract month.
Contract Series	Front 3 months, front quarter + following 3 quarters, 1 whole calendar year (out to a maximum of 23 months).
Last Trading Day	Last publication day of the relevant index in the contract month (i.e. the last Chinese business Friday of every month). Where the last Friday of the month is a UK business day but a Chinese holiday, the last trading day will be the previous publication day. Where the last Friday of the month is a Chinese business day but a UK holiday, the last trading day will be the previous UK business day.
Delivery	Cash settled monthly against the arithmetic average of all the <u>SCFI</u> indices in the contract month.
Final payment	The first UK Business Day following the Last Trading Day.

Business days	Chinese business days for the purpose of Index publication.
	UK Business Days for the purpose of trade registration, confirmation and final payment.

3.4L API 2 (cif ARA) Coal Swap Contract

Description	Cash settled API 2 cif ARA (Argus/McCloskey) coal swap contract.
Lot Size	1000 tonnes
Minimum Contract Size	Five Lots
Currency	US Dollars
Minimum Tick	\$0.05/tonne
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by LEBA, or such other price as may be prescribed by the Clearing house from time to time.
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by LEBA, or such other price as may be prescribed by the Clearing house from time to time. In respect of final settlement, the floating price will be the average of weekly Argus/McCloskey API 2 (cif ARA) index prices for the contract month as published in Argus/McCloskey's Coal Price Index Report.
Contract Series	Front 4 contract months, the front 4 to 7 quarter contracts (i.e. quarter contracts up to the end of the front calendar year), 5 whole season contracts and up to 4 calendar years.
Expiry / Last Trading Day	Month contracts will cease trading at the close of business on the last Friday of the contract month. Quarters, seasons and calendar years cease trading as a quarter/season/calendar year at the close of business on the last Friday of the first month contract in that quarter/season/calendar year. Where the last Friday of the month is a non-business day, the expiry day will be the first business day preceding that Friday.
Delivery	Cash settled at the average of weekly Argus/McCloskey API 2 (cif ARA) index prices for the contract month as published in Argus/McCloskey's Coal Price Index Report.
Business Days	UK Business Days

API 2 is a trademark and is used under license from Argus Media Limited and IHS Global Limited. All copyrights and database rights in the API 2 indices belong exclusively to Argus Media Limited and IHS Global Limited and are used herein

under license. LCH.Clearnet Ltd is solely responsible for the API 2 cif ARA (Argus/McCloskey) Coal Swap Contracts. Argus and IHS take no position on the purchase or sale of such API 2 cif ARA (Argus/McCloskey) Coal Swap Contracts.

3.4M **API 4 (fob Richards Bay) Coal Swap Contract**

Description	Cash settled API 4 fob Richards Bay (Argus/McCloskey) coal swap contract.
Lot Size	1000 tonnes
Minimum Contract Size	Five Lots
Currency	US Dollars
Minimum Tick	\$0.05/tonne
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by LEBA, or such other price as may be prescribed by the Clearing house from time to time.
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by LEBA, or such other price as may be prescribed by the Clearing house from time to time. In respect of final settlement, the floating price will be the average of weekly Argus/McCloskey API 4 (fob Richards Bay) index prices for the contract month as published in Argus/McCloskey's Coal Price Index Report.
Contract Series	Front 4 contract months, the front 4 to 7 quarter contracts (i.e. quarter contracts up to the end of the front calendar year), 5 whole season contracts and up to 4 calendar years.
Expiry / Last Trading Day	Month contracts will cease trading at the close of business on the last Friday of the contract month. Quarters, seasons and calendar years cease trading as a quarter/season/calendar year at the close of business on the last Friday of the first month contract in that quarter/season/calendar year. Where the last Friday of the month is a non-business day, the expiry day will be the first business day preceding that Friday.
Delivery	Cash settled at the average of weekly Argus/McCloskey API 4 (fob Richards Bay) index prices for the contract month as published in Argus/McCloskey's Coal Price Index Report.
Business Days	UK Business Days

API 4 is trademarked and is used under license from Argus Media Limited and IHS Global Limited. All copyrights and database rights in the API 4 indices belong exclusively to Argus Media Limited and IHS Global Limited and are used herein under license. LCH.Clearnet Ltd is solely responsible for the API 4 fob Richards Bay (Argus/McCloskey) Coal Swap Contracts. Argus and IHS take no position on the purchase or sale of such API 4 fob Richards Bay (Argus/McCloskey) Coal

Swap Contracts.

3.4N European Hot Rolled Coil Steel Swaps

Description	European Hot Rolled Coil Steel swaps, cash settled against The Steel Index: Hot Rolled Coil – Northern Europe, domestic (SCN) Hot Rolled Coil – Southern Europe, domestic (SCS)
Lot Size	20 mt
Currency	Euros
Pricing	€ per metric tonne
Minimum Tick	€0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by FIS, or any other such source as LCH.Clearnet may determine
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by FIS, or any other such source as LCH.Clearnet may determine. In respect of final settlement, the floating price will be the mean of the daily prices for the contract route as published by The Steel Index during the contract month.
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years
Expiry / Last Trading Day	Last UK business day of the contract month.
Delivery	Cash settled monthly against the arithmetic average of all the indices in the contract month
Final Payment Date	The first business day following the expiry day
Business Days	UK Business days

3.4O Chinese Hot Rolled Coil Steel Swaps

Description	Chinese Hot Rolled Coil Steel swap, cash settled against the Cleartrade China Steel Index (provided by Umetal): Hot Rolled Coil (SCC)
Lot Size	20 mt
Currency	US Dollars
Pricing	US \$ per metric tonne

Minimum Tick	US \$0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by FIS, or any other such source as LCH.Clearnet may determine
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by FIS, or any other such source as LCH.Clearnet may determine. In respect of final settlement, the floating price will be the arithmetic average of all the daily Cleartrade China Steel Index (provided by Umetal) indices for that month, including indices published at weekends which are Chinese business days*
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years
Expiry / Last Trading Day	Last Chinese business day of the contract month. Where the last Chinese business day is a UK holiday, last trading day will be the previous UK business day.
Delivery	Cash settled monthly against the arithmetic average of all the indices in the contract month
Final Payment Date	The first UK business day following the expiry day
Business Days	Chinese business days for the purpose of Index publication UK business days for the purpose of trade registration, confirmation and final payment

*subject to the following currency exchange:

The Cleartrade China Steel Index is published in CNY and Cleartrade will use the daily Bloomberg USD CNY fixing rate, as published at 4pm China Standard Time, to convert the prices to USD. Where an index price is published at a weekend, the next published Bloomberg fixing rate at 4pm China Standard Time will be used to convert it.

3.4P **Turkish Import Scrap Steel Swap**

Description	Cash settled steel swap – settled against The Steel Index: Turkish Import Scrap (SST)
Lot Size	20 mt
Currency	US Dollars
Pricing	US \$ per metric tonne
Minimum Tick	\$0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by FIS, or any other such source as

	LCH.Clearnet may determine
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by FIS, or any other such source as LCH.Clearnet may determine. In respect of final settlement, the floating price will be the mean of the relevant prices for the contract route as published by The Steel Index each Monday during the contract month
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years
Expiry / Last Trading Day	Last publication day of the relevant index in the contract month Where the last business day of the month is a Monday, this will be the last publication day. Where the last business day of the month is not a Monday, the last publication day will be the following Monday. Where the last Monday of the month / first of the next is a non-business day, last publication will be the following business day.
Delivery	Cash settled monthly against the arithmetic average of all the indices in the contract month
Final Payment Date	The first business day following the expiry day
Business Days	UK Business days

3.4Q **Chinese Domestic Hot Rolled Ribbed Bar Steel Swap**

Description	Cash settled steel swap – settled against the Cleartrade China Steel Index (provided by Umetal): China Domestic Hot Rolled Ribbed Bar (SBC)
Lot Size	20 mt
Currency	US Dollars
Pricing	US \$ per metric tonne
Minimum Tick	US \$0.0001 to account for final settlement
Fixed Price	The traded price or the previous day's settlement price as supplied end of day by FIS, or any other such source as LCH.Clearnet may determine
Floating Price	In respect of daily settlement, the floating price will be the end of day price as supplied by FIS, or any other such source as LCH.Clearnet may determine.

	In respect of final settlement, the floating price will be the arithmetic average of all the daily Cleartrade China Steel Index (provided by Umetal) indices for that month, including indices published at weekends which are Chinese business days*
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years
Expiry / Last Trading Day	Last Chinese business day of the contract month. Where the last Chinese business day is a UK holiday, last trading day will be the previous UK business day.
Delivery	Cash settled monthly against the arithmetic average of all the indices in the contract month
Final Payment Date	The first UK business day following the expiry day
Business Days	Chinese business days for the purpose of Index publication UK business days for the purpose of trade registration, confirmation and final payment

*subject to the following currency exchange:

The Cleartrade China Steel Index is published in CNY and Cleartrade will use the daily Bloomberg USD CNY fixing rate, as published at 4pm China Standard Time, to convert the prices to USD. Where an index price is published at a weekend, the next published Bloomberg fixing rate at 4pm China Standard Time will be used to convert it.

3.4R **API 2 if ARA (Argus/McCloskey) coal options contract**

Description	Single expiry, cash settled, premium paid, option on the underlying API 2 if ARA (Argus McCloskey) Coal Swap contract for the corresponding expiry.
Lot Size	1,000 tonnes per month. A quarter contract will comprise 3,000 tonnes, a calendar contract will comprise 12,000 tonnes.
Minimum lot size	5 lots per month. A quarter contract will comprise 15 lots, a calendar contract will comprise 60 lots.
Currency	US Dollars
Pricing	USD and cents per metric tonne
Minimum Tick	\$0.01 per tonne
Option Type	Options are single expiry European style options and will be automatically exercised on the expiry day if they are "in the money" unless set to expire manually. If an option is "out of the money" it will expire automatically unless exercised manually. Manual exercise is only permitted on expiry day.
Option Premium	The Premium is paid at the time of purchase.

Last Trading Day	30 days prior to commencement of the underlying Coal swap contract. Where this is a non Business Day expiry will be on the Business Day immediately prior e.g. the Calendar 2012 and Q1 2012 contracts will expire on 02/12/2011.
Expiry	<p>17:00 hours UK time on the Last Trading Day</p> <p>Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or greater "in-the-money" when compared to the relevant reference price.</p> <p>Contracts are single expiry options. A quarter contract will expire into the underlying monthly swap contracts that comprise the quarter on Last Trading Day. A calendar contract will expire into the underlying monthly swap contracts comprising January through December on last trading day.</p> <p>Members are permitted to override automatic exercise settings or manually enter exercise instructions for this contract.</p> <p>The reference price will be a price in USD and cents, equal to the final settlement price for the underlying API 2 Swap contract.</p> <p>For these purposes "final settlement price" means the final settlement price on the expiry day of the underlying API 2 cif ARA (Argus/McCloskey) Swap contract.</p>
Contract Series	<p>3 to 6 quarter contracts and 3 whole calendar contracts.</p> <p>All option contracts expire into the underlying months of the corresponding contract series.</p>
Strike Price	<p>50 strike prices in increments of \$1.00 above and below the "at-the-money" strike price in all contract series.</p> <p>Where the "at the money" strike price of the underlying commodity moves, additional strikes will be added each business day.</p>
Margin	Options will be subject to Initial Margin and Net Liquidation Value variation margin on a daily basis.
Business Days	UK Business Days

API 4 is trademarked and is used under license from Argus Media Limited and IHS Global Limited. All copyrights and database rights in the API 4 indices belong exclusively to Argus Media Limited and IHS Global Limited and are used herein under license. LCH.Clearnet Ltd is solely responsible for the API 4 fob Richards Bay (Argus/McCloskey) Coal Swap Contracts. Argus and IHS take no position on the purchase or sale of such API 4 fob Richards Bay (Argus/McCloskey) Coal

Swap Contracts.

3.4S **API 4 fob Richards Bay (Argus/McCloskey) Coal Options Contract**

Description	Single expiry, cash settled, premium paid, option on the underlying API 4 fob Richards Bay (Argus McCloskey) Coal Swap contract for the corresponding expiry.
Lot Size	1,000 tonnes per month. A quarter contract will comprise 3,000 tonnes, a calendar contract will comprise 12,000 tonnes.
Minimum lot size	5 lots per month. A quarter contract will comprise 15 lots, a calendar contract will comprise 60 lots.
Currency	US Dollars
Pricing	USD and cents per metric tonne
Minimum Tick	\$0.01 per tonne
Option Type	Options are single expiry European style options and will be automatically exercised on the expiry day if they are "in the money" unless set to expire manually. If an option is "out of the money" it will expire automatically unless exercised manually. Manual exercise is only permitted on expiry day
Option Premium	The Premium is paid at the time of purchase.
Last Trading Day	30 days prior to commencement of the underlying Coal swap contract. Where this is a non Business Day, expiry will be on the Business Day immediately prior e.g. the Calendar 2012 and Q1 2012 contracts will expire on 02/12/2011.
Expiry	<p>17:00 hours UK time on the Last Trading Day</p> <p>Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or greater "in-the-money" when compared to the relevant reference price.</p> <p>Contracts are single expiry options. A quarter contract will expire in to the underlying monthly swap contracts that comprise the quarter on last trading day. A calendar contract will expire into the underlying monthly swap contracts comprising January through December on last trading day.</p> <p>Members are permitted to override automatic exercise settings or manually enter exercise instructions for this contract.</p> <p>The reference price will be a price in USD and cents, equal</p>

	to the final settlement price for the underlying API 4 Swap contract.
	For these purposes “final settlement price” means the final settlement price on the expiry day of the underlying API 4 fob Richards Bay (Argus/McCloskey) Swap contract.
Contract series	3 to 6 quarter contracts and 3 whole calendar contracts.
	All option contracts expire into the underlying months of the corresponding contract series
Strike Price	50 strike prices in increments of \$1.00 above and below the “at-the-money” strike price in all contract series.
	Where the “at the money” strike price of the underlying commodity moves, additional strikes will be added each business day.
Margin	Options will be subject to Initial Margin and Net Liquidation Value variation margin on a daily basis..
Business Days	UK business days

API 4 is trademarked and is used under license from Argus Media Limited and IHS Global Limited. All copyrights and database rights in the API 4 indices belong exclusively to Argus Media Limited and IHS Global Limited and are used herein under license. LCH.Clearnet Ltd is solely responsible for the API 4 fob Richards Bay (Argus/McCloskey) Coal Swap Contracts. Argus and IHS take no position on the purchase or sale of such API 4 fob Richards Bay (Argus/McCloskey) Coal Swap Contracts.

3.5 LCH EnClear OTC Services: Precious Metals Division

The following terms are designated as Specific Standard Terms of a registered LCH EnClear OTC Contracts arising from an Eligible OTC Trade in the Precious Metals Division of the LCH EnClear OTC Services.

3.5.1 Standard Terms: Additional Definitions

The following additional definitions shall apply to any LCH EnClear OTC Contract within the LCH EnClear OTC Services: Precious Metals Division.

Defined Term	Definition
Gold	Unallocated gold complying with the rules of The London Bullion Market Association relating to good delivery and fineness in effect from time to time.
LBMA	means The London Bullion Market Association or its successors

LPMCL	means London Precious Metals Clearing Limited or its successors
Precious Metals	means Gold, silver and any other metal(s) as may be defined from time to time.
Unallocated Accounts	means the accounts maintained by members of LPMCL to and from which fine troy ounces of Gold are credited and debited for the purposes of transferring Gold between two parties.

3.5.2 **Standard Terms: Basic Provisions - Gold**

Description	Physically settled contracts for the forward delivery of Gold.
Unit of Trading	One lot of 100 Fine Troy Ounces of Gold
Minimum Contract Size	One lot.
Currency	US Dollars.
Tick Size	US\$ 0.001 Per Fine Troy Ounce Of Gold.
Reference Price for Daily Settlement	LBMA Gold Forward Curve or such other price as may be prescribed by the Clearing House from time to time.
Final Settlement	PM London Gold Fixing or such other price as may be prescribed by the Clearing House from time to time.
Minimum Price Fluctuation	US\$0.001 per fine troy ounce of Gold.
Maximum Price Fluctuation	Unlimited.
Contract Series	Every Business day from Spot out to ten years.
Business Days	Means any day (other than Saturday or Sunday) on which banks are open for business in the UK and USA.
Settlement	Physical delivery by crediting or debiting of Gold to or from Unallocated Accounts held with one of the commercial bank members of LPMCL in accordance with the Procedures.

Section 4 General Standard Terms

4A. The following General Standard Terms apply to all LCH EnClear OTC Contracts:

4A.1 Payment of Stamp Tax and Other Taxes

- (a) All payments due under an LCH EnClear OTC Contract shall be made by the LCH EnClear OTC Clearing Member free and clear and without deduction or withholding for or on account of any tax.
- (b) The Clearing House shall make any payments due to an LCH EnClear OTC Clearing Member net of any deduction or withholding for or on account of any tax it is required to make from such payments.
- (c) The LCH EnClear OTC Clearing Member shall indemnify the Clearing House against any Stamp Tax or other duty or tax levied or imposed upon the Clearing House in whatsoever jurisdiction in respect of the Clearing House's execution or performance of this LCH EnClear OTC Contract.

4A.2 Payment of Stamp Tax

- (a) The LCH EnClear OTC Clearing Member will pay any Stamp Tax or other similar duty levied or imposed upon it in respect of any LCH EnClear OTC Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("Stamp Tax Jurisdiction") or by any other jurisdiction.
- (b) The LCH EnClear OTC Clearing Member shall indemnify the Clearing House against any Stamp Tax or other duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any LCH EnClear OTC Contract registered by the Clearing House and to which that Clearing Member is a party.

4A.3 Payments under an LCH EnClear OTC Contract

- (a) The Clearing House shall, unless specified otherwise in the Procedures, effect daily settlement to market of open LCH EnClear OTC Contracts in accordance with the Regulations. Any Reference Price shall be determined in accordance with the Regulations and Procedures.
- (b) Payments under, and in respect of, an LCH EnClear OTC Contract shall be calculated by the Clearing House and shall be made by, or to, the LCH EnClear OTC Clearing Member in accordance with the provisions of the Regulations and the Procedures.

4A.4 Regulations

This LCH EnClear OTC Contract shall be subject to the Regulations and the Procedures, which shall form a part of its terms. In the event of any inconsistency between these LCH EnClear OTC Contract Terms and the Regulations and the Procedures, the Regulations and the Procedures will prevail.

4A.5 **Governing Law**

This LCH EnClear OTC Contract shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree for the benefit of the Clearing House that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise here from. The LCH EnClear OTC Clearing Member party to this LCH EnClear OTC Contract irrevocably submits to such jurisdiction and to waive any objection it might otherwise have to such jurisdiction, save that this submission to the jurisdiction of the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

4A.6 **Third Party Rights**

A person who is not a party to this LCH EnClear OTC Contract shall have no rights under or in respect of this LCH EnClear OTC Contract. Rights of third parties to enforce any terms of this LCH EnClear OTC Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

- 4B. The following Standard Terms apply only in respect of LCH EnClear OTC Contracts arising from Eligible OTC Trades (Precious Metals Division):

Unavailability of any Reference Price

In the event that the Clearing House is unable, after exercising all reasonable commercial diligence, to obtain any relevant Reference Price on any day, the Clearing House may use a price as provided, in respect of the Daily Settlement Price, by one or more LBMA market makers, or, in respect of the Final Settlement Price, by one or more Members of the London Gold Market Fixing Ltd.

- 4C. The following Standard Terms apply only in respect of LCH EnClear OTC Contracts arising from Eligible OTC Trades (Freight Division):

4C.1 **Unavailability of any Reference Price**

In the event that the Clearing House is unable, after exercising all reasonable commercial diligence, to obtain any relevant Reference Price on any day, the Clearing House may use a price as provided by a panel formed by the Forward Freight Agreement Brokers Association or other applicable provider designated by the Clearing House.

4C.2 **Calculation Agent**

The Calculation Agent is the Clearing House.

4C.3 **Change in Route**

In the event of a change in a route, the successor reference price as published by the Baltic Exchange or other applicable provider designated by the Clearing House shall be applicable.

SCHEDULE TO THE LCH ENCLEAR OTC REGULATIONS**Part B****Product Eligibility Criteria for Registration of a LCH EnClear OTC Contract****1. Eligible OTC Trades**

(a)

1.2 Product Eligibility Criteria for Eligible OTC Trades

1.2.1 [This section has been removed]

1.2.2 [This section has been removed]

1.2.3 Product Eligibility Criteria for Eligible OTC Trades in Energy Division and in the Freight Division

The following contracts are Eligible Products for the LCH EnClear OTC Services (Energy Division), LCH EnClear OTC Services (Freight Division) and LCH EnClear OTC Services (Precious Metals Division).

Energy Division:

OTC Emissions – EUAs

Description	Physically settled contracts for the forward delivery of EUAs
-------------	---

Unit of Trading	One lot of 1000 EUAs
-----------------	----------------------

Minimum Contract Size	One lot
-----------------------	---------

Currency	Euros
----------	-------

Tick Size	One euro cent (ten euros per lot)
-----------	-----------------------------------

Contract Series	Annual December contract months beginning December 2008 and ending December 2015
-----------------	--

OTC Emissions – CERs

Description	Physically settled contracts for the forward delivery of CERs
-------------	---

Unit of Trading	One lot of 1000 CERs
-----------------	----------------------

Minimum Contract Size	One lot
-----------------------	---------

Currency	Euros
----------	-------

Tick Size	One euro cent (ten euros per lot)
Contract Series	Annual December contract months beginning December 2008 and ending December 2012

OTC Emissions – Spot EUAs

Description	Physically settled contracts for the next day delivery of EUAs.
Unit of Trading	One lot of 1000 EUAs
Minimum Contract Size	One lot
Currency	Euros
Tick Size	One euro cent (ten euros per lot)
Contract Series	Rolling day ahead spot contract for business days only

OTC Emissions – Spot CERs

Description	Physically settled contracts for the next day delivery of CERs
Unit of Trading	One lot of 1000 CERs
Minimum Contract Size	One lot
Currency	Euros
Tick Size	One euro cent (ten euros per lot)
Contract Series	Rolling day ahead spot contract for business days only

OTC Emissions – EUA Options

Description	Physically settled Premium Paid Option on the underlying EUA Forward contract for the corresponding December expiry. These contracts, if “in the money” expire into their underlying EUA Forward contracts with a traded price equal to the Strike Price
Lot size	1000 tonnes
Currency	Euro
Minimum tick	€0.01 per tonne

Contract Series Four rolling month contracts (March, June, September and December) plus an additional two December contracts

All option contracts expire into the underlying December contract of the corresponding year.

OTC Emissions – CER Options

Description Physically settled Premium Paid Option on the underlying CER Forward contract for the corresponding December expiry.

These contracts, if “in the money” expire into their underlying CER Forward contracts with a traded price equal to the Strike Price

Lot size 1000 tonnes

Currency Euro

Minimum tick €0.01 per tonne

Contract series Four rolling month contracts (March, June, September and December) plus an additional two December contracts.

All option contracts expire into the underlying December contract of the corresponding year.

Freight Division:

Contract: Freight Forward, Cash Settled only: Tanker Voyage Routes

Description Cash settled freight forward contracts on any of the following Tanker Voyage Routes:

Baltic TD3 (260,000 mt ME Gulf –Japan)

Baltic TD5 (130,000 mt W Africa – USAC)

Baltic TD7 (80,000 mt North Sea – Continent)

Baltic TD11 (80,000 mt Cross Med)

Baltic TC2 (37,000 mt Continent – USAC)

Baltic TC4 (30,000 mt Singapore – Japan)

Baltic TC5 (55,000 mt ME – Japan)

Baltic TC6 (30,000 mt Algeria/Euromed)

Lot Size	1,000 mt
Minimum Tick	US\$0.0001/mt
Currency	US Dollars
Contract Series	Front 6 Months, Front 5 Quarters (TC2, TC6, TD3, TD5, TD7,TD11), Front 4 Quarters (TC4, TC5), Front 2 Whole Calendar years. Out to a maximum of 36 months

Contract: Cash Settled Freight Forward Contracts: \$ Per Tonne Tanker Voyage Routes

Description	Cash settled \$ per tonne freight forward contracts on the following Tanker Voyage Routes:
	Baltic TC2 (DC2) (37,000 mt Continent – USAC)
	Baltic TD3 (DD3) (260,000 mt ME Gulf – Japan)
	Baltic TD5 (DD5) (130,000 mt W Africa – USAC)
	Baltic TD7 (DD7) (80,000 mt North Sea – Cont)

Lot Size	1,000 mt
Minimum Tick	US \$ 0.0001/mt
Currency	US Dollars
Contract Series	Front 6 Months, Front 5 Quarters, Front 2 Whole Calendar Years. Out to a maximum of 35 months

Contract: Freight Forward, Cash Settled only: Dry Voyage Routes

Description	Cash settled freight forward contracts on any of the following Dry Voyage Routes:
	C3E (Tubarao – Beilun/Baoshan)
	C4E (Capesize Richards Bay – Rotterdam)
	C5E (W Australia – Beilun/Baoshan)
	C7E (Capesize Bolivar – Rotterdam)

Lot Size	1,000 mt
----------	----------

Minimum Tick	US\$0.0001/mt
Currency	US Dollars
Contract Series	C4E and C7E - out to a time horizon of 3 whole Calendar Years (max 47 months), traded as either monthly contracts, quarters or calendar years. C3E and C5E - Front 3 months, 4 whole quarters
Contract: Freight Forward, Cash Settled only: Dry Timecharter Basket Routes	
Description	Cash settled freight forward contracts on any of the following Dry Timecharter Basket Routes: CTC (Capesize TC Avg 4 routes) PTC (Panamax TC Avg 4 routes) STC (Supramax TC Avg 6 routes) HTC (Handysize TC Avg 6 routes)
Lot Size	1 day
Minimum Tick	US\$0.0001/day
Currency	US Dollars
Contract Series	CTC, PTC - Front 1 or 2 months (remaining from expired front quarter), Front 4 Quarters, Front 2 Half Years, Front 7 Calendar Years. STC, HTC – Front 1 or 2 months (remaining from expired front quarter), Front 4 Quarters, Front 2 Half Years, Front 5 Calendar Years.
Contract: Freight Forward, Cash Settled only: Dry Trip Timecharter routes	
Description	Cash settled freight forward contracts on any of the following Dry Trip Timecharter Routes: P1A, P1E (Panamax Transatlantic RV) P2A (Panamax Cont Trip Far East) P3A (Panamax trans Pacific round voyage)

Lot Size	1 day
Minimum Tick	US\$0.0001/day
Currency	US Dollars
Contract Series	P1A, P1E – Front 6 Months, front 4 whole quarters P2A, P3A – Front 6 Months, front 3 whole quarters

Contract: Freight Forward, Cash Settled only: Timecharter Voyager Route

Description Cash settled freight forward contract on the following Timecharter Voyage Route:
S7 (East coast India – China)

Lot Size	1 day
Minimum Tick	US\$0.0001/day
Currency	US Dollars
Contract Series	Current quarter and following 4 quarters

Contract: Cash Settled Premium Paid Options: Dry Timecharter Basket Routes

Description Cash settled Premium Paid Option on any of the following Dry Timecharter Basket Routes: -

CTO (Capesize TC Avg 4 routes)

PTO (Panamax TC Avg 4 routes)

STO (Supramax TC Avg 6 routes)

HTO (Handysize TC Avg 6 routes)

These contracts, if “in the money” expire into their underlying freight forward contracts with a traded price equal to the Strike Price (see below)

Lot Size	1 day
Currency	US Dollars
Pricing	US\$ per day
Minimum Tick	US\$1 per day

Option Type	Options are European style and will be automatically exercised on the expiry day if they are “in the money”. If an option is “out of the money” it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted.
Option Premium	The Premium is paid at the time of purchase.
Last Trading Day	At 18:00 hours UK time on last Business Day of each month within the contract series. Exception – December contracts will expire on the 24th December, or previous Business Day, where the 24th December is a non working day
Expiry	18:00 hours UK time on the Last Trading Day Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation (\$0.0001) or greater in-the-money when compared to the relevant reference price. Members are not permitted to override automatic exercise settings or manually enter exercise instructions for this contract. The reference price will be a price in US dollars, cents and hundredths of a cent (\$0.0001), per day equal to the final settlement price for the underlying freight forward contracts. For these purposes “final settlement price” means the final settlement price on the expiry day of the underlying freight forward contracts.
Contract Series	Front 1 or 2 months (remaining from expired front quarter) Front 4 Quarters, Front 3 Calendar Years.
Strike Price	CTO – Sixty strike prices in increments of \$250 per day both above and below the “at-the-money” strike price in all contract series.

STO - Thirty strike prices in increments of \$250 per day both above and below the “at-the-money” strike price in all contract series.

PTO - Thirty strike prices in increments of \$250 per day both above and below the “at-the-money” strike price in all contract series

HTO - Thirty strike prices in increments of \$100 per day both above and below the “at-the-money” strike price in all contract series.

Where the “at the money” strike price of the underlying commodity moves additional strikes will be added each Business Day.

Business Days	UK Business Days
Contract: Freight Index, Cash Settled only: Baltic Exchange Dry Index	
Description	Cash settled freight swap on the Baltic Exchange Dry Index (BDI)
Lot Size	1 BDI tick
Minimum Tick	US\$0.0001 to account for final settlement
Currency	US Dollars
Contract Series	Front 4 Months, Front 4 Quarters, One Whole Quarter
Contract: Iron Ore Swap	
Description	Iron ore swap contract – settled against the daily TSI index (The Steel Index) 62% fe
Lot Size	1,000mt
Currency	US Dollars
Minimum Tick	\$0.01/mt
Contract Series	Front 3 months, 4 quarters, 2 calendar years
Contract: Fertilizer Swaps	
Description	Fertilizer swap contracts cash settled against:
	UREA – New Orleans (UNO)
	UREA – Yuzhnyy (UYZ)

	UREA – Egypt (UNE)
	DAP – Tampa (DTA)
	DAP – New Orleans (DNO)
	UAN – NOLA (UAN)
Lot Size	500mt – UYZ, DTA, UNE 500st – UNO, DNO, UAN
Currency	US Dollars
Minimum Tick	US \$0.0001
Contract Series	Front 6 months, 4 Quarters
Contract: Container Freight Swap Agreement	
Description	SCFI cash settled container freight swap agreements on the following routes: CNW (Shanghai – North West Europe) CMD (Shanghai – Mediterranean) CSW (Shanghai – US West Coast) CSE (Shanghai – US East Coast)
Lot Size	1 TEU 20ft container (CMD and CNW) 1 FEU 40ft container (CSE and CSW)
Currency	US Dollars
Pricing	US \$ per TEU (CMD and CNW) US \$ per FEU (CSE and CSW)
Minimum Tick	US \$ 0.01 to account for final settlement.
Contract Series	Front 3 months, front quarter + following 3 quarters, 1 whole calendar year (out to a maximum of 23 months).
Contract: API 2 (cif) coal swap contract	
Description	Cash settled API 2 cif ARA (Argus/McCloskey) coal swap contract.
Lot Size	1000 tonnes
Minimum Contract Size	Five Lots

Currency	US Dollars
Minimum Tick	\$0.05/tonne
Contract Series	Front 4 contract months, the front 4 to 7 quarter contracts (i.e. quarter contracts up to the end of the front calendar year), 5 whole season contracts and up to 4 calendar years.
Contract: API 4 (fob Richard Bay) coal swap contract	
Description	Cash settled API 4 fob Richards Bay (Argus/McCloskey) coal swap contract.
Lot Size	1000 tonnes
Minimum Contract Size	Five Lots
Currency	US Dollars
Minimum Tick	\$0.05/tonne
Contract Series	Front 4 contract months, the front 4 to 7 quarter contracts (i.e. quarter contracts up to the end of the front calendar year), 5 whole season contracts and up to 4 calendar years.

Precious Metals Division:**Gold**

Description	Physically settled contracts for the forward delivery of Unallocated Gold
Unit of Trading	One lot of 100 fine troy ounces
Minimum Contract Size	One lot
Currency	US Dollars
Tick Size	US\$ 0.001 per fine troy ounce of gold
Contract Series	Daily out to 10 years from the spot date

Contract: European Hot Rolled Steel Swaps

Description	European Hot Rolled Coil Steel swaps, cash settled against The Steel Index: Hot Rolled Coil – Northern Europe, domestic (SCN)
--------------------	--

	Hot Rolled Coil – Southern Europe, domestic (SCS)
Lot Size	20 mt
Currency	Euros
Minimum Tick	€0.0001 to account for final settlement
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years
Contract: Chinese Hot Rolled Steel Swap	
Description	Chinese Hot Rolled Coil Steel swap, cash settled against the Cleartrade China Steel Index (provided by Umetal): (SCC)
Lot Size	20 mt
Currency	US Dollars
Minimum Tick	\$0.0001 to account for final settlement
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years
Contract: Turkish Import Scrap Steel Swap	
Description	Turkish Import Scrap Steel swap, cash settled against The Steel Index: (SST)
Lot Size	20 mt
Currency	US Dollars
Minimum Tick	\$0.0001 to account for final settlement
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years
Contract: Chinese Domestic Hot Rolled Ribbed Bar Steel Swap	
Description	Chinese Domestic Hot Rolled Ribbed Bar Steel swap, cash settled against the Cleartrade China Steel Index (provided by Umetal): (SBC)
Lot Size	20 mt
Currency	US Dollars
Minimum Tick	€0.0001 to account for final settlement
Contract Series	Front 1 or 2 months (remaining from front quarter), 5 whole quarters, 2 whole calendar years

Contract: API 2 cif ARA (Argus/McCloskey) coal options contract

Description	Single expiry, cash settled, premium paid, option on the underlying API 2 cif ARA (Argus McCloskey) Coal Swap contract for the corresponding expiry.
Lot size	1,000 tonnes per month. A quarter contract will comprise 3,000 tonnes, a calendar contract will comprise 12,000 tonnes.
Currency	US Dollars
Pricing	USD and cents per metric tonne
Minimum tick	\$0.01 per tonne
Option Type	Options are single expiry European style options and will be automatically exercised on the expiry day if they are "in the money" unless set to expire manually. If an option is "out of the money" it will expire automatically unless exercised manually. Manual exercise is only permitted on expiry day.
Option Premium	The Premium is paid at the time of purchase.
Last Trading Day	30 days prior to commencement of the underlying Coal swap contract. Where this is a non Business Day expiry will be on the Business Day immediately prior e.g. the Calendar 2012 and Q1 2012 contracts will expire on 02/12/2011.
Expiry	<p>17:00 hours UK time on the last trading day</p> <p>Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or greater "in-the-money" when compared to the relevant reference price.</p> <p>Contracts are single expiry options. A quarter contract will expire into the underlying monthly swap contracts that comprise the quarter on Last Trading Day. A calendar contract will expire into the underlying monthly swap contracts comprising January through December on last trading day.</p> <p>Members are permitted to override automatic exercise settings or manually enter exercise instructions for this contract.</p> <p>The reference price will be a price in USD and cents, equal to the final settlement price for the underlying API 2 Swap contract.</p> <p>For these purposes "final settlement price" means the final settlement price on the expiry day of the underlying API 2 cif ARA (Argus/McCloskey) Swap contract.</p>

Contract series	3 to 6 quarter contracts and 3 whole calendar contracts. All option contracts expire into the underlying months of the corresponding contract series.
Strike Price	50 strike prices in increments of \$1.00 above and below the “at-the-money” strike price in all contract series. Where the “at the money” strike price of the underlying commodity moves, additional strikes will be added each business day.
Business Days	UK Business Days
Contract: API 4 Richards Bay (Argus/McCloskey) Options Contract	
Description	Single expiry, cash settled, premium paid, option on the underlying API 4 Richards Bay (Argus McCloskey) Coal Swap contract for the corresponding expiry.
Lot size	1,000 tonnes per month. A quarter contract will comprise 3,000 tonnes, a calendar contract will comprise 12,000 tonnes.
Currency	US Dollars
Pricing	USD and cents per metric tonne
Minimum tick	\$0.01 per tonne
Option Type	Options are single expiry European style options and will be automatically exercised on the expiry day if they are “in the money” unless set to expire manually. If an option is “out of the money” it will expire automatically unless exercised manually. Manual exercise is only permitted on expiry day.
Option Premium	The Premium is paid at the time of purchase.
Last Trading Day	30 days prior to commencement of the underlying Coal swap contract. Where this is a non Business Day expiry will be on the Business Day immediately prior e.g. the Calendar 2012 and Q1 2012 contracts will expire on 02/12/2011.
Expiry	17:00 hours UK time on the Last Trading Day Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or greater “in-the-money” when compared to the relevant reference price. Contracts are single expiry options. A quarter contract will expire in to the underlying monthly swap

contracts that comprise the quarter on last trading day. A calendar contract will expire into the underlying monthly swap contracts comprising January through December on last trading day.

Members are permitted to override automatic exercise settings or manually enter exercise instructions for this contract.

The reference price will be a price in USD and cents, equal to the final settlement price for the underlying API 4 Swap contract.

For these purposes “final settlement price” means the final settlement price on the expiry day of the underlying API 4 Richards Bay (Argus/McCloskey) Swap contract.

Contract series

3 to 6 quarter contracts and 3 whole calendar contracts.

All option contracts expire into the underlying months of the corresponding contract series.

Strike Price

50 strike prices in increments of \$1.00 above and below the “at-the-money” strike price in all contract series.

Where the “at the money” strike price of the underlying commodity moves, additional strikes will be added each business day.

Business Days

UK business days

TURQUOISE DERIVATIVES REGULATIONS**Regulation 74 Application of Regulations for TGHL market**

- (a) These Turquoise Derivatives Regulations, which form part of the Regulations, together with the Regulations referred to in paragraph ~~(b)~~(b), apply to:
- (i) Turquoise Derivatives Cleared Exchange Contracts arising from Turquoise Derivatives Transactions;
 - (ii) Clearing Members and, insofar as relevant, Turquoise Derivatives NCMs in their dealings in relation to the TGHL market; and
 - (iii) any relevant Co-operating Clearing House to the extent provided in any Link Agreement between the Clearing House and such Co-operating Clearing House.
- (b) The Regulations referred to in paragraph (a) are the Default Rules, Default Fund Rules, the Definitions and Regulations 1, 2, 3(b), 3(c), 4, 5, 8, 9(b), 9(c), save that the first sentence of Regulation 9(c) shall be subject to Regulation 81(c), 9(d), 10, 11, 12, 13, 14, 16, 17, 18, 19A, 21(a), (b) [and (c)], 22, [23,] 24, 26 to 39B inclusive.

Regulation 75 Turquoise Derivatives Orderbook Matches made on TGHL Market

- (a) This Regulation 75 applies to Turquoise Derivatives Orderbook Matches made in accordance with the Exchange Rules pursuant to the matching of Turquoise Derivatives Trade Particulars submitted to the Turquoise Derivatives Orderbook by or on behalf of Members. This Regulation 75 also applies to Turquoise Derivatives Orderbook Matches made on the Combined Turquoise Derivatives Orderbook. As between the Clearing House and a Clearing Member, in the event of any inconsistency between the Regulations (including the terms of any agreement entered into between a Clearing Member and the Clearing House) and the Exchange Rules, the Regulations shall prevail.
- (b) The Clearing House will enter into Turquoise Derivatives Cleared Exchange Contracts with Clearing Members pursuant to Turquoise Derivatives Orderbook Matches made in the Turquoise Derivatives Orderbook in accordance with and subject to the following provisions of this Regulation 75.
- (c) This paragraph (c) shall be without prejudice to paragraph (o). The Clearing House makes an open offer to a Clearing Member to enter into a Turquoise Derivatives Cleared Exchange Contract in accordance with paragraph (f) of this Regulation 75 in respect of a Turquoise Derivatives Orderbook Match made in the Turquoise Derivatives Orderbook in accordance with the Exchange Rules pursuant to the submission of Turquoise Derivatives Trade Particulars by or on behalf of that Clearing Member, provided that the following requirements shall have been satisfied:
- (i) in the case of any Turquoise Derivatives Trade Particulars submitted to the Turquoise Derivatives Orderbook by a Turquoise Derivatives NCM on behalf of the Clearing Member, there is in place at the time that the Turquoise Derivatives Trade Particulars were submitted and up to and including the time the Turquoise Derivatives Orderbook Match was made (for the purposes of this Regulation 75 (the “relevant times”), a Turquoise Derivatives NCM-GCM Agreement to which that Turquoise Derivatives NCM and the Clearing Member are party, in a form approved in writing by the Clearing House, and such Turquoise Derivatives NCM-GCM Agreement has not been terminated or suspended at the relevant times in accordance with the Turquoise Derivatives NCM-GCM Agreement by notice in writing given by one party to such Agreement to the other parties thereto and to TGHL;
 - (ii) at the relevant times the Clearing Member was party to a valid and subsisting Clearing Membership Agreement;
 - (iii) at the relevant times, the Clearing Member has not been declared a defaulter, by default notice or otherwise, by the Clearing House or TGHL;
 - (iv) the product the subject of the Turquoise Derivatives Orderbook Match is, at the relevant times, a Turquoise Derivatives Eligible Product;
 - (v) all necessary details as required by the Clearing House from time to time in respect of the Turquoise Derivatives Orderbook Match shall have been received by the Clearing House, through TGHL, in accordance with procedures established by the Clearing House with TGHL from time to time or otherwise. Such information must be complete, must not be corrupted and must be legible at the time such details were received;

- (vi) at the time at which any Turquoise Derivatives Orderbook Match is effected, the Turquoise Derivatives Eligible Product which is the subject of the Turquoise Derivatives Orderbook Match is not subject to any trading halts, suspension of dealings or any other action having equivalent effect published by or on behalf of TGHL; and
 - (vii) at the relevant times, the Open Offer for Turquoise Derivatives in respect of Turquoise Derivatives Orderbook Matches made on TGHL has not been suspended or withdrawn generally or with respect to such Clearing Member.
- (d) It is a requirement of the Exchange Rules and the Procedures that, in order for a Clearing Member to be eligible to have Turquoise Derivatives Cleared Exchange Contracts registered in its name with the Clearing House:
- (i) the Clearing Member shall have executed such agreements or documents as may be required by the Clearing House from time to time in connection with the Clearing House Turquoise Derivatives Services;
 - (ii) there are in place appropriate arrangements (as prescribed from time to time by the Clearing House) between the Clearing Member (or its nominated agent) and an Approved Turquoise Derivatives Settlement Provider for the delivery, or receipt, as applicable, of any securities or other instruments which may be or become deliverable under the terms of a Turquoise Derivatives Cleared Exchange Contract.

The Clearing House shall be entitled to take such steps as are set out in the Procedures in respect of any Clearing Member who does not satisfy any of these requirements.

- (e) For the purposes of this Regulation 75, Turquoise Derivatives Trade Particulars giving rise to a Turquoise Derivatives Orderbook Match in the EDX Orderbook are deemed to have been submitted by or on behalf of a Clearing Member if the details of a Turquoise Derivatives Orderbook Match, received by the Clearing House pursuant to Regulation 75(c) (v) identify, in accordance with the Exchange Rules or the Procedures, that Turquoise Derivatives Orderbook Match as having been made by or on behalf of that Clearing Member.
- (f) If Turquoise Derivatives Trade Particulars have been submitted to the Turquoise Derivatives Orderbook by or on behalf of a Clearing Member as seller (for the purposes of this paragraph (f), the “selling Clearing Member”) and have been matched by, or in accordance with, the Exchange Rules with Turquoise Derivatives Trade Particulars which have been submitted to the Turquoise Derivatives Orderbook by or on behalf of another Clearing Member as buyer (for the purposes of this paragraph (f), the “buying Clearing Member”), and the requirements stated in paragraph (c) have been satisfied in respect of the selling Clearing Member and the buying Clearing Member, two Turquoise Derivatives Cleared Exchange Contracts shall arise immediately on registration by the Clearing House, as follows:
- (i) the Clearing House shall be the buyer under one Turquoise Derivatives Cleared Exchange Contract with the selling Clearing Member as the seller; and
 - (ii) the Clearing House shall be the seller under one Turquoise Derivatives Cleared Exchange Contract with the buying Clearing Member as the buyer.
- (g) This paragraph (g) shall be without prejudice to paragraph (o). Where pursuant to arrangements entered into between TGHL and one or more Co-operating Exchanges,

Turquoise Derivatives Trade Particulars submitted by or on behalf of a Clearing Member to the Turquoise Derivatives Orderbook have been matched in the Combined Turquoise Derivatives Orderbook with Turquoise Derivatives Trade Particulars submitted by or on behalf of a Linked Member, the Clearing House shall, on receipt of details of such Turquoise Derivatives Orderbook Match through TGH (or by such other means) and subject to the requirements of Regulation 7(c) having been met with respect to such Clearing Member and the relevant Co operating Clearing House being party to a valid and subsisting Link Agreement, register a Turquoise Derivatives Cleared Exchange Contract in the name of the Clearing Member and in the name of the relevant Co-operating Clearing House. The Clearing House shall be party:

- (i) as seller to a Turquoise Derivatives Cleared Exchange Contract with the Clearing Member, where the Clearing Member is identified in the details received by TGH as the buying Clearing Member and party as buyer to a Turquoise Derivatives Cleared Exchange Contract with such Co-operating Clearing House as seller; and
 - (ii) as buyer to a Turquoise Derivatives Cleared Exchange Contract with the Clearing Member, where the Clearing Member is identified in the details received by TGH as the selling Clearing Member and party as seller to a Turquoise Derivatives Cleared Exchange Contract with such Co-operating Clearing House as buyer.
- (h) Turquoise Derivatives Cleared Exchange Contracts registered in respect of a Turquoise Derivatives Orderbook Match shall be in the terms received by the Clearing House pursuant to Regulation 75(c)(v) and otherwise on the terms of the relevant Turquoise Derivatives Contract Specification contained in the Exchange Rules and any other terms specified in these Regulations and the Procedures. The Clearing House and the Clearing Member party to a Turquoise Derivatives Cleared Exchange Contract shall be obliged to perform their obligations thereunder in accordance with such terms and the Regulations.
- (i) Subject to its rights to suspend the Open Offer for Turquoise Derivatives generally under Regulation 6 or to withdraw the Clearing House Turquoise Derivatives Services in whole or in part as set out in these Regulations or the Procedures, the Clearing House undertakes to keep open the Open Offer for Turquoise Derivatives to a Clearing Member until the Member is no longer eligible under the Exchange Rules or these Turquoise Derivatives Regulations to have Turquoise Derivatives Cleared Exchange Contracts registered in its name or has given notice to the Clearing House, in accordance with the Procedures, stating that it no longer wishes to participate in the Clearing House Turquoise Derivatives Services.
- (j) Without prejudice to the generality of Regulation 39, any other provision of these Regulations, the Procedures or the Exchange Rules concerning the liability of the Clearing House, the Clearing House shall not be liable to any Clearing Member (or any other person, including but not limited to any Turquoise Derivatives NCM, Co operating Clearing House or Linked Member), for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them if the Clearing House does not receive the details of a Turquoise Derivatives Orderbook Match pursuant to Regulation 75(c)(v) or does not receive accurate, complete or legible details of such Turquoise Derivatives Orderbook Match in accordance with such Regulation. The Clearing House shall be under no duty or obligation to verify the accuracy or completeness of details of Turquoise Derivatives Orderbook Matches received by the Clearing House through TGH.

- (k) Without prejudice to Regulation 80 or Regulation 81 a Clearing Member shall be bound by a Turquoise Derivatives Cleared Exchange Contract registered in its name in respect of a Turquoise Derivatives Orderbook Match under these Regulations and notwithstanding that the requirements of paragraph ~~(e)~~(c) may not have been satisfied in respect of the Clearing Member.
- (l) For the purposes of this Regulation 75, a Turquoise Derivatives NCM party to a Turquoise Derivatives NCM-GCM Agreement with a Clearing Member shall, in submitting Turquoise Derivatives Trade Particulars to the Turquoise Derivatives Orderbook, be deemed to act as the agent of that Clearing Member and accordingly to submit such Turquoise Derivatives Trade Particulars to the Turquoise Derivatives Orderbook on behalf of the Clearing Member. The Clearing Member shall be bound by all acts of such Turquoise Derivatives NCM as its agent under this paragraph (l), any other provision of these Regulations or any provision of the Procedures, a Turquoise Derivatives NCM-GCM Agreement or the Exchange Rules, notwithstanding any lapse of authority of such Turquoise Derivatives NCM so to act.
- (m) In the event of a dispute arising out of, or in respect of, the existence or terms of a Turquoise Derivatives Orderbook Match or, where applicable, whether Turquoise Derivatives Trade Particulars giving rise to a Turquoise Derivatives Orderbook Match were submitted by or on behalf of the Clearing Members in whose names Turquoise Derivatives Cleared Exchange Contracts have been (or are to be) registered by the Clearing House, such dispute shall be settled as provided for in the Exchange Rules relating to cancellation of incorrect transactions and Protests and, in connection with this, in accordance with Regulation 80.
- (n) The Clearing House shall be deemed to register a Turquoise Derivatives Cleared Exchange Contract in accordance with this Regulation 75 in the name of a Clearing Member at the time prescribed in the Procedures or, if such registration is effected pursuant to the paragraph 6(a) of the Default Rules, at the time chosen by the Clearing House.
- (o) If a Clearing Member fails to satisfy the criteria referred to in Regulation 75(c)(i), (ii), (iii) or the Open Offer for Turquoise Derivatives has been withdrawn with respect to such Clearing Member (as opposed to generally), the Clearing House may, in respect of any Turquoise Derivatives Orderbook Match which has been submitted by or on behalf of such Clearing Member to the Turquoise Derivatives Orderbook, register a Turquoise Derivatives Cleared Exchange Contract in the Turquoise Derivatives Account where required by, and in accordance with, arrangements agreed from time to time with TGHL. This paragraph shall not apply where both Clearing Members (or a Clearing Member and a Linked Member) party to a Turquoise Derivatives Orderbook Match fails to satisfy the criteria referred to in Regulation 75(c).

Regulation 76 Reported Trades and Turquoise Derivatives OTC Trades Reported to TGHL for Registration

- (a) Regulations 76 and 77 and the Procedures apply to Reported Trades and Turquoise Derivatives OTC Trades made by or on behalf of Clearing Members or by or on behalf of a Clearing Member and a Member of a Linked Exchange. Reported Trades and Turquoise Derivatives OTC Trades will not be registered by the Clearing House unless the Clearing House accepts such trades for registration. Acceptance by the Clearing House of Reported Trades and Turquoise Derivatives OTC Trades for registration shall be at the discretion of the Clearing House.
- (b) Details of Reported Trades and Turquoise Derivatives OTC Trades made by or on behalf of Turquoise Derivatives Members which are reported to TGHL in accordance with Exchange Rules for registration with the Clearing House may only be submitted to the Clearing House by TGHL, who shall submit such details on behalf of the Clearing Members party thereto in accordance with arrangements made between the Clearing House and TGHL from time to time.
- (c) Details of Reported Trades and Turquoise Derivatives OTC Trades made by or on behalf of a Clearing Member and a Linked Member may only be submitted to the Clearing House by TGHL, who shall submit such details on behalf of the Clearing Member and the relevant Co-operating Clearing House in accordance with arrangements made between the Clearing House and TGHL from time to time.
- (d) If the Clearing House determines to accept a Reported Trade or Turquoise Derivatives OTC Trade for registration, the Clearing House shall arrange for TGHL to confirm the Clearing House's acceptance to the relevant Turquoise Derivatives Members or to the relevant Turquoise Derivatives Member and the relevant Co-operating Clearing House.
- (e) Subject to paragraph (f), the Clearing House shall register Turquoise Derivatives Cleared Exchange Contracts which it has accepted for registration pursuant to Regulation 76(d), at the time referred to in the Procedures and in accordance with Regulation 77.
- (f) The Clearing House shall not register a Reported Trade or Turquoise Derivatives OTC Trade, of which details have been reported to the Clearing House under paragraph (c), if the relevant Co operating Clearing House declines to enter into a Turquoise Derivatives Cleared Exchange Contract with respect to such Reported Trade.
- (g) Without prejudice to Regulation 80 or Regulation 81, a Clearing Member shall be bound by a Turquoise Derivatives Cleared Exchange Contract registered under Regulation 77 in its name pursuant to the presentation to the Clearing House by TGHL under paragraph (b) or (c) of details of a Reported Trade or Turquoise Derivatives OTC Trade to which it (or a Turquoise Derivatives NCM with whom it is party to a Turquoise Derivatives NCM-GCM Agreement) is party.
- (h) For the purposes of this Regulation 76, a Turquoise Derivatives NCM party to a Turquoise Derivatives NCM-GCM Agreement with a Clearing Member shall, in submitting details of Reported Trades to TGHL, be deemed to act as the agent of that Clearing Member. The Member shall be bound by all acts of such Turquoise Derivatives NCM as his agent under this paragraph (h), any other provision of these Regulations or any provision of the Procedures, a Turquoise Derivatives NCM-GCM Agreement or the Exchange Rules, notwithstanding any lapse of authority of such Turquoise Derivatives NCM to so act.

Regulation 77 Registration of Turquoise Derivatives Cleared Exchange Contracts following Submission of Details of a Reported Trade or Turquoise Derivatives OTC Trade

- (a) Details of a Reported Trade or Turquoise Derivatives OTC Trade accepted for registration by the Clearing House under Regulation 76(d) shall, subject to Regulation 76(f), be registered by the Clearing House as two Turquoise Derivatives Cleared Exchange Contracts between:
- (i) as seller, the Clearing Member, or the Clearing Member party to a Turquoise Derivatives NCM-GCM Agreement with a Turquoise Derivatives NCM, who was named in the Reported Trade or Turquoise Derivatives OTC Trade as the seller (or, where a Linked Member was named as the seller, the Member which is the relevant Co-operating Clearing House) and the Clearing House as buyer; and
 - (ii) as buyer, the Clearing Member, or the Clearing Member party to a Turquoise Derivatives NCM-GCM Agreement with a Turquoise Derivatives NCM who was named in the Reported Trade or Turquoise Derivatives OTC Trade as the buyer (or, where a Linked Member was named as the buyer, the Member which is the relevant Co-operating Clearing House) and the Clearing House as seller.
- (b) Where a Reported Trade is accepted for registration by the Clearing House, each Turquoise Derivatives Cleared Exchange Contract registered under paragraph (a) of this Regulation 77 shall be on the terms received by the Clearing House from TGHL and otherwise on the terms of the relevant Turquoise Derivatives Contract Specification contained in the Exchange Rules and any other terms specified in these Regulations and the Procedures. Where a Turquoise Derivatives OTC Trade is accepted for registration, each Turquoise Derivatives Cleared Exchange Contract registered under paragraph (a) of this Regulation 77 shall be on the terms set out in Part A to the Schedule to these Turquoise Derivatives Regulations.
- (c) Without prejudice to Regulation 80, if a Reported Trade is revoked, avoided or otherwise declared invalid for any reason by a person other than the Clearing House or TGHL after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any Turquoise Derivatives Cleared Exchange Contract arising under this Regulation or Regulation 76(b) and the Clearing Member party thereto shall be bound by such Turquoise Derivatives Cleared Exchange Contract.
- (d) The Clearing House shall be deemed to register a Turquoise Derivatives Cleared Exchange Contract in respect of a Reported Trade or Turquoise Derivatives OTC Trade in accordance with this Regulation 77 in the name of a Clearing Member at the time prescribed in the Procedures or, if registered by the Clearing House pursuant to rule 6(a) of the Default Rules, at the time chosen by the Clearing House.

Regulation 78 Delivery (or Other) Failures

- (a) Without prejudice to the Default Rules and the Procedures, if a Clearing Member as seller fails to deliver securities or other instruments to the Clearing House under a Turquoise Derivatives Cleared Exchange Contract by the due time therefor, the Clearing House may issue directions, in accordance with the Procedures, to that Clearing Member and to a Clearing Member as buyer under a corresponding Turquoise Derivatives Cleared Exchange Contract regarding the performance of such Contracts and take such steps, as it may determine, in accordance with the Procedures and any such steps or directions shall be binding on the Clearing Members.
- (b) The Clearing House shall be entitled to call for cover for margin in such amounts and in such form as it may require in accordance with the Procedures from a Clearing Member where it has failed to deliver securities or other instruments or pay the Price under a Turquoise Derivatives Cleared Exchange Contract by the due time therefor.
- (c) A Clearing Member who has failed to deliver securities or other instruments to the Clearing House under a Turquoise Derivatives Cleared Exchange Contract or to pay the Price shall indemnify the Clearing House in respect of all losses, costs, taxes and expenses suffered or incurred by the Clearing House in taking any steps under paragraph ~~(a)~~(a) of this Regulation 78.
- (d) Without prejudice to the Default Rules, if a Clearing Member acts in such a manner (which could, without limitation, include persistent failure to deliver securities or other instruments to the Clearing House under Turquoise Derivatives Cleared Exchange Contracts in respect of which it is the seller (other than in circumstances where Regulations 26 and/or 27 apply)) and the Clearing House in its reasonable opinion and after consultation with TGHL determines that the reputation of the Clearing House Turquoise Derivatives Services is being, or has been, undermined, the Clearing House shall be entitled to terminate, on written notice, either summarily or at the expiry of the period specified in the notice, the Clearing Member's ability to have Turquoise Derivatives Cleared Exchange Contracts registered in its name and to require it to liquidate or transfer under Regulation 11 open Turquoise Derivatives Cleared Exchange Contracts registered in its name.

Regulation 79 Suspension of the Open Offer for Turquoise Derivatives

The Clearing House may, from time to time, in its absolute discretion suspend the Clearing House Turquoise Derivatives Services for such period of time as it may determine in the circumstances referred to in this Regulation 79 or with the agreement of TGHL.

The Clearing House Turquoise Derivatives Services may be suspended:

- (a) as a result of a malfunction, breakdown or other failure in the electronic communication link between TGHL London and the Clearing House (including any linkage via a third party system) or in the Clearing House's computer systems or any other relevant communication link or computer system such that the Clearing House is not able to receive or otherwise access all such particulars as it may require in order to exercise adequate risk management controls over contracts registered under the Clearing House Turquoise Derivatives Services;
- (b) as a result of a significant banking crisis or an extended disruption to any relevant bank payment system or any other event the occurrence of which in the Clearing House's reasonable opinion may jeopardise the solvency or the integrity of the Clearing House, and in any such case in the Clearing House's reasonable opinion there is a need to suspend the Clearing House Turquoise Derivatives Services in order to protect the solvency or the integrity of the Clearing House;
- (c) where a market emergency affecting TGHL London and/or the Clearing House has a material effect on the provision of the Clearing House Turquoise Derivatives Services and/or the TGHL market;
- (d) in order to comply with any requirements to which it is subject under applicable laws or regulations or with any order or direction given by, or a requirement of, a relevant regulation or pursuant to the rules of any such regulator.

Regulation 80 Withdrawal of Clearing House Turquoise Derivatives Services by the Clearing House

- (a) If, at any time, the Clearing House decides in its absolute discretion to withdraw all or any part of the Clearing House Turquoise Derivatives Services it shall give not less than six months' notice to all affected Clearing Members of the date on which the Clearing House Turquoise Derivatives Services will be withdrawn (the "Service Withdrawal Date"). The accidental omission by the Clearing House to give notice under this Regulation 80 to, or the non-receipt of notice under this Regulation 80 by, one or more affected Members shall not invalidate the Service Withdrawal Date.
- (b) Without prejudice to its rights under the Default Rules, any notice given under paragraph (a) shall specify the nature of the service which the Clearing House will provide until the Service Withdrawal Date.
- (c) If, at the Service Withdrawal Date, a Clearing Member has open Turquoise Derivatives Cleared Exchange Contracts registered in its name, the Clearing House shall, at its sole discretion, be entitled to liquidate any such Turquoise Derivatives Cleared Exchange Contracts and effect cash settlement in respect thereto with that Clearing Member.
- (d) The Clearing House shall have the right to postpone the Service Withdrawal Date until such time as the Clearing House determines in its absolute discretion.

Regulation 81 Cancellation, variation etc of Turquoise Derivatives Cleared Exchange Contracts

- (a) The Clearing House shall, in accordance with procedures agreed with TGHL, cancel, or vary the terms of, a Turquoise Derivatives Cleared Exchange Contract and the corresponding Turquoise Derivatives Cleared Exchange Contract pursuant to a determination to this effect made by TGHL under the Exchange Rules that such Contracts have been entered into in error or certain terms have been agreed in error or in such other circumstances as may be set out in the Exchange Rules.
- (b) If following receipt of a statement from TGHL recording the details of Turquoise Derivatives Cleared Exchange Contracts which have been registered on a business day in the name of a Clearing Member under the Regulations, the Clearing Member considers that there has been an error or omission in such statement, it shall submit a Protest to TGHL in accordance with, and by the time required, by the Exchange Rules. On receipt of such Protest, TGHL will consult with the Clearing House with a view to determining whether the Protest is valid and, if valid, what step or steps (if any) should be taken in respect of such Clearing Member or any other affected Clearing Member, which may include registering, re-registering, cancelling or varying a Turquoise Derivatives Cleared Exchange Contract. The Clearing House shall take such steps as TGHL and the Clearing House determine to be appropriate and any other step or steps as may be required by the Procedures, which may include requiring cover to be furnished to the Clearing House as required by the Clearing House. If the Clearing House does not take any steps under this paragraph (b) in respect of a Turquoise Derivatives Cleared Exchange Contract, the Clearing Member shall remain bound by the terms of each such Turquoise Derivatives Cleared Exchange Contract registered in his name with the Clearing House. This paragraph shall not apply in the circumstances contemplated by paragraph ~~(a)~~(a) of this Regulation.
- (c) Turquoise Derivatives Cleared Exchange Contracts may be registered in the Turquoise Derivatives Account in connection with any step taken by the Clearing House under paragraph (b) of this Regulation 81 or in such other circumstances as may be agreed between TGHL and the Clearing House from time to time.
- (d) A Clearing Member whose Turquoise Derivatives Cleared Exchange Contracts have been varied under this Regulation 81 shall be bound by the terms of such Contracts as varied and any relevant provisions of the Procedures.
- (e) Upon a Turquoise Derivatives Cleared Exchange Contract being cancelled under this Regulation 80, the particulars of the transaction in question shall be deemed never to have been submitted to the Clearing House for registration. Any payment (other than fees) made to the Clearing House under, or in respect of, a Turquoise Derivatives Cleared Exchange Contract which has been cancelled under this Regulation 81 shall be repayable to the person who made the payment, subject to LCH's rights under Regulation 12 and the Default Rules.
- (f) Without prejudice to Regulation 39 and its rights and obligations set out in this Regulation 81, the Clearing House shall have no liability whatsoever to any person in respect of any step taken under paragraph (a) or ~~(b)~~(b) of this Regulation 80.

Regulation 82 Rejection of Orderbook Matches

- (a) Subject to paragraphs (b) and (c) of this Regulation 81 and to Regulation 75 (o), any Turquoise Derivatives Orderbook Match, which does not meet the requirements set out in Regulation 75(c), or in respect of which the Clearing House declines to register Turquoise Derivatives Cleared Exchange Contracts under Regulation 9(c), will be rejected by the Clearing House and no Turquoise Derivatives Cleared Exchange Contracts shall be deemed to have arisen. Without prejudice to the generality of Regulation 39, any other provision of these Regulations, the Procedures, or the Exchange Rules concerning the liability of the Clearing House, the Clearing House shall have no liability whatsoever to any Clearing Member or any other person (including but not limited to any Turquoise Derivatives NCM or Linked Member) with regard to the rejection by it of any such Turquoise Derivatives Orderbook Match or any Reported Trade.
- (b) The Clearing House may, in its absolute discretion, agree to register a Turquoise Derivatives Cleared Exchange Contract in the account of a Clearing Member in respect of a Turquoise Derivatives Orderbook Match in accordance with any provisions in this regard set out in the Procedures, notwithstanding that the Clearing Member does not meet the requirements set out in Regulation 75(c) in respect of the Turquoise Derivatives Orderbook Match or the Clearing House receives invalid or incomplete message data in respect of a Turquoise Derivatives Orderbook Match.
- (c) The Clearing House shall only exercise its rights to decline to register Turquoise Derivatives Cleared Exchange Contracts under Regulation 9(c) if:
- (i) the Clearing House is required by an order or direction issued by, or a requirement of, a Regulatory Body pursuant to its rules or otherwise, or in order to comply with any applicable laws, regulations or court order, to cancel, decline to enter into or reject a Turquoise Derivatives Cleared Exchange Contract or to take other similar measures in relation to a Turquoise Derivatives Cleared Exchange Contract; or
 - (ii) a Turquoise Derivatives Orderbook Match exceeds a size specified in the Exchange Rules or the Procedures from time to time.
- (d) If any of the circumstances referred to in paragraph (c)(i) apply in respect of an affected Clearing Member, the Clearing House shall take such action as it may determine in order that the Clearing House does not have (or to minimise the effect of) an unbalanced position. Any such action may, without limit, include entering into contracts with a Clearing Member or a third party in order to balance its position, or to vary or cancel Turquoise Derivatives Cleared Exchange Contracts entered into with a Co-operating Clearing House, as appropriate and the affected Clearing Member shall indemnify the Clearing House against all losses, costs, taxes or expenses suffered or incurred by the Clearing House in taking such action.

Regulation 83 Cross-Border Transfers to the Clearing House of Contracts Executed by a Member of a Co-operating Exchange - Automatic Transfers

- (a) Where, pursuant to arrangements set forth in the Exchange Rules, a Clearing Member wishes automatically to accept transfers of contracts executed by a Linked Member on or under the Rules of a Co-operating Exchange for registration with the Clearing House, the Clearing Member shall enter into such agreements as may be required for this purpose by the Exchange Rules and shall notify to the Clearing House, in accordance with the Procedures, the account of the Linked Member (the "**Linked Account**") from which such contracts shall be transferred and the Clearing Member's account with the Clearing House in which such contracts shall be registered. The Clearing House shall register such transferred contracts as Turquoise Derivatives Cleared Exchange Contracts in such account of the Clearing Member in accordance with this Regulation 83 and the Exchange Rules.
- (b) Cross-Border Transfers shall be effected at the time or times and in accordance with procedures agreed between the Clearing House and the relevant Co-operating Clearing House from time to time and otherwise subject to these Regulations and the Exchange Rules.
- (c) Cross-Border Transfers shall not be made in the circumstances set out in Regulation 84 or 85 or if TGHl notifies the Clearing House that the Clearing Member is no longer party to the applicable agreements required by Exchange Rules with respect to Cross-Border Transfers to be made under this Regulation 83.
- (d) The Clearing House shall be entitled to rely on the details notified to it by TGHl of the contracts to be transferred from a Linked Account to the account of a Clearing Member and shall be under no obligation to verify such details with TGHl or the Clearing Member.
- (e) Cross-Border Transfers of Contracts to the account of a Clearing Member with the Clearing House shall be automatically made in accordance with this Regulation 82 without further instructions from the Clearing Member.
- (f) The Clearing House shall not be liable to a Clearing Member, a Linked Member or any person whatsoever in accepting a transfer of contracts for registration in a Clearing Member's account in accordance with this Regulation 83 or if the Clearing House does not accept any such transfer pursuant to Regulation 84 or 85.
- (g) If the Clearing House would have an unbalanced position on registering Turquoise Derivatives Cleared Exchange Contracts in an account of a Member in respect of a Cross-Border Transfer made in accordance with this Regulation 83, the Clearing House shall register an equal number of corresponding Turquoise Derivatives Cleared Exchange Contracts in the name of the relevant Co-operating Clearing House.
- (h) Turquoise Derivatives Cleared Exchange Contracts registered under this Regulation 82 in a Clearing Member's account shall have the same economic terms as the contracts executed by the Linked Member on a Co-operating Exchange, but otherwise shall be subject to the Regulations and the Exchange Rules.
- (i) The Clearing House shall have the same rights to decline to register or accept a contract for registration under this Regulation 83 as it has under these Regulations in respect of a Turquoise Derivatives Orderbook Match or a Reported Trade or Turquoise Derivatives OTC Trade.

Regulation 84 Default affecting a Cross-Border Transfer

If, prior to effecting a Cross-Border Transfer under these Regulations, a Clearing Member or a Linked Member party to such proposed Cross-Border Transfer is a defaulter or in default under the rules of the relevant Co-operating Exchange the Cross-Border Transfer shall not occur, unless the Clearing House and the relevant Co-operating Clearing House decide otherwise or it is not practicable to prevent any such Cross-Border Transfer.

Regulation 85 Impossibility of Transfer

- (a) Cross-Border Transfers shall not occur on any day under Regulation 80 if it is impossible, for any technological or other reason, for any such transfer to take place. Any affected Cross-Border Transfer shall take place as soon as it is possible for such transfer to be effected.
- (b) Cross Border Transfers shall not occur if it would contravene any applicable law or regulation or requirement of a regulator for any such transfer to take place.

Regulation 86 Options

An Turquoise Derivatives Cleared Exchange Contract, being an option, shall be exercised by a Member in accordance with the applicable Exchange Rules and these Regulations and the Procedures. Where there is any conflict between the terms of the applicable Exchange Rules and these Regulations and Procedures, the terms of the Regulations and Procedures shall prevail. References in Regulation 17 to a notice in writing shall be construed to mean an instruction given, or to be given to TGHL, in accordance with the Exchange Rules, as agent for the Clearing House.

Regulation 87 Re-registration of Contracts

- (a) A Clearing Member may arrange for a Turquoise Derivatives Cleared Exchange Contract to be transferred to another Clearing Member or to a member of a Co-operating Clearing House in the circumstances prescribed in Turquoise Derivatives Rules 2.14 and 3.4 or as contemplated by this Regulation 87. Any such transfer to an account of another Clearing Member shall be effected by the Clearing House in accordance with Regulation 11.
- (b) Where a Clearing Member submits a Request for Re-Registration to TGHL in accordance with Turquoise Derivatives Rule 3.4, TGHL shall notify the Clearing House, in accordance with the Procedures, that it has received such Request for Re-Registration.
- (c) Transfers of Turquoise Derivatives Cleared Exchange Contracts pursuant to a Request for Re-Registration submitted by a Clearing Member to TGHL and notified to the Clearing House under paragraph (a) shall be effected only if TGHL and the Clearing House have determined to accept such Request for Re-Registration. The Clearing House shall effect such transfer in accordance with Regulation 11 and the Procedures.
- (d) Where a Clearing Member has submitted a Request for Re-Registration to TGHL requesting that one or more Turquoise Derivatives Cleared Exchange Contracts be transferred to an account maintained by a Linked Member with a Co-operating Clearing House, Co-operating Exchange or its Associated Clearing House, the Clearing Member shall notify the Clearing House, in accordance with the Procedures, that such request has been made to TGHL. No such transfers shall be made, unless such conditions set forth in the Exchange Rules have been satisfied and the Clearing House, TGHL and the relevant Co-operating Clearing House, Co-operating Exchange or Associated Clearing House, as the case may be, have given their approval to the transfer. Any such transfer shall be on such terms as the Clearing House may stipulate.

A Clearing Member may in accordance with the Procedures and with the approval of the Clearing House accept for registration in his name contracts executed by a Linked Member and registered with the relevant Co-operating Clearing House or Associated Clearing House which the Linked Member wishes to transfer to an account of the Clearing Member with the Clearing House.

SCHEDULE TO THE TURQUOISE DERIVATIVES REGULATIONS**Part A****Turquoise Derivatives Cleared Exchange Contract Terms arising from Turquoise Derivatives OTC Trades**

The terms of a registered Turquoise Derivatives Cleared Exchange Contract arising from a Turquoise Derivatives OTC Trade shall include these Contract Terms which shall comprise:

- (1) Interpretation; and
- (2) Economic Terms; and
- (3) Standard Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use these Contract Terms to calculate the amounts due under this Turquoise Derivatives Cleared Exchange Contract to, or from, the Clearing House in accordance with the Procedures.

For the purposes of this Schedule any reference to a Turquoise Derivatives Cleared Exchange Contract shall be a reference to a Turquoise Derivatives Cleared Exchange Contract arising from a Turquoise Derivatives OTC Trade in accordance with the Regulations.

1. Interpretation

- 1.1. "ISDA Definitions" means the 2002 ISDA Equity Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and the same are incorporated by reference herein.
- 1.2. Words and expressions used in these Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the "ISDA Definitions" shall the same meaning herein as the ISDA Definitions, unless expressly provided otherwise.
- 1.3. In the event of an inconsistency between the Regulations and the Procedures and the ISDA Definitions, the Regulations and Procedures will prevail.
- 1.4. References in the ISDA Definitions to an "Option Transaction", "Forward Transaction", or "Futures Transaction" shall be deemed to be references to a "Turquoise Derivatives OTC Trade".
- 1.5. Except where expressly stated otherwise, all reference to "Articles" means Articles in the ISDA Definitions" as published by ISDA.
- 1.6. In relation to any amendments to the ISDA Definitions, the Clearing House may from time to time, by notice delivered to Clearing Members, give directions as to whether such amendment shall apply to EDX Cleared Exchange Contracts with immediate effect or with such deferred effect as the Clearing House shall determine.
- 1.7. Any such notice may provide that the amendment to the ISDA Definitions may take effect so as to apply to Turquoise Derivatives Cleared Exchange Contracts registered in a Clearing Member's name at the time such amendment comes into effect if the Clearing House so determines.

1.8. The accidental omission to give notice under this provision to, or the non-receipt of notice under this provision by any Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. **Economic Terms**

2.1. The Economic Terms of a Turquoise Derivatives Cleared Exchange Contract shall be derived from the information presented to the Clearing House by TGHL in respect of the terms designated as Economic Terms in this Schedule.

2.2. It is part of the eligibility criteria for registration as a Turquoise Derivatives Cleared Exchange Contract that the particulars of a Turquoise Derivatives OTC Trade presented to the Clearing House must include matched information in respect all such designated Economic Terms.

2.3. The Economic Terms comprise:

- (i) Trade Date (see Article 1.17 for definition);
- (ii) Buyer (see Article 1.18 for definition);
- (iii) Seller (see Article 1.19 for definition);
- (iv) Settlement Currency (see Article 1.33 for definition);
- (v) Cash-settled (see Article 1.38 for definition) or Physically-settled (see Article 1.39 for definition);
- (vi) if Cash-settled, Cash Settlement Payment Date (see Article 8.8 for definition)
- (vii) if Physically-settled, Settlement Date (see Article 9.4 for definition);
- (viii) Where an Option transaction:
 - (a) Commencement Date (see Article 2.1 (a) for definition);
 - (b) Number of Options (see Article 2.1 (b) for definition);
 - (c) Option Entitlement (see Article 2.1 (c) for definition);
 - (d) American Option (see Article 2.2 (a) for definition) or European Option (see Article 2.2 (b) for definition);
 - (e) Call (see Article 2.3 (a) for definition) or Put (see Article 2.3 (b) for definition);
 - (f) Payment of Premium (see Article 2.4 (a) for definition);
 - (g) Premium (see Article 2.4 (b) for definition);
 - (h) Premium Payment Date (see Article 2.4 (c) for definition);
 - (i) Exercise Period (see Article 3.1 (a) for definition);
 - (j) Exercise Date (see Article 3.1 (b) for definition);

- (k) Expiration Date (see Article 3.1 (a) for definition);
- (ix) Where a Forward Transaction:
 - (a) Forward Price (see Article 4.1 (a) for definition);
 - (b) Expiration Date.
- (x) Where a Futures Transaction:
 - (a) Futures Price;
 - (b) Expiration Date.
- (xi) Where Share Option, Share Forward or Share Future Transaction:
 - (a) Number of Shares (see Article 1.20 for definition);
 - (b) Number of Shares to be Delivered (see Article 9.5 for definition).

PROVIDED, however, that, where in the “Option Transaction”, “Forward Transaction”, or “Future Transaction” a Clearing Member is party as the Seller (“the First Member”) with the other Clearing Member as the party being the buyer (“the Second Member”) the Clearing House, in respect of each Turquoise Derivatives Cleared Exchange Contract to which it is party shall be (i) the Buyer to the First Member and (ii) the Seller to the Second Member.

3. **Standard Terms**

The following terms are designated as Standard Terms of a registered Turquoise Derivatives Cleared Exchange Contract:

3.1. **Other Relevant Definitions**

“Exchange” is defined in Article 1.25.

“Settlement price” is defined in Article 7.3.

3.2. **Calculation Agent**

The Calculation Agent is the Clearing House.

3.3. **Withholding Tax Provisions**

All payments due under a Turquoise Derivatives Cleared Exchange Contract shall be made by the Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

The Clearing House shall make any payments due to a Clearing Member net of any deduction or withholding for or on account of any tax it is required to make from such payments.

3.4. **Payment of Stamp Tax**

Each Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any Turquoise Derivatives Cleared Exchange Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("Stamp Tax Jurisdiction") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any Turquoise Derivatives Cleared Exchange Contract registered by the Clearing House and to which that Clearing Member is a party.

3.5. **Payments under a Turquoise Derivatives Cleared Exchange Contract**

Payments under, and in respect of, a Turquoise Derivatives Cleared Exchange Contract shall be calculated by the Clearing House and shall be made by, or to, the Clearing Member in accordance with the provisions of the Procedures.

3.6. **Regulations**

This Turquoise Derivatives Cleared Exchange Contract shall be subject to the Regulations and the Procedures, which shall form a part of its terms. In the event of any inconsistency between these Contract Terms and the Regulations and the Procedures, the Regulations and the Procedures will prevail.

3.7. **Governing Law**

This Turquoise Derivatives Cleared Exchange Contract shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree for the benefit of the Clearing House that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise here from. The Clearing Member party to this Turquoise Derivatives Cleared Exchange Contract irrevocably submits to such jurisdiction and to waive any objection it might otherwise have to such jurisdiction, save that this submission to the jurisdiction of the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

3.8. **Third Party Rights**

A person who is not a party to this Turquoise Derivatives Cleared Exchange Contract shall have no rights under or in respect of this Contract. Rights of third parties to enforce any terms of this Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

SCHEDULE TO THE Turquoise Derivatives REGULATIONS

Part B

Product Eligibility Criteria for Registration of an Turquoise Derivatives OTC Trade

1. Turquoise Derivatives OTC Trades

1.1 Without prejudice to the Regulations and the Procedures, the Clearing House may decline to register to register a Turquoise Derivatives OTC Trade unless at the time that the required particulars of that Turquoise Derivatives OTC Trade are presented:

- (a) the Turquoise Derivatives OTC Trade meets the eligibility criteria, set out in section 2 below for an eligible Turquoise Derivatives OTC Trade, and all other requirements of the Clearing House from time to time including the requirements set out in these Regulations and Procedures; and
- (b) details of the Turquoise Derivatives OTC Trade are submitted for registration in accordance with the Regulations, the Procedures and all other requirements from time to time of the Clearing House; and
- (c) the parties to the Turquoise Derivatives OTC Trade are Clearing Members approved by the Clearing House as persons eligible to submit such trades for registration by the Clearing House or Turquoise Derivatives Non-Clearing Members, so approved,

and the requirements of (a) to (c) inclusive and Section 2 continue to be satisfied at Registration Time.

2. Product Eligibility Criteria for a Turquoise Derivatives OTC Trade

“Eurozone” means either a share listed on a French, German, Dutch, Finnish, Spanish or Italian market

Contract	Expiration Date	Option Type	Contract Size	Currency	Option Premium	Settlement Type	Settlement Date
Eurozone Share Option	Less than 5 Years	American/European	1	Euro	Payable Trade Date +1	Physical Cash Settlement	or ED+2/3
Eurozone Share Future/ Forward	Less than 5 Years	N/A	1	Euro	N/A	Physical Cash Settlement	or ED+2/3
Swiss Option	Share Less than 5 Years	American/European	1	CHF	Payable Trade Date +1	Physical Cash Settlement	or ED+3
Swiss Future/ Forward	Share Less than 5 Years	N/A	1	CHF	N/A	Physical Cash Settlement	or ED+3
UK Option	Share Less than 5 Years	American/European	1	GBP	Payable Trade Date +1	Physical Cash Settlement	or ED+3
UK Future/	Share Less than 5 Years	N/A	1	GBP	N/A	Physical Cash	or ED+3

Contract	Expiration Date	Option Type	Contract Size	Currency	Option Premium	Settlement Type	Settlement Date
Forward	5 years					Settlement	
Eurozone Index Options	Less than 5 Years	than European	1	Euro	Payable Trade Date +1	Cash Settlement	ED+1
Eurozone Index Future/Forward	Less than 5 Years	N/A	1	Euro	N/A	Cash Settlement	ED+1
Swiss Option	Index Less than 5 Years	than European	1	CHF	Payable Trade Date +1	Cash Settlement	ED+1
Swiss Future/Forward	Index Less than 5 Years	N/A	1	CHF	N/A	Cash Settlement	ED+1
UK Option	Index Less than 5 Years	than European	1	GBP	Payable Trade Date +1	Cash Settlement	ED+1
UK Future/Forward	Index Less than 5 Years	N/A	1	GBP	N/A	Cash Settlement	ED+1

HKMEX REGULATIONS**Regulation 88 Introduction and Application****General**

- (a) The Clearing House shall provide the HKMEx Service subject to and in accordance with the terms of these HKMEx Regulations and the Procedures.
- (b) Clearing Members which are HKMEx Service Clearing Members, and applicants to become HKMEx Service Clearing Members, shall be bound by these HKMEx Regulations. Other than as specified in the Regulations, the remainder of the Regulations shall not apply to the HKMEx Service.
- (c) Regulations 1 and 2 of the Regulations apply to the HKMEx Service.

HKMEx Service Clearing Membership

- (d) A Clearing Member may apply to become a HKMEX Service Clearing Member in accordance with the Procedures.
- (e) Regulations 4(a) to 4(c) (inclusive) apply to HKMEx Service Clearing Membership and applications therefor as it applies to clearing membership.
- (f) In the event of any inconsistency between HKMEx's Rules and the HKMEX Regulations, the HKMEX Regulations shall prevail.

Accounts

- (g) Regulation 5 applies to the opening and operation of accounts with respect to a HKMEX Service Clearing Member. Such accounts shall be designated in accordance with Regulation 8.

Formation, registration and transfers of HKMEX Contracts

- (h) HKMEx's Rules govern the formation of a HKMEX Transaction.
- (i) Regulations 89 and 90 govern the registration and formation of a HKMEX Contract.
- (j) A HKMEX Service Clearing Member may clear HKMEX Transactions for a HKMEX Non-Clearing Member in accordance with the Procedures and HKMEX's Rules.
- (k) Regulation 11 (and, insofar as relevant, Regulation 3(b)) apply to a HKMEX Contract which is an open contract.

Margin and cover for margin

- (l) Regulation 12 applies to a HKMEX Service Clearing Member.

Daily settlement

- (m) Regulations 13, 14, 91 and 16 apply to the daily settlement to market of open HKMEx Contracts.

Options

- (n) Regulations 17 and 18 apply to HKMEx Contracts which are options.

Physical settlement

- (o) Regulations 19 to 22 (inclusive) and 25 apply to HKMEx Contracts.

Arbitration

- (p) Regulations 23 and 24 apply to HKMEx Contracts.

Market disorders; force majeure; invoicing back; currency conversion; disclosure; fees and other charges; records; Procedures; alteration of Regulations and Procedures; interpretation; waiver; validity; governing law and jurisdiction; exclusion of liability; netting

- (q) Regulations 25 to 39B (inclusive) apply to HKMEx Service Clearing Members and HKMEx Contracts.

Default Rules and Default Fund Rules

- (r) The Default Rules and the Default Fund Rules apply to HKMEx Service Clearing Members and HKMEx Contracts.

Clearing House Settlement Finality Regulations

- (s) The Clearing House Settlement Finality Regulations apply in relation to HKMEx Service Clearing Members and HKMEx Contracts.

Regulation 89 Presentation, allocation of HKMEX Transactions and registration of HKMEX Contracts

- (a) In order to utilise the HKMEX Service a HKMEX Service Clearing Member must cause particulars of a HKMEX Transaction to which it is party to be submitted for registration as a HKMEX Contract, through such means as shall be prescribed by the Procedures.
- (b) A HKMEX Transaction submitted for registration must meet the eligibility criteria prescribed in the Procedures at the time the particulars of such HKMEX Transaction are presented to the Clearing House and must continue to meet such criteria at the time prescribed in the Procedures ("Registration Time") in order to be registered as HKMEX Contracts. A HKMEX Service Clearing Member may not revoke, cancel or transfer a HKMEX Transaction unless permitted by HKMEX's Rules, the Regulations or the Procedures or with the consent of the Clearing House.
- (c) A HKMEX Service Clearing Member shall not allow the submission for registration of a transaction which is not a HKMEX Transaction.
- (d) The Clearing House may require HKMEX Transactions presented for registration in the name of a HKMEX Service Clearing Member to be confirmed by or on behalf of such Member, in which case it shall specify the manner, form and time of such confirmation in the Procedures.
- (e) A HKMEX Transaction may, subject to the Procedures or HKMEX's Rules (as may be the case), be allocated (or reallocated) by or on behalf of a HKMEX Service Clearing Member to another HKMEX Service Clearing Member in such manner and form and by such time as may be prescribed by the Procedures.
- (f) Where a HKMEX Transaction is allocated (or reallocated) to a HKMEX Service Clearing Member, then unless the Clearing House receives confirmation of the acceptance of the allocation of such contract from the HKMEX Service Clearing Member to whom such contract is being allocated (or reallocated) within the relevant time prescribed by the Procedures, the Clearing House shall register such HKMEX Transaction in the name of the HKMEX Service Clearing Member who sought to allocate the HKMEX Transaction.
- (g) Notwithstanding paragraph (f) of this Regulation, a HKMEX Service Clearing Member may from time to time agree in writing with the Clearing House that he shall accept for registration in his name any HKMEX Transaction allocated to him.
- (h) The Clearing House may decline to register a HKMEX Transaction in the name of a HKMEX Service Clearing Member where it considers such action advisable for its own protection or the protection of the relevant market. The Clearing House may, without assigning any reason, make the registration of any HKMEX Transaction subject to any conditions stipulated by the Clearing House including, without limitation, the furnishing of cover for margin by both HKMEX Service Clearing Members in whose name any such HKMEX Transaction is to be registered.
- (i) Without prejudice to the Clearing House's rights under paragraph (k) of this Regulation, a HKMEX Service Clearing Member shall be bound by a HKMEX Contract registered in its name pursuant to the presentation of particulars of a HKMEX Transaction.
- (j) The Clearing House shall be deemed to register a HKMEX Contract in relation to a HKMEX Transaction in the name of a HKMEX Service Clearing Member at the Registration Time for that type of HKMEX Contract in accordance with Regulation 90.

- (k) For the avoidance of doubt, any transaction of which details have been submitted by HKMEx Participants for registration as HKMEx Contracts which is not so registered shall remain in effect or be terminated, as the case may be, according to any terms agreed between the parties thereto (directly or by virtue of their common participation or membership of the HKMEx Trading System through or on which the transaction was executed or by which it was registered), and the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no obligations or liability in relation thereto.
- (l) If at any time after registration of a HKMEx Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration was not a HKMEx Transaction or did not, at the Registration Time, meet the eligibility criteria for registration as a HKMEx Contract, the Clearing House shall, as soon as practicable thereafter, set aside each such HKMEx Contract. Upon the purported HKMEx Contract being set aside under this Regulation 89(l), the particulars of the transaction in question shall be deemed never to have been registered. Any payment made under, or in respect of, a HKMEx Contract set aside under this paragraph shall be repayable to the person who made the payment. Without prejudice to Regulation 39 and its obligations under this Regulation 89(l), the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of a contract as a HKMEx Contract in respect of a transaction which did not meet the eligibility criteria at the Registration Time to enable it to be registered as a HKMEx Contract.

Regulation 90 HKMEx Contracts

- (a) A HKMEx Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House as two HKMEx Contracts, one between the First HKMEx Service Clearing Member as the seller and the Clearing House as the buyer as principals to such contract, and the other between the Clearing House as the seller and the Second HKMEx Service Clearing Member as the buyer (as the case may be) as principals to such contract. For the purposes of this Regulation:
- (i) "First HKMEx Service Clearing Member" is a HKMEx Service Clearing Member who was, before registration of the HKMEx Contract, party to the corresponding HKMEx Transaction as the seller;
 - (ii) "Second HKMEx Service Clearing Member" is a HKMEx Service Clearing Member who was, before registration of the HKMEx Contract, party to the corresponding HKMEx Transaction as the buyer.
- (b) With effect from registration of a HKMEx Transaction as two HKMEx Contracts under paragraph (a) of this Regulation:
- (i) the parties to the corresponding HKMEx Transaction shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time;
 - (ii) each HKMEx Contract registered under paragraph (a) of this Regulation shall be governed by the relevant HKMEx Contract Terms applicable to that HKMEx Contract;
 - (iii) subject always to sub-paragraph (ii) above, the First HKMEx Service Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the HKMEx Contract to which it is a party as the seller had and owed in respect of its counterparty under the corresponding HKMEx Transaction; and
 - (iv) subject always to sub-paragraph (ii) above, the Second HKMEx Service Clearing Member shall have the same rights against, and owe the same obligations to the Clearing House under the HKMEx Contract to which it is party as the buyer had and owed in respect of its counterparty under the corresponding HKMEx Transaction.
- In sub-paragraphs (iii) and (iv) above, a reference to the "same" rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the corresponding HKMEx Transaction (it being assumed, for this purpose, that such HKMEx Transaction was a legal, valid, binding and enforceable obligation of the parties thereto), notwithstanding the change in the person entitled to them or obliged to perform them.
- (c) If a HKMEx Transaction is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any HKMEx Contract unless otherwise determined by the Clearing House.
- (d) In the case of a HKMEx Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 90 shall take effect.

Regulation 91 Daily Settlement or Marking to Market

- (a) Where the Procedures so provide, the Clearing House may effect the daily settlement to market or daily marking to market of those open HKMEx Contracts in accordance with the Procedures. Daily settlement to market shall not apply to such open HKMEx Contracts which are for the account of a HKMEx Service Clearing Member's client accounts.
- (b) The Clearing House shall, in accordance with the Procedures, in respect of each open HKMEx Contract in a HKMEx Service Clearing Member's name which is subject to daily settlement to market or daily marking to market, effect and register a settlement contract, being a contract on the same terms (except as to price or premium) including the strike price where applicable as the open HKMEx Contract, save that where a HKMEx Service Clearing Member is the seller under the terms of the open HKMEx Contract that HKMEx Service Clearing Member shall be the buyer under the terms of the settlement contract and vice-versa, such settlement contract to be effected in accordance with the Procedures at the relevant HKMEx Reference Price for that day. The Clearing House shall thereupon settle each open HKMEx Contract against the respective settlement contract in accordance with the Procedures.
- (c) The Clearing House shall, upon completion of the procedure set out in paragraph (b) above, calculate the daily settlement amounts in accordance with the Procedures and shall thereafter make up the HKMEx Service Clearing Member's account and upon the Clearing House so doing, that HKMEx Service Clearing Member and the Clearing House shall (unless otherwise agreed) settle any daily settlement amounts arising as follows:
- (i) any profit arising to a HKMEx Service Clearing Member shall be credited to the applicable account and, subject to the Clearing House's right to retain such profit pursuant to these Regulations, such profit shall be paid to that HKMEx Service Clearing Member on that HKMEx Service Clearing Member's request; and
 - (ii) any loss arising to a HKMEx Service Clearing Member shall be debited to the applicable account of that HKMEx Service Clearing Member and (subject to these Regulations) that HKMEx Service Clearing Member shall pay the amount of such loss to the Clearing House forthwith on demand.
- (d) The Clearing House shall, upon completion of the calculation of daily settlement amounts pursuant to paragraph (c) above in the manner prescribed by the Procedures:
- (i) in respect of those open HKMEx Contracts in a HKMEx Service Clearing Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily settlement to market, register at the relevant HKMEx Reference Price referred to in the Procedures, HKMEx Contracts in that HKMEx Service Clearing Member's name as open HKMEx Contracts on the same terms (except as to price or premium) including the strike price where applicable, as the settled open HKMEx Contracts, save that no HKMEx Contract for the purchase and no contract for the sale of the same commodity, for the same delivery month, or expiry month and price, shall be registered in that HKMEx Service Clearing Member's name;
 - (ii) in respect of those open HKMEx Contracts in a HKMEx Service Clearing Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily marking to market as prescribed by the Procedures, register at the relevant HKMEx Reference Price referred to in the Procedures,

HKMEx Contracts in the HKMEx Service Clearing Member's name as open HKMEx Contracts on the same terms (except as to price or premium) including the strike price, where applicable, as the settled open HKMEx Contracts.

- (e) A HKMEx Service Clearing Member may, in respect of all open HKMEx Contracts in his name which are subject to daily marking to market, request the Clearing House within the time and in the manner prescribed by the Procedures, to settle such HKMEx Contracts being the same number of contracts for the purchase and sale of the same commodity for the same delivery month or, where applicable, for the same expiry month and strike price. Such a request, once made, shall be irrevocable unless the Clearing House otherwise consents. Where such a request is made, the Clearing House shall as soon as practicable after the close of trading on that market day (but not necessarily on that day, and provided documentation has been supplied by the Member in accordance with the Procedures) make up the HKMEx Service Clearing Member's account.
- (f) In respect of those open HKMEx Contracts of which settlement might have been requested by a HKMEx Service Clearing Member under paragraph (e) above, the Clearing House may, if no request for settlement has been received by the cessation of trading for the delivery month applicable to those HKMEx Contracts, at any time thereafter proceed as if settlement had been requested and make up and render the HKMEx Service Clearing Member's accounts accordingly.

NODAL REGULATIONS**Regulation 92 Introduction and Application****General**

- (a) The Clearing House shall provide the Nodal Service subject to and in accordance with the terms of these Nodal Regulations and the Procedures.
- (b) Clearing Members which are Nodal Service Clearing Members, and applicants to become Nodal Service Clearing Members, shall be bound by these Nodal Regulations. Other than as specified in the Regulations, the remainder of the Regulations shall not apply to the Nodal Service.
- (c) Regulations 1 and 2 of the Regulations apply to the Nodal Service.

Nodal Service Clearing Membership

- (d) A Clearing Member may apply to become a Nodal Service Clearing Member in accordance with the Procedures.
- (e) Regulations 4(a) to 4(c) (inclusive) apply to Nodal Service Clearing Membership and applications therefor as it applies to clearing membership.

Nodal's Rules

- (f) In the event of any inconsistency between Nodal's Rules and the Nodal Regulations, the Nodal Regulations shall prevail.

Accounts

- (g) Regulation 5 applies to the opening and operation of accounts with respect to a Nodal Service Clearing Member. Such accounts shall be designated in accordance with Regulation 8.

Formation, Registration and Transfers of Nodal Contracts

- (h) Nodal's Rules govern the formation of a Nodal Transaction.
- (i) Regulations 93 and 94 govern the registration and formation of a Nodal Contract.
- (j) A Nodal Service Clearing Member may clear Nodal Transactions for a Nodal Non-Clearing Participant in accordance with the Procedures and Nodal's Rules.
- (k) Regulation 11 (and, insofar as relevant, Regulation 3(b)) apply to a Nodal Contract which is an open contract.

Margin and Cover for Margin

- (l) Regulation 12 applies to a Nodal Service Clearing Member.

Daily Settlement

- (m) Regulations 13, 14, 95 and 16 apply to the daily settlement to market of open Nodal Contracts.

Options

- (n) Regulations 17 and 18 apply to Nodal Contracts which are options.

Physical Settlement

- (o) Regulations 19 to 22 (inclusive) and 25 apply to Nodal Contracts.

Arbitration

- (p) Regulations 23 and 24 apply to Nodal Contracts.

Market disorders; force majeure; invoicing back; currency conversion; disclosure; fees and other charges; records; Procedures; alteration of Regulations and Procedures; interpretation; waiver; validity; governing law and jurisdiction; exclusion of liability; netting

- (q) Regulations 25 to 39B (inclusive) apply to Nodal Service Clearing Members and Nodal Contracts.

Default Rules and Default Fund Rules

- (r) The Default Rules and the Default Fund Rules apply to Nodal Service Clearing Members and Nodal Contracts.

Clearing House Settlement Finality Regulations

- (s) The Clearing House Settlement Finality Regulations apply in relation to Nodal Service Clearing Members and Nodal Contracts.

Regulation 93 Presentation, Allocation of Nodal Transactions and Registration of Nodal Contracts

- (a) In order to utilise the Nodal Service a Nodal Service Clearing Member must cause particulars of a Nodal Transaction to which it is party to be submitted for registration as a Nodal Contract, through such means as shall be prescribed by the Procedures.
- (b) A Nodal Transaction submitted for registration must meet the eligibility criteria prescribed in the Procedures at the time the particulars of such Nodal Transaction are presented to the Clearing House and must continue to meet such criteria at the time prescribed in the Procedures ("**Registration Time**") in order to be registered as Nodal Contracts. A Nodal Service Clearing Member may not revoke, cancel or transfer a Nodal Transaction unless permitted by Nodal's Rules, the Regulations or the Procedures or with the consent of the Clearing House and Nodal.
- (c) A Nodal Service Clearing Member shall not allow the submission for registration of a transaction which is not a Nodal Transaction.
- (d) The Clearing House may require Nodal Transactions presented for registration in the name of a Nodal Service Clearing Member to be confirmed by or on behalf of such Member, in which case it shall specify the manner, form and time of such confirmation in the Procedures.
- (e) The Clearing House may decline to register a Nodal Transaction in the name of a Nodal Service Clearing Member where it considers such action advisable for its own protection or the protection of the relevant market. The Clearing House may, without assigning any reason, make the registration of any Nodal Transaction subject to any conditions stipulated by the Clearing House including, without limitation, the furnishing of cover for margin by both Nodal Service Clearing Members in whose name any such Nodal Transaction is to be registered.
- (f) Without prejudice to the Clearing House's rights under paragraph (h) of this Regulation, a Nodal Service Clearing Member shall be bound by a Nodal Contract registered in its name pursuant to the presentation of particulars of a Nodal Transaction.
- (g) The Clearing House shall be deemed to register a Nodal Contract in relation to a Nodal Transaction in the name of a Nodal Service Clearing Member at the Registration Time for that type of Nodal Contract in accordance with Regulation 94.
- (h) For the avoidance of doubt, any transaction of which details have been submitted for registration as Nodal Contracts which is not so registered shall remain in effect or be terminated, as the case may be, according to any terms agreed between the parties thereto (directly or by virtue of their common participation in the Nodal Trading Facility through or on which the transaction was executed or by which it was registered), but subject in all cases to Nodal's Rules, and the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no obligations or liability in relation thereto.
- (i) If at any time after registration of a Nodal Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration was not a Nodal Transaction or did not, at the Registration Time, meet the eligibility criteria for registration as a Nodal Contract, the Clearing House shall, as soon as practicable thereafter, set aside each such Nodal Contract. Upon the purported Nodal Contract being set aside under this Regulation 92(l), the particulars of the transaction in question shall be deemed never to have been registered. Any payment made under, or in respect

of, a Nodal Contract set aside under this paragraph shall be repayable to the person who made the payment. Without prejudice to Regulation 39 and its obligations under this Regulation 92(l), the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of a contract as a Nodal Contract in respect of a transaction which did not meet the eligibility criteria at the Registration Time to enable it to be registered as a Nodal Contract.

Regulation 94 Nodal Contracts

- (a) A Nodal Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House as two Nodal Contracts, one between the First Nodal Service Clearing Member as the seller and the Clearing House as the buyer as principals to such contract, and the other between the Clearing House as the seller and the Second Nodal Service Clearing Member as the buyer (as the case may be) as principals to such contract. For the purposes of this Regulation:
- (i) "First Nodal Service Clearing Member" is a Nodal Service Clearing Member who was, before registration of the Nodal Contract, party to the corresponding Nodal Transaction as the seller;
 - (ii) "Second Nodal Service Clearing Member" is a Nodal Service Clearing Member (who may also be the same as the First Nodal Service Clearing Member) who was, before registration of the Nodal Contract, party to the corresponding Nodal Transaction as the buyer.
- (b) With effect from registration of a Nodal Transaction as two Nodal Contracts under paragraph (a) of this Regulation:
- (i) the parties to the corresponding Nodal Transaction shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time;
 - (ii) each Nodal Contract registered under paragraph (a) of this Regulation shall be governed by the relevant Nodal Contract;

Terms applicable to that Nodal Contract;

- (iii) subject always to sub-paragraph (ii) above, the First Nodal Service Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the Nodal Contract to which it is a party as the seller had and owed in respect of its counterparty under the corresponding Nodal Transaction; and
- (iv) subject always to sub-paragraph (ii) above, the Second Nodal Service Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the Nodal Contract to which it is party as the buyer had and owed in respect of its counterparty under the corresponding Nodal Transaction.

In sub-paragraphs (iii) and (iv) above, a reference to the "same" rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the corresponding Nodal Transaction (it being assumed, for this purpose, that such Nodal Transaction was a legal, valid, binding and enforceable obligation of the parties thereto), notwithstanding the change in the person entitled to them or obliged to perform them.

- (c) If a Nodal Transaction is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any Nodal Contract unless otherwise determined by the Clearing House.

- (d) In the case of a Nodal Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 94 shall take effect.

Regulation 95 Daily Settlement or Marking to Market

- (a) Where the Procedures so provide, the Clearing House may effect the daily settlement to market or daily marking to market of those open Nodal Contracts in accordance with the Procedures. Daily settlement to market shall not apply to such open Nodal Contracts which are for the account of a Nodal Service Clearing Member's client accounts.
- (b) The Clearing House shall, in accordance with the Procedures, in respect of each open Nodal Contract in a Nodal Service Clearing Member's name which is subject to daily settlement to market or daily marking to market, effect and register a settlement contract, being a contract on the same terms (except as to price or premium) including the strike price where applicable as the open Nodal Contract, save that where a Nodal Service Clearing Member is the seller under the terms of the open Nodal Contract that Nodal Service Clearing Member shall be the buyer under the terms of the settlement contract and vice-versa, such settlement contract to be effected in accordance with the Procedures at the relevant Nodal Reference Price for that day. The Clearing House shall thereupon settle each open Nodal Contract against the respective settlement contract in accordance with the Procedures.
- (c) The Clearing House shall, upon completion of the procedure set out in paragraph (b) above, calculate the daily settlement amounts in accordance with the Procedures and shall thereafter make up the Nodal Service Clearing Member's account and upon the Clearing House so doing, that Nodal Service Clearing Member and the Clearing House shall (unless otherwise agreed) settle any daily settlement amounts arising as follows:
- (i) any profit arising to a Nodal Service Clearing Member shall be credited to the applicable account and, subject to the Clearing House's right to retain such profit pursuant to these Regulations, such profit shall be paid to that Nodal Service Clearing Member on that Nodal Service Clearing Member's request; and
 - (ii) any loss arising to a Nodal Service Clearing Member shall be debited to the applicable account of that Nodal Service Clearing Member and (subject to these Regulations) that Nodal Service Clearing Member shall pay the amount of such loss to the Clearing House forthwith on demand.
- (d) The Clearing House shall, upon completion of the calculation of daily settlement amounts pursuant to paragraph (c) above in the manner prescribed by the Procedures:
- (i) in respect of those open Nodal Contracts in a Nodal Service Clearing Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily settlement to market, register at the relevant Nodal Reference Price referred to in the Procedures, Nodal Contracts in that Nodal Service Clearing Member's name as open Nodal Contracts on the same terms (except as to price or premium) including the strike price where applicable, as the settled open Nodal Contracts, save that no Nodal Contract for the purchase and no contract for the sale of the same commodity, for the same delivery month, or expiry month and price, shall be registered in that Nodal Service Clearing Member's name;
 - (ii) in respect of those open Nodal Contracts in a Nodal Service Clearing Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily marking to market as prescribed by the Procedures, register at the relevant Nodal Reference Price referred to in the Procedures, Nodal Contracts in the Nodal Service Clearing Member's name as open Nodal

Contracts on the same terms (except as to price or premium) including the strike price, where applicable, as the settled open Nodal Contracts.

- (e) A Nodal Service Clearing Member may, in respect of all open Nodal Contracts in his name which are subject to daily marking to market, request the Clearing House within the time and in the manner prescribed by the Procedures, to settle such Nodal Contracts being the same number of contracts for the purchase and sale of the same commodity for the same delivery month or, where applicable, for the same expiry month and strike price. Such a request, once made, shall be irrevocable unless the Clearing House otherwise consents. Where such a request is made, the Clearing House shall as soon as practicable after the close of trading on that market day (but not necessarily on that day, and provided documentation has been supplied by the Member in accordance with the Procedures) make up the Nodal Service Clearing Member's account.
- (f) In respect of those open Nodal Contracts of which settlement might have been requested by a Nodal Service Clearing Member under paragraph (e) above, the Clearing House may, if no request for settlement has been received by the cessation of trading for the delivery month applicable to those Nodal Contracts, at any time thereafter proceed as if settlement had been requested and make up and render the Nodal Service Clearing Member's accounts accordingly.

NYSE LIFFE CLEARING REGULATIONS

Regulation 96 Introduction and Application

General

- (a) The Clearing House shall provide certain services in relation to the NYSE Liffe Clearing Service subject to and in accordance with the terms of these NYSE Liffe Clearing Regulations and the Procedures.
- (b) Clearing Members which are NYSE Liffe Clearing Members, and applicants to become NYSE Liffe Clearing Members, shall be bound by these NYSE Liffe Clearing Regulations. Other than as set out in these NYSE Liffe Clearing Regulations, the LIFFE Rules shall apply to NYSE Liffe Clearing Contracts and the NYSE Liffe Clearing Service and the General Regulations shall not apply thereto. As set out in the LIFFE Rules and the relevant NYSE Liffe Clearing Membership Agreement, the Clearing House shall have available to it certain powers of LIFFE under section 13 of the LIFFE Rules in relation to the NYSE Liffe Clearing Service and NYSE Liffe Clearing Contracts.

Regulation 97 NYSE Liffe Clearing Membership

- (a) In order to use the NYSE Liffe Clearing Service, a person must at all times be a clearing member of the market administered by LIFFE and a Clearing Member of the Clearing House, as further set out in the NYSE LIFFE Clearing Membership Agreement.
- (b) Regulations 4(a) and 4(c) apply to NYSE Liffe Clearing Membership and applications for such membership, as they apply to clearing membership.

LIFFE's Rules

- (c) In the event of any inconsistency between the LIFFE Rules and these NYSE Liffe Clearing Regulations, these NYSE Liffe Clearing Regulations shall prevail as between the NYSE Liffe Clearing Member and the Clearing House.

Accounts

- (d) Regulation 5 applies to the opening and operation of accounts with respect to an NYSE Liffe Clearing Member. Such accounts shall be designated in accordance with the LIFFE Rules.

Margin and Cover for Margin

- (e) Regulation 12 and the LIFFE Rules apply to margin and cover for margin with respect to an NYSE Liffe Clearing Member.

Force Majeure; Disclosure; Procedures; Alteration of Regulations and the Procedures; Interpretation of these Regulations; Waiver; Validity of Regulations and Action; Governing Law and Jurisdiction; Exclusion of Liability

- (f) Regulations 27, 30, 33, 34, 35, 36, 37, 38, 39, 39A and 39B apply to NYSE Liffe Clearing Members and in respect of the NYSE Liffe Clearing Contracts of such NYSE Liffe Clearing Members in relation to the relationship between such NYSE Liffe Clearing Members and the Clearing House.

Default Rules and Default Fund Rules

- (g) Where an NYSE Liffe Clearing Member has been declared a defaulter and its positions have transferred to the Clearing House in accordance with the LIFFE default rules or where the Clearing House has declared a Special Member of the Clearing House to be a defaulter, the Default Rules of the Clearing House shall apply: (i) to such NYSE Liffe Clearing Member; (ii) to such Special Member of the Clearing House; and (iii) in respect of the NYSE Liffe Clearing Contracts of such NYSE Liffe Clearing Member or such Special Member of the Clearing House.

The Default Fund Rules of the Clearing House shall apply to NYSE Liffe Clearing Members and in respect of the NYSE Liffe Clearing Contracts of such NYSE Liffe Clearing Members at all times.

Clearing House Settlement Finality Regulations

- (h) The Clearing House Settlement Finality Regulations apply in relation to NYSE Liffe Clearing Members and to instructions relating to NYSE Liffe Clearing Contracts to the extent that such instructions constitute "transfer orders" as defined in the terms of the UK Financial Markets and Insolvency (Settlement Finality) Regulations 1999. Settlement

finality protection for NYSE Liffe Clearing Members and NYSE Liffe Clearing Contracts under the Clearing House Settlement Finality Regulations applies subject to the terms of the SF Regulations including, inter alia, Regulation 20 of the SF Regulations which in certain circumstances would prevent settlement finality protection from applying to transfer orders issued by a NYSE Liffe Clearing Member after certain specified events relating to that NYSE Liffe Clearing Member's insolvency.

Regulation 98 Default of a NYSE Liffe Clearing Member

- (a) In the event that either the Clearing House or LIFFE declares an NYSE Liffe Clearing Member in default: (i) such NYSE Liffe Clearing Member will continue to be bound by the LIFFE Rules in respect of any open contracts; and (ii) the following provisions shall also apply to such NYSE Liffe Clearing Member:
- (i) following the transfer by novation of such NYSE Liffe Clearing Member's open contracts to the Clearing House, (which such contracts shall be deemed, by virtue of this rule, to have been confirmed by LIFFE on behalf of the NYSE Liffe Clearing Member and registered by the Clearing House as exchange contracts) Regulations 1 to 39 of the Clearing House shall apply to all contracts in such NYSE Liffe Clearing Member's name novated to the Clearing House as from the moment of such novation and the Clearing House shall, without limitation, have the relevant powers of LIFFE available to it in relation to such novated contracts; and
 - (ii) In addition the Clearing House may take any or all of the steps to discharge the rights and liabilities of the NYSE Liffe Clearing Member in respect of such NYSE Liffe Clearing Member's LIFFE business (and only such business unless the Clearing House has declared the NYSE Liffe Clearing Member to be a defaulter) which the Clearing House would be able to take to discharge the rights and liabilities of a Clearing Member under Default Rule 6 of the Default Rules.
- (b) If LIFFE has declared an NYSE Liffe Clearing Member to be in default, the Clearing House will use all reasonable endeavours to assist LIFFE in the calculation of the net sum(s), if any, resulting from action taken by the Clearing House pursuant to paragraph a(ii) above, which net sum(s) LIFFE may be under a regulatory requirement to certify.

RESERVED

Regulation 99 **RESERVED**

Regulation 100 **RESERVED**

Regulation 101 **RESERVED**

Regulation 102 **RESERVED**

FOREXCLEAR REGULATIONS**Regulation 103 Application of ForexClear Regulations**

- (a) The Clearing House shall provide the ForexClear Service subject to and in accordance with the terms of these ForexClear Regulations and the Procedures.
- (b) ForexClear Clearing Members shall be bound by these ForexClear Regulations. Applications to become a ForexClear Clearing Member shall be made in accordance with Regulation 103(d) and (e). Other than as expressly specified in this Regulation 103, the remainder of the Regulations shall not apply to the ForexClear Service. A summary table of those Regulations which apply to the ForexClear Service as described in Regulation 103(a) to (o) is provided at Regulation 103(p).
- (c) Regulations 1 and 2 of the Regulations apply to the ForexClear Service.

ForexClear Clearing Membership

- (d) A Clearing Member may apply to become a ForexClear Clearing Member in accordance with the Procedures.
- (e) Regulation 4(a) to 4(c) applies to membership of the ForexClear Service and applications for such membership.

Accounts

- (f) Regulation 5 applies to the opening and operation of accounts with respect to a ForexClear Clearing Member. Such accounts shall be designated in accordance with Regulation 8.

Formation, registration and transfers of ForexClear Contracts

- (g) Regulations 9(b), 9(c) and 10 apply to the registration of a ForexClear Contract.
- (h) Regulation 104 and Regulation 105 (a) govern the registration and formation of a ForexClear Contract.
- (i) Regulation 3(b) of the Regulations applies to the ForexClear Service.
- (j) Regulation 11 (and, insofar as relevant, Regulation 3(b)) apply to a ForexClear Contract that is an open contract.

Margin and cover for margin

- (k) Regulation 12 applies to a ForexClear Clearing Member.

Reference prices and Revaluation

- (l) Regulations 14 and Regulation 108 apply to open ForexClear Contracts.

Other Applicable Regulations

- (m) Regulations 26 to 39B inclusive apply to ForexClear Clearing Members and ForexClear Contracts.

Default Rules and Default Fund Rules

- (n) The Default Rules (including the ForexClear DMP Annex) and the Default Fund Rules apply to ForexClear Clearing Members and ForexClear Contracts.

Clearing House Settlement Finality Regulations

- (o) The Clearing House Settlement Finality Regulations apply in relation to ForexClear Clearing Members and ForexClear Contracts.

Summary table of Regulations which apply to the ForexClear Service

- (p) The Regulations listed in this Regulation 103(p) apply to the ForexClear Service as described under Regulation 103(a) to (o).

Regulation	Title
1	Obligation to the Clearing House to each Member
2	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
3(b)	Novation
4(a) to (c)	Clearing Member Status of the Clearing House
5	Accounts
8	Designation
9(b), (c),	Registration
10	Trading Information
11	Transfer
12	Margin and Cover for Margin
14	Official Quotations and Reference Price
26	Mark Disorders, Impossibility of Performance, Trade Emergency
27	Force Majeure
28	Invoicing Back
29	Currency Conversion
30	Disclosure
31	Fees and Other Charges
32	Records
33	Procedures

Regulation	Title
34	Alteration of Regulations and the Procedures
35	Interpretation of these Regulations
36	Waiver
37	Validity of Regulations and Action
38	Governing Law and Jurisdiction
39	Exclusion of Liability
39A and 39B	Netting
103 to 109	ForexClear Regulations
Default Rules	Default Rules (including ForexClear DMP Annex)
Default Fund Rules	Default Fund Rules
Settlement Finality Regulations	Settlement Finality Regulations

Regulation 104 Registration of ForexClear Contracts

- (a) In order to use the ForexClear Service, a ForexClear Participant must submit the particulars of a ForexClear Transaction for registration as a ForexClear Contract in accordance with these ForexClear Regulations and the Procedures.
- (b) Without prejudice to the Clearing House's rights under paragraph ~~(f)~~(f) of this Regulation, a ForexClear Clearing Member shall be bound by a ForexClear Contract registered in its name pursuant to the presentation of particulars of a ForexClear Transaction by it or by a ForexClear Dealer with whom the ForexClear Clearing Member is party to a FDC Agreement.
- (c) Without prejudice to the Clearing House's rights under paragraph ~~(f)~~(f) of this Regulation, a ForexClear Transaction, particulars of which are submitted for registration as a ForexClear Contract, must meet the ForexClear Eligibility Criteria at the time the particulars of the ForexClear Transaction are presented to the Clearing House and must continue to meet such ForexClear Eligibility Criteria at the Registration Time as defined in Regulation 104(d) below in order to be registered as a ForexClear Contract.
- (d) The Clearing House shall be deemed to register a ForexClear Contract, in accordance with Regulation 105, in the name of a ForexClear Clearing Member at the time prescribed in the Procedures ("Registration Time")
- (e) For the avoidance of doubt, any transaction of which details have been submitted by ForexClear Participants for registration as a ForexClear Contract which is not so registered will remain in effect between the persons party thereto in accordance with any terms agreed between them and the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no obligations or liability in relation thereto.
- (f) Subject to Regulation 104(h), if at any time falling after the registration of any ForexClear Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration did not, at the Registration Time, meet the ForexClear Eligibility Criteria in existence at the Registration Time (an "**Ineligible Transaction**"), the Clearing House shall, as soon as practicable thereafter, set aside both ForexClear Contracts arising from such Ineligible Transaction in accordance with ~~Regulation 104(g)~~ Regulation 104(g) below.
- (g) Upon a ForexClear Contract (an "**Ineligible ForexClear Contract**") being set aside under Regulation 104(f), the Clearing House will notify the FXCCM party to such Ineligible ForexClear Contract via the ForexClear Matcher that such Ineligible ForexClear Contract has been set aside. The following shall take effect immediately upon the delivery of such notice: (i) such Ineligible ForexClear Contract shall be deemed to be terminated at the time of the notification and shall thereafter have no force or effect; (ii) all variation margin (if any) paid by the Clearing House or by an FXCCM in respect of such Ineligible ForexClear Contract shall be retained by the receiving party upon termination; (iii) where there is a difference between the value of the Ineligible ForexClear Contract as at the last margin run and the value (as determined by the Clearing House) of that Ineligible ForexClear Contract at the time of the next official settlement rate for that currency pair, then a payment shall be made between the FXCCMs to the original Ineligible Transaction equal to such difference; and (iv) these payments shall be deemed to satisfy in full the relevant party's obligations under the Ineligible ForexClear Contract and shall be retained by the receiving party upon termination as a termination payment.

- (h) The Clearing House may not determine a transaction to be an Ineligible Transaction if after the Valuation Date (as defined in Part A of the Schedule to the ForexClear Regulations) in respect of the ForexClear Contracts arising from the registration of such a transaction has occurred.
- (i) Where an original party to an Ineligible Transaction is an FXD upon the setting aside of the Ineligible ForexClear Contract under Regulation 104(f), any Parallel Contract (as defined in the FDC Agreement) corresponding to the Ineligible Transaction and arising by operation of the FDC Agreement shall be terminated at the same value as the Ineligible ForexClear Contract to which it corresponds at the time of the notification under Regulation 104(g) and shall thereafter have no force or effect.
- (j) The Clearing House shall provide no less than 10 business days' prior notice (including by email) to ForexClear Clearing Members of an amendment to the ForexClear Eligibility Criteria.

Regulation 105 ForexClear Contracts

- (a) A ForexClear Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House as two ForexClear Contracts, one between the First ForexClear Clearing Member as the Reference Currency Buyer and the Clearing House as the Reference Currency Seller, as principals to such contract, and the other between the Clearing House as the Reference Currency Buyer and the Second ForexClear Clearing Member as the Reference Currency Seller, as principals to such contract. For the purposes of this Regulation:
- (i) “First ForexClear Clearing Member” is a ForexClear Clearing Member who was, before registration of the ForexClear Contract, party to the corresponding ForexClear Transaction as the Reference Currency Buyer, or who has a subsisting FDC Agreement with the ForexClear Dealer who was party to the corresponding ForexClear Transaction as the Reference Currency Buyer; and
 - (ii) “Second ForexClear Clearing Member” is a ForexClear Clearing Member who was, before registration of the ForexClear Contract, party to the corresponding ForexClear Transaction as the Reference Currency Seller, or who has a subsisting FDC Agreement with the ForexClear Dealer who was party to the corresponding ForexClear Transaction as the Reference Currency Seller.
- (b) With effect from registration of a ForexClear Transaction as two ForexClear Contracts under paragraph ~~(a)~~(a) of this Regulation:
- (i) the parties to the corresponding ForexClear Transaction shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time;
 - (ii) each ForexClear Contract registered under paragraph ~~(a)~~(a) of this Regulation shall be governed by the ForexClear Contract Terms as applicable to that Contract;
 - (iii) subject always to sub-paragraph ~~(iii) above;~~(ii) above, in respect of the Economic Terms, the First ForexClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the ForexClear Contract to which it is a party as the Reference Currency Buyer had and owed in respect of its counterparty under the corresponding ForexClear Transaction; and
 - (iv) subject always to sub-paragraph ~~(iii) above;~~(ii) above, in respect of the Economic Terms, the Second ForexClear Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the ForexClear Contract to which it is party as the Reference Currency Seller had and owed in respect of its counterparty under the corresponding ForexClear Transaction.
- (c) In subparagraphs ~~(iii)~~(iii) and ~~(iv) above;~~(iv) above, a reference to the “same” rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the Economic Terms of the corresponding ForexClear Transaction (it being assumed, for this purpose, that such ForexClear Transaction was a legal, valid, binding and enforceable obligation of the parties thereto and that the Economic Terms thereof were as presented to the Clearing House for registration),

notwithstanding the change in the person entitled to them or obliged to perform them, and subject to any change thereto as a result of the operation of the Standard Terms.

- (d) If a ForexClear Transaction, is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any ForexClear Contract arising under this Regulation, Regulation 3(b) or Regulation 11.
- (e) In the case of a ForexClear Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this ~~Regulation 105~~ Regulation 105 shall take effect.

Regulation 106 Cancellation of ForexClear Contracts

- (a) A ForexClear Clearing Member may, in accordance with this Regulation 106 and the Procedures, cancel a ForexClear Contract to which it is a party.
- (b) A ForexClear Dealer may, in accordance with this Regulation 106 and the Procedures, cancel a ForexClear Contract that arose from a ForexClear Transaction to which it is a party.
- (c) A ForexClear Clearing Member shall be bound by the cancellation of a ForexClear Contract made by the relevant ForexClear Dealer.
- (d) A ForexClear Dealer shall have no obligation to inform, notify or seek the consent of any ForexClear Clearing Member prior to initiating the cancellation of a ForexClear Contract in accordance with Regulation 4(d).
- (e) Each ForexClear Clearing Member is deemed to grant a continuing authority to the Clearing House to terminate any ForexClear Contract registered in the name of that ForexClear Clearing Member upon the request of a ForexClear Dealer with whom that ForexClear Clearing Member is a party to an FDC Agreement.
- (f) The Clearing House shall have no obligation to inform, notify or seek the consent of any ForexClear Clearing Member prior to cancelling a ForexClear Contract in accordance with this Regulation 106.
- (g) The cancellation of a ForexClear Contract to which a ForexClear Clearing Member is a party (in this Regulation, the "First ForexClear Contract") is contingent upon *inter alia* the cancellation of the corresponding ForexClear Contract that arose from the same underlying ForexClear Transaction (in this Regulation, the "Second ForexClear Contract"), and vice versa.
- (h) The date and time of the cancellation of a ForexClear Contract shall be as reported by the Clearing House in accordance with the Procedures and shall be binding on ForexClear Clearing Members.
- (i) The Clearing House may decline to cancel a ForexClear Contract if:
 - (i) in the opinion of the Clearing House acting in its sole discretion, the cancellation of that ForexClear Contract is not consistent with the Regulations and Procedures of the Clearing House and any policies of the clearing house concerning risk management;
 - (ii) if there is insufficient margin standing to the credit of a ForexClear Clearing Member's account to accommodate the cancellation of the First ForexClear Contract and/or the Second ForexClear Contract.
- (j) With effect from the time of the cancellation of a ForexClear Contract in accordance with this Regulation 106, neither the ForexClear Clearing Member nor the Clearing House shall have any obligations under the terms of that ForexClear Contract and liability in respect thereof.
- (k) Upon the cancellation of a ForexClear Contract in accordance with this Regulation 106, the corresponding Parallel Contract (as defined in the FDC Agreement) arising by operation of the FDC Agreement shall also terminate.

Regulation 107 ForexClear Dealers

- (a) Application for admission to the Register of ForexClear Dealers shall be made in accordance with these Regulations and the Procedures. An applicant for admission to the Register of ForexClear Dealers must satisfy the criteria prescribed by the Clearing House from time to time in order to be admitted to the Register of ForexClear Dealers. A ForexClear Dealer shall be subject to, and governed by, these Regulations, the Procedures and, if applicable, the FDC Agreement to which it is for the time being party.
- (b) A person admitted to the Register of ForexClear Dealers shall ensure that it will, at all times, satisfy the criteria prescribed by the Clearing House, from time to time, for admission to the Register.
- (c) The Clearing House may suspend or remove a ForexClear Dealer from the Register of ForexClear Dealers in accordance with these Regulations, the Procedures and, if applicable, the FDC Agreement to which it is for the time being party. Any person who has been suspended from the Register of ForexClear Dealers for a period of more than three months shall be removed from the Register of ForexClear Dealers and must make a new application if it wishes to be readmitted to the Register.
- (d) A ForexClear Dealer may request, by giving three months' written notice to the Clearing House, that its name be removed from the Register of ForexClear Dealers. At the end of such notice period, the Clearing House shall remove the ForexClear Dealer from the Register of ForexClear Dealers.
- (e) A ForexClear Dealer's suspension or removal from the Register of ForexClear Dealers, under paragraph (c), shall not, where it is a Member, affect its membership of the Clearing House, nor, subject to any contrary determination by the Clearing House under Regulation 4(b), shall it affect the categories of Contract which such a person is eligible to have registered in its name.
- (f) Upon the Clearing House serving a default notice in accordance with these Regulations to a ForexClear Clearing Member who is also a ForexClear Dealer, such ForexClear Clearing Member shall automatically be removed from the Register of ForexClear Dealers.
- (g) Without prejudice to paragraph (f) of this Regulation, the Clearing House shall suspend from the Register of ForexClear Dealers, for such period as the Clearing House may determine, any Member (i) whose Clearing Membership Agreement has been terminated; or (ii) who is no longer eligible to have ForexClear Contracts registered in its name, and who is not, from the date of such termination under (i) or such ineligibility under (ii), party to a FDC Agreement with another ForexClear Clearing Member, for such period as the Clearing House may determine.

Regulation 108 Variation Margin

- (a) The Clearing House shall, at least daily and in accordance with and at the times stated in the Procedures, pay to, or require payment from, a ForexClear Clearing Member cash cover for variation margin. The amount paid represents the change from the preceding business day in the net present value of all ForexClear Contracts registered in that ForexClear Clearing Member's name.
- (b) The net present value of each ForexClear Contract shall be calculated by the Clearing House in such manner and at such times as may be provided in the Procedures. Except as prescribed in the Procedures, the net present value calculated by the Clearing House may in no circumstances be challenged.
- (c) The Clearing House pays to (or receives from) each ForexClear Clearing Member interest on cash cover received (or paid) by the Clearing House, calculated in accordance with the Procedures.
- (d) This Regulation is without prejudice to the Clearing House's right to require cover to be provided to it under Regulation 12.

Regulation 109 Withdrawal of the ForexClear Service by the Clearing House

- (a) If at any time the Clearing House decides to withdraw the ForexClear Service it shall give not less than six months' written notice to all ForexClear Participants in accordance with the notice provisions in the Clearing Membership Agreement or the FDC Agreement (as applicable) to which a ForexClear Participant is party of the date on which the service will be withdrawn ("the ForexClear Withdrawal Date"). The accidental omission by the Clearing House to give notice under this Regulation to, or the non-receipt of notice under this Regulation by, one or more ForexClear Participants shall not invalidate the ForexClear Withdrawal Date. If the Clearing House becomes aware that it has omitted to give notice under this Regulation to any ForexClear Participant prior to the ForexClear Withdrawal Date it will immediately notify the affected ForexClear Participant(s) of the ForexClear Withdrawal Date in accordance with the notice provisions in the Clearing Membership Agreement or the ForexClear Dealer Clearing FDC Agreement (as applicable) to which a ForexClear Participant is party.
- (b) Without prejudice to its rights under the Default Rules, the Clearing House will not, other than pursuant to action under the Default Rules, register a ForexClear Contract, other than a closing-out contract, after notice to withdraw the service has been given under ~~Regulation 109(a)~~ Regulation 109(a).
- (c) If, five Business Days before the ForexClear Withdrawal Date, a ForexClear Clearing Member has not closed out all open ForexClear Contracts registered in its name, the Clearing House shall, with five Business Days' notice to the ForexClear Clearing Member be entitled to:
- (i) liquidate any or all of such ForexClear Contracts and require such contracts to be cash settled at a price determined by the Clearing House; and
 - (ii) postpone the ForexClear Withdrawal Date until such time as the Clearing House determines.
- (d) Business Days for the purpose of this Regulation 109 means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

SCHEDULE TO THE FOREXCLEAR REGULATIONS**Part A
ForexClear Contract Terms**

The terms of a registered ForexClear Contract shall include these ForexClear Contract Terms which shall comprise:

- (1) Interpretation;
- (2) Economic Terms; and
- (3) Standard Terms, being both the:
 - A. Specific Standard Terms; and
 - B. General Standard Terms

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the Regulations and the Procedures, the Clearing House will use the ForexClear Contract Terms applicable to a ForexClear Contract to calculate the amounts due under the ForexClear Contract to, or from, the Clearing House in accordance with the Procedures.

1. Interpretation (“Interpretation”)

- 1.1. **“ISDA Definitions”** means the 1998 FX and Currency Options Definitions (including Annex A thereto) as published by the International Swaps and Derivatives Association, Inc. (“ISDA”), the Emerging Markets Trade Association (“**EMTA**”) and The Foreign Exchange Committee (“**FXC**”) and the same are incorporated by reference herein.
- 1.2. Words and expressions used in these ForexClear Contract Terms which are not defined in the Regulations and the Procedures but which are defined in the ISDA Definitions shall bear the same meaning herein as in the ISDA Definitions, unless expressly provided otherwise.
- 1.3. In the event of an inconsistency, the Regulations and Procedures will prevail over the ISDA Definitions.
- 1.4. References in the ISDA Definitions to an “FX Transaction” shall be deemed to be references to a “ForexClear Transaction” for the purposes of ForexClear.
- 1.5. Except where expressly stated otherwise, all reference to “Sections” means Sections in the ISDA Definitions.
- 1.6. In relation to any amendment to the ISDA Definitions published from time to time by ISDA, EMTA and FXC, the Clearing House may from time to time, by notice delivered to the ForexClear Clearing Members, give directions as to whether such amendment shall apply to ForexClear Contracts with immediate effect or with such deferred effect as the Clearing House shall determine (provided that in any event any such amendment shall only apply in relation to ForexClear Contracts that have a Trade Date that falls on or after the effective date of such amendment).
- 1.7. Any such notice may provide that despite the application of any such amendment to the ISDA Definitions to ForexClear Contracts going forward, these ForexClear Contracts shall

continue, for the purpose of margining, valuation, set-off or otherwise, to be regarded as fully fungible with ForexClear Contracts registered in a ForexClear Clearing Member's name prior to the time such amendment comes into effect.

- 1.8. The accidental omission to give notice under this provision to, or the non-receipt of notice under 1.6 or 1.7 above by, any ForexClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. Economic Terms

- 2.1. The Economic Terms of a ForexClear Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding ForexClear Transaction.

- 2.2. The particulars of a ForexClear Transaction presented to the Clearing House must include matched information in respect of the following Economic Terms which are not predetermined in the EMTA Templates:

- (1) Trade Date (Section 1.25)
- (2) Forward Rate (Section 2.1(a))
- (3) Reference Currency Notional Amount (Section 1.21) or Notional Amount (Section 1.17(b)) in USD
- (4) Reference Currency Buyer (Section 1.20)
- (5) Reference Currency Seller (Section 1.22)
- (6) scheduled Settlement Date (Section 1.24) (without prejudice to the adjustments set out in the relevant EMTA Template)
- (7) Scheduled Valuation Date (Section 1.16(f)) (without prejudice to the adjustments set out in the relevant EMTA Template).

- 2.3. However, as set out more particularly in Regulation 105, where the ForexClear Transaction specifies a ForexClear Clearing Member as the Reference Currency Seller, with the other ForexClear Member as the Reference Currency Buyer, the Clearing House, in respect of each ForexClear Contract to which it is party pursuant to the corresponding ForexClear Transaction, shall be (i) the Reference Currency Buyer; and (ii) the Reference Currency Seller under such ForexClear Contract, respectively.

3. Specific Standard Terms ("Specific Standard Terms")

The following terms are designated as Specific Standard Terms of a registered ForexClear Contract:

- 3.1. The EMTA template for Non-Deliverable FX Transactions appropriate to the particular Currency Pair (in effect and as posted on the website of EMTA (www.emta.org or any successor website on the relevant Trade Date) (each an "EMTA Template")), governs the terms of a ForexClear Contract relating to such Currency Pair, other than the Economic Terms set out in Part 2 above and the Specific Standard Terms and the General Standard Terms set out in this Part 3. For the avoidance of doubt, each EMTA Template shall be deemed to exclude the EMTA Template Terms for Non-Deliverable Cross-Currency FX Transactions published by EMTA on 31 May 2011.

3.2. In the format “Reference Currency – Settlement Currency”, the Currency Pairs are

- (1) BRL-USD
- (2) CLP-USD
- (3) CNY-USD
- (4) INR-USD
- (5) KRW-USD
- (6) RUB-USD
- (7) COP-USD
- (8) IDR-USD
- (9) MYR-USD
- (10) PHP-USD
- (11) TWD-USD

3.3. Certain Specific Standard Terms of each ForexClear Contract are not provided in the EMTA Templates, but the parties to the corresponding ForexClear Transaction will be required to accept the Specific Standard Terms set out below in each ForexClear Contract:

- (1) Date of Annex A (Section 4.2):

Annex A to the ISDA Definitions is incorporated as amended as at the Trade Date.

- (2) Reference Currency (Section 1.19):

To be determined by using the EMTA Template appropriate to the particular Currency Pair.

Calculation Agent (Section 1.3):

- (3) The Clearing House is the Calculation Agent.

3.4. If the terms of an EMTA Template conflict with these ForexClear Contract Terms, these ForexClear Contract Terms shall prevail. If the terms of an EMTA Template conflict with the ISDA Definitions, the terms of the EMTA Template shall prevail.

4. General Standard Terms (“General Standard Terms”)

The following terms are designated as General Standard Terms of a registered ForexClear Contract:

4.1. Business Days

For the purposes of determining the Settlement Date only, in addition to the Business Days for the Principal Financial Centers for the Currency Pair specified in the relevant Economic Terms, the Business Days specified in the SwapsMonitor Financial Calendar as published by Swaps Monitor Publications, Inc. (as further detailed in the Procedures) from time to time, will apply to a ForexClear Contract.

4.2. **Withholding Tax Provisions**

4.2.1. All payments due under a ForexClear Contract shall be made by the ForexClear Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the ForexClear Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

4.2.2. All payments due under a ForexClear Contract shall be made by the Clearing House free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the Clearing House, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the ForexClear Clearing Member receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

4.3. **Payment of Stamp Tax**

Each ForexClear Clearing Member will pay any Stamp Tax or duty levied or imposed upon it in respect of any ForexClear Contract to which it is a party by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("Stamp Tax Jurisdiction") or by any other jurisdiction, and will indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House by any such Stamp Tax Jurisdiction or by any other jurisdiction in respect of any ForexClear Contract registered by the Clearing House and to which that ForexClear Clearing Member is a party.

4.4. **Payments under a ForexClear Contract**

Payments under, and in respect of, a ForexClear Contract shall be calculated by the Clearing House and shall be made by, or to, the ForexClear Clearing Member in accordance with the provisions of the Procedures.

4.5. **Regulations**

A ForexClear Contract shall be subject to the Regulations and the Procedures, which shall form a part of its terms. In the event of any inconsistency between these ForexClear Contract Terms and the Regulations and the Procedures, the Regulations and the Procedures will prevail.

4.6. **Governing Law**

Each ForexClear Contract, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree for the benefit of the Clearing House that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise here from. The ForexClear Clearing Member party hereto irrevocably submits to such jurisdiction and agrees to waive any objection it might otherwise have to such jurisdiction, save that this submission to the jurisdiction of the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent

jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

4.7. Third Party Rights

A person who is not a party to this ForexClear Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of this ForexClear Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

Part B
Registration of a ForexClear Contract - Product Eligibility Criteria

1. Registration of a ForexClear Contract

Without prejudice to the Regulations and the Procedures, the Clearing House will only register a ForexClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the Product Eligibility Criteria set out in paragraph 2 below for a ForexClear Transaction;
- (b) each party to the transaction is either (i) a ForexClear Dealer or (ii) a ForexClear Clearing Member who has not been declared a defaulter by the Clearing House;
- (c) the ForexClear Clearing Member in whose name the ForexClear Contract is to be registered has not been declared a defaulter by the Clearing House.

and the requirements of Paragraph 1(a), (b) and (c) above continue to be satisfied at the Registration Time.

2. Product Eligibility Criteria for a ForexClear Contract

Instrument	Non-Deliverable FX Transaction
Economic Terms	The transaction particulars submitted to the Clearing House specify all the Economic Terms.
Reference Currency	One of
	1. BRL - Brazilian Real,
	2. RUB - Russian Rouble,
	3. INR - Indian Rupee,
	4. CLP - Chilean Peso,
	5. CNY - Chinese Yuan,
	6. KRW - South Korean Won,
	7. COP – Colombian Peso,
	8. IDR – Indonesian Rupiah,
	9. MYR – Malaysian Ringgit,
	10. PHP – Philippine Peso, or
	11. TWD – Taiwan Dollar.
Valuation Date	A valid Business Day for the Currency Pair to which the ForexClear Transaction relates and determined as set out in the relevant EMTA Template for the Currency Pair.

Settlement Date	A date falling:
	A. not earlier than the date falling three business days immediately following the Submission Date; and
	B. not later than the date falling two calendar years plus two business days immediately following the Submission Date, provided that in each case such date shall be, with respect to the Currency Pair to which the ForexClear Transaction relates: (i) a valid Business Day, (ii) a date falling the Number of Business Days (as defined in the Procedures) following the Valuation Date and (iii) determined as set out in the relevant EMTA Template
Settlement Type	Non-Deliverable
Settlement Currency	USD
Calculation Agent	The Clearing House

Exhibit A - 2
Section 2C

See Attached

SECTION 2C**CONTENTS**

2C.	SWAPCLEAR.....	1
2C.1	THE CLEARING PROCESS.....	1
2C.2	OPERATING TIMES AND CALENDARS.....	2
2C.3	REGISTRATION.....	3
2C.4	POSITION ACCOUNTS.....	<u>76</u>
2C.5	FINANCIAL ACCOUNTS.....	<u>87</u>
2C.6	VARIATION MARGIN.....	<u>98</u>
2C.7	COUPON PAYMENTS.....	<u>1140</u>
2C.8	INITIAL MARGIN.....	<u>2322</u>
2C.9	INTRA-DAY MARGIN CALL: COLLATERAL MANAGEMENT.....	<u>2423</u>
2C.10	DECLARING.....	2C.10
	<u>TRANSFERS OF SWAPCLEAR CONTRACTS BETWEEN CLIENT</u>	
	<u>ACCOUNTS AND PROPRIETARY ACCOUNTS.....</u>	<u>2827</u>
2C.11	POSITION TRANSFERS.....	<u>2928</u>
2C.12	TERMINATION BY AUTOMATED SERVICE.....	<u>3029</u>
2C.13	AMENDMENT OF TRADE REFERENCES.....	<u>3029</u>
2C.14	TRADE REFERENCE AMENDMENT REQUEST FORM.....	<u>3029</u>
2C.15	SWAPCLEAR CLIENT CLEARING.....	<u>3234</u>
2C.16	EARLY TERMINATION EVENTS.....	<u>3837</u>
2C.17	TERMINATION OF SWAPCLEAR CLEARING MEMBER AND SWAPCLEAR DEALER STATUS.....	<u>3937</u>
2C.18	PAYMENT OF STAMP TAX.....	<u>3938</u>
2C.19	SECTION 168, FINANCE ACT 1994.....	<u>4038</u>
2C.20	DEFAULT MANAGEMENT.....	<u>4039</u>
APPENDIX 2C.A.....		<u>4544</u>
	SWAPCLEAR PROCESSING SCHEDULE.....	<u>4544</u>
APPENDIX 2C.B.....		<u>4645</u>
	INTRA-DAY COLLATERAL LODGEMENT FORM.....	<u>4645</u>
APPENDIX 2C.C.....		<u>4847</u>
	INTRA-DAY HOUSE NON-CASH EXCESS TRANSFER FORM.....	<u>4847</u>
APPENDIX 2C.D.....		<u>4948</u>
	INTRA-DAY HOUSE CASH EXCESS TRANSFER FORM.....	<u>4948</u>
APPENDIX 2C.E.....		<u>5049</u>
	ADDITIONAL COLLATERAL ACCOUNT LODGEMENT FORM.....	<u>5049</u>
APPENDIX 2C.F.....		<u>5254</u>

INTRA-DAY ADDITIONAL COLLATERAL ACCOUNT NON-CASH TRANSFER FORM.....	5254
APPENDIX 2C.G	5453
INTRA-DAY ADDITIONAL COLLATERAL ACCOUNT CASH TRANSFER FORM	5453
APPENDIX 2C.H.....	5554
ADDITIONAL COLLATERAL ACCOUNT SPREADSHEET	5554
APPENDIX 2C.I	5655
CLEARING DEED OF ASSIGNMENT	5655
APPENDIX 2C.J	6765
CLEARING DEED OF ASSIGNMENT	6765
APPENDIX 2C. KK1	8280
FORM OF GIVE UP AGREEMENT <u>SWAPCLEAR CLEARING CLIENT – PARTIAL TRANSFER FORM.....</u>	<u>8280</u>
APPENDIX 2C. LK2	8782
SWAPCLEAR CLEARING HOUSE PRESCRIBED LANGUAGE <u>CLIENT – FULL TRANSFER FORM.....</u>	<u>8782</u>
APPENDIX 2C. MK3	9085
CLEARED TRADE REMOVAL AGREEMENT <u>SWAPCLEAR CLEARING CLIENT TRANSFER – CARRYING CLEARING MEMBER RESPONSE FORM</u>	<u>9085</u>
APPENDIX 2C. NL	9287
CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN THE DEFAULT MANAGEMENT GROUP <u>CLEARING HOUSE PRESCRIBED LANGUAGE</u>	<u>9287</u>
<u>APPENDIX 2C.M</u>	<u>9590</u>
<u>CLEARED TRADE REMOVAL AGREEMENT</u>	<u>9590</u>
<u>APPENDIX 2C.N.....</u>	<u>10095</u>
<u>CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN THE DEFAULT MANAGEMENT GROUP</u>	<u>10095</u>

2C. SWAPCLEAR

2C.1 THE CLEARING PROCESS

The SwapClear Service is an interface that processes and stores all SwapClear Transactions received from an Approved Trade Source System.

Those authorised by the Clearing House to submit trades for clearing in the SwapClear Service fall into two categories – SwapClear Clearing Members (SCMs) and SwapClear Dealers (SDs). SCMs are clearing members who have applied and have been accepted by the Clearing House to clear in the SwapClear Service. SDs are not clearing members but have met the criteria for registration as a SwapClear Dealer and have entered into a SwapClear Dealer Clearing Agreement with an SCM and the Clearing House. Subject to obtaining approval from the Clearing House's Membership Department an SCM may offer certain SwapClear ~~clearing services~~ Clearing Services to its clients (SwapClear Clearing Clients). SwapClear Clearing Services are provided to SwapClear Clearing Clients through an Individual Segregated Account or Omnibus Net Segregated ~~account~~ Account. SCMs should contact the Clearing House's Membership Department for further details of the SwapClear Client Clearing Service and the Clearing House's approval process (+44 (0)~~207 426 7891/7627/706320 7426 7949~~; membership@lchclearnet.com).

~~In practice there are four day-to-day users of the SwapClear Service – SCM's, SDs, Clearing House to submit trades for clearing in the SwapClear Clearing Clients and SCM Branches System.~~

An SCM Branch must always be the same legal entity as the SCM and, subject to authorisation by the Clearing House, it may ~~submit~~ present SwapClear Transactions to the Clearing House, for registration as SwapClear Contracts in the name of the SCM, using its own BIC code.

~~SCMs, SDs and SCM Branches are collectively known as "SwapClear Participants".~~

~~For the purposes of these Procedures and the Regulations, an SCM Branch is a part of and is the same legal person as the SCM. WhereTherefore, where a SwapClear Transaction is presented for registrationclearing by an SCM Branch, it is deemed to have been presented by, and in the name of, the SCM of which it is part for registration in the name of that SCM.~~

2C.1.1 SwapClear Service Functions

The following functions are performed within the SwapClear Service:

processing and settlement of coupon payments;

processing and settlement of consideration (fee) payments;

calculation of initial and variation margin requirements;

calculation of Price Alignment Interest;

adjustment of cash payments to conform with Opening Days and the SwapClear Calendars;

allocation and designation of trades to a position-keeping account; and

reporting of registered trades.

SwapClear Transactions ~~submitted~~presented via an Approved Trade Source System (i.e. new trades ~~submitted~~presented for intra-day registration or existing trades ~~submitted~~presented for overnight registration – see sections 2C.3.2 and 2C.3.3.1) will, subject to meeting all requirements prescribed by the Clearing House, be processed and stored within the SwapClear ~~Clearing System~~clearing system. Information regarding SwapClear Contracts and margin reporting will be disseminated via the SwapClear Clearing House's Clearing Member ~~Reporting~~reporting system (see section 2C.1.3).

2C.1.2 Clearing House System Requirements

A SwapClear ~~Participant~~Clearing Member must, in order to submit SwapClear Transactions to the Clearing House, be a user of an Approved Trade Source System.

2C.1.3 SwapClear Clearing Member Reporting System

~~There are three methods of~~The Clearing House has various arrangements for the notification to SCMs of SwapClear Contract registrations and other information. These make use of systems including the following:

- (i) Report 001
- (ii) ~~Via the~~ Approved Trade Source ~~System~~Systems.
- (iii) ~~Via the~~The SwapClear API.

An end-user report generation and analytical capability is provided by the Clearing House to SCMs. All SwapClear reports will be disseminated via the Clearing House's secure password access Clearing Member-only website. These reports are the definitive record as to registration by the Clearing House.

The Clearing House is not liable for any corruption or alteration of messages or loss of data which may take place within any Approved Trade Source System.

SCMs will be able to ~~customize~~customise and produce reports either to print locally or to download in machine-readable data-file format. Queries about the Clearing Member-only ~~web site~~website should be directed to the Clearing House Service Desk on +44 (0)20 7426 7200.

2C.2 OPERATING TIMES AND CALENDARS

2C.2.1 Opening Days

The Clearing House will publish a circular detailing the days on which SwapClear will be open.

2C.2.2 Opening Hours

The SwapClear ~~Clearing System~~clearing system will be operational during the following hours:

07:30 to 22:00 ~~hours~~-London time

2C.2.3 SwapClear Clearing System Calendars

The SwapClear ~~Clearing System~~clearing system uses the *SwapsMonitor Financial Calendar* for its processing. This will require all SwapClear ~~Participants~~Clearing Members to be licensees of the *SwapsMonitor Financial Calendar*. The calendars, as applicable to the SwapClear ~~Clearing System~~clearing system, will be available online for inspection and for file download from the SwapClear Clearing Member Reporting~~reporting system~~ (see section 2C.1.3).

2C.3 REGISTRATION

~~2C.3.1~~ Submission for Registration

2C.3.1 Executing Parties and Presentation for Clearing

A SwapClear Transaction may be entered into by and presented for clearing by (or on behalf of), any of the following parties: (1) SwapClear Clearing Members (or the SCM Branches of one of any such SwapClear Clearing Members); (2) SwapClear Dealers; (3) SwapClear Clearing Clients; and (4) FCM SwapClear Members.

The Clearing House receives details of a new eligible SwapClear Transaction using agreed format messages via ~~the an~~ Approved Trade Source System. ~~Where SwapClear Participants wishing to submit~~The Approved Trade Source System will send details of a SwapClear Transaction to the Clearing House ~~for registration via MarkitWire~~once it has been bi-laterally agreed by two Executing Parties and will confirm which SwapClear Clearing Member(s) has been elected to register the SwapClear Transaction. For the avoidance of doubt, an Executing Party may appoint a third party to present details of a SwapClear Transaction to the Clearing House on its behalf.

2C.3.2 Clearing House Notification

In the case of a SwapClear Clearing Member which has been nominated to register a SwapClear Transaction on behalf of a third party Executing Party other than a SwapClear Dealer, the Clearing House will provide notification to such SwapClear Clearing Member of the relevant SwapClear Transaction and that it has been so nominated, via member reports, the SwapClear API or otherwise (the "Notification"). Where a SwapClear Clearing Member is nominated to clear both SwapClear ~~Participants~~ must first requestContracts arising from the registration of a SwapClear Transaction (whether for itself or a third party Executing Party) in the capacities described in this paragraph, such SwapClear Clearing Member will receive two separate Notifications from the Clearing House in relation to such SwapClear Transaction. In all other cases, no Notification will be provided to any SwapClear Clearing Member.

Following receipt of a Notification, a SwapClear Clearing Member may choose to grant or refuse consent to register the SwapClear Transaction. It is a condition for registration of a SwapClear Transaction that ~~the trade be cleared using either~~

~~the appropriate GUI or API functions. The Approved Trade Source System will then send these trades to the Clearing House when they a SwapClear Clearing Member grants a separate consent in respect of each Notification received by it in relation to the registration of the relevant SwapClear Transaction. The Clearing House has an automated system which it operates on each business day (currently at or around 8 pm (London time)) for the purposes of rejecting SwapClear Transactions which have been bi-laterally agreed, presented for clearing but in respect of which any consent to a Notification (each a "Necessary Consent") has not been notified to the Clearing House prior to the LCH Cut-off Time. The "LCH Cut-off Time" in respect of a SwapClear Transaction will be the time on the business day following the day when the relevant SwapClear Transaction was presented for clearing at which the reject system is operated by the Clearing House and the relevant SwapClear Transaction is itself rejected by such system. If a SwapClear Clearing Member has not notified the Clearing House of a Necessary Consent by the LCH Cut-off Time, it will be deemed to have rejected the relevant SwapClear Transaction. Any Necessary Consent of a SwapClear Transaction notified by a SwapClear Clearing Member to the Clearing House prior to the LCH Cut-off Time is irrevocable. Any Necessary Consent notified by a SwapClear Clearing Member to the Clearing House after the LCH Cut-off Time shall be invalid.~~

~~SwapClear~~ In circumstances where the registration of a SwapClear Transaction is conditional upon one or more Necessary Consent(s) being notified to the applicable SwapClear Clearing Member(s), the relevant SwapClear Transaction shall be deemed to have been "submitted" to the Clearing House by each such SwapClear Clearing Member at the time when it notifies the Clearing House of its Necessary Consent. In all other circumstances, a SwapClear Transaction shall be "submitted" to the Clearing House by the applicable SwapClear Clearing Member upon being presented to the Clearing House for clearing by such SwapClear Clearing Member (or its SCM Branch) or by a SwapClear Dealer (acting in such capacity with respect to the relevant SwapClear Transaction) approved to clear SwapClear Transactions through the relevant SwapClear Clearing Member.

~~In accordance with Section 2C.3.4 of these Procedures, it is a condition for registration of a SwapClear Contract that the applicable SwapClear Clearing Member provides sufficient cover to the Clearing House in respect of such SwapClear Contract prior to registration.~~

~~2C.3.2~~ 2C.3.3 **Approved Trade Source Systems**

~~The only current~~ Currently, the Approved Trade Source ~~System~~ Systems designated by the Clearing House for SwapClear ~~is MarkitWire~~ are MarkitWire, Bloomberg and Tradeweb. Where the Clearing House approves additional Approved Trade Source Systems, it will notify SwapClear Clearing Members via a member circular.

SwapClear Transactions ~~submitted~~ presented through an Approved Trade Source System must be in an acceptable message format, as prescribed by the Clearing House.

Notwithstanding the designation by the Clearing House of any system as an Approved Trade Source System, the Clearing House makes no warranty (and will accept no liability) as to the effectiveness, efficiency, performance or any other aspect of the services provided by any Approved Trade Source System or

the timeliness or otherwise of the delivery of any SwapClear Transaction details by that Approved Trade Source System to the Clearing House. Such matters form part of the relationship between the SwapClear Participant Clearing Members and that Approved Trade Source System. ~~The ability of SwapClear Participants to submit SwapClear Transactions through a given Approved Trade Source System may be suspended from time to time.~~

~~SwapClear Participants should ensure that only trades which meet the criteria to be SwapClear Transactions are submitted to the Clearing House from any Approved Trade Source System.~~ The Clearing House will process any SwapClear Transaction reported to it by an Approved Trade Source System on an "as is" basis, and, subject to the General Regulations and these Procedures, will register any such SwapClear Transaction on the basis of the data provided to it by the Approved Trade ~~source System.~~ Source System and approved by the relevant SwapClear Clearing Member. The Clearing House has no obligation to verify that the details received properly reflect the trade entered into by the relevant ~~SwapClear Participants~~ Executing Parties.

The Clearing House accepts no liability for any error within or corruption of any data sent by an Approved Trade Source System to the Clearing House or to a SwapClear Participant Clearing Member or any delay in or failure of the transmission of such data to the Clearing House. In the event that the Clearing House registers any SwapClear Contract/s on the basis of incorrect or corrupted data sent to it by an Approved Trade Source System and consented to (where applicable) by a SwapClear Clearing Member, the ~~SCM/s~~ SwapClear Clearing Member concerned shall be bound by the terms of such SwapClear Contract/s. The Clearing House ~~may agree to~~ shall use its reasonable endeavours to assist the relevant ~~SCMs~~ SwapClear Clearing Member(s) in re-registering the trade on the correct basis but ~~it shall be under no obligation so to do and~~ the Clearing House shall not be liable to ~~the SCMs~~ a SwapClear Clearing Member or ~~anyone else~~ to any other party with regard to the registration (or lack of registration or re-registration) of any such SwapClear Contract/s.

SwapClear ~~Participants~~ Clearing Members shall ensure that ~~all transaction details entered into an Approved Trade Source System for reporting to the Clearing House~~ Necessary Consents are ~~input~~ provided by appropriately authorised personnel. ~~SwapClear Participants must ensure that the security and access procedures~~ Apart from in respect of the relevant Approved Trade Source System are complied with at all times. ~~The~~ Necessary Consents, the Clearing House is not able to, and will not, verify the authorisation of the source of any details of any transaction reported to it for registration by any Approved Trade Source System. The Clearing House shall have no liability in the event that any SwapClear Participant Clearing Member suffers any loss through the unauthorised ~~input~~ granting of ~~details into a system of an Approved Trade Source System~~ Necessary Consent.

~~2C.3.3~~ 2C.3.4 **Registration of New Trades**

~~New trades are registered on an~~ The Clearing House will perform regular, intra-day basis. ~~The~~ registration runs on each business day. ~~SwapClear Clearing System~~ Transactions duly submitted to the Clearing House for registration will ordinarily be included in the next following registration run unless the Clearing House determines to register such SwapClear Transaction prior to such run.

Prior to it registering a SwapClear Contract, the Clearing House will require the SwapClear Clearing Member in whose name such SwapClear Contract is to be registered to provide it with cover for initial and variation margin in respect of such contract as a precondition to registration. In accordance with Regulation 47(d)(iv), a SwapClear Clearing Member becomes obligated to provide such cover to the Clearing House at the time when both SwapClear Contracts, or the SwapClear Contract and the FCM SwapClear Contract (as applicable), relating to the relevant SwapClear Transaction have been submitted or deemed to be submitted (as applicable) by the relevant SwapClear Clearing Member(s) or the relevant SwapClear Clearing Member and FCM Clearing Member (as the case may be) and such SwapClear Clearing Member(s) or such SwapClear Clearing Member and such FCM Clearing Member shall provide such cover prior to registration upon request of the Clearing House. Variation margin can be covered intra-day in non-cash collateral.

In order for registration of a SwapClear Contract (the "actual SwapClear Contract") to occur, where such actual SwapClear Contract is part of a registration run containing other SwapClear Contracts and/or FCM SwapClear Contracts (the "other SwapClear Contracts"), cover for margin from each SwapClear Clearing Member and each FCM Clearing Member which would be a party to such other SwapClear Contracts is required to be provided to the Clearing House in advance and, if any one or more of such SwapClear Clearing Members or such FCM Clearing Members does not provide such cover, the Clearing House will take such steps as it deems appropriate to seek to register the actual SwapClear Contract as soon as practically possible.

Upon a SwapClear Transaction being submitted to the Clearing House for registration and the conditions to registration specified in Regulation 47 having been satisfied in respect of the related SwapClear Contract(s), the SwapClear clearing system will respond, after processing, with a message either confirming the registration or giving a reason for rejection (see section 2C.3.6). The registration notification or rejection message will be sent via using the SwapClear Clearing Member reporting system (including by way of the originating Approved Trade Source System). The definitive report of the registered SwapClear Contract will be shown on Reporting within the SwapClear Clearing Member reporting system (see section 2C.1.3) on the SGM's SwapClear Clearing Member reporting account in the SwapClear Clearing System.

The Clearing House may require a SCM in whose name an open contract is to be registered to provide it with cover for initial and variation margin prior to registration. In these circumstances variation margin can be covered intra-day in non-cash collateral.

SwapClear Transactions that are submitted for registration near to the closing time of the service are registered the following morning, subject to the normal requirements for margin.

Where a SwapClear Clearing Member executes an FCM SwapClear Transaction on an FCM Approved Trade Source System and such FCM Approved Trade Source System submits the details of the FCM SwapClear Transaction to the Clearing House for registration on behalf of that SwapClear Clearing Member, the SwapClear Clearing Member shall be bound in the same manner and to the same extent as if it had presented the SwapClear Transaction for registration directly to the Clearing House in accordance with General Regulation 47(b).

2C.3.4 2C.3.5 **Backloading of Existing Trades**

The Clearing House provides the facility for SwapClear ~~Participants~~Clearing Members to load eligible existing SwapClear Transactions, through an Approved Trade Source System. ~~This (currently, MarkitWire, Bloomberg and Tradeweb). Where the Clearing House approves additional Approved Trade Source Systems for these purposes, it will notify SwapClear Clearing Members via a member circular. Backloading~~ requires bilateral agreement between the relevant SwapClear ~~Participants, Executing Parties and the granting of consent by the SwapClear Clearing Member(s)~~ of the full particulars required by the Clearing House for each such SwapClear Transaction, ~~with both parties re-confirming the trades via an Approved Trade Source System.~~

~~. Following such consent, the backloaded trade shall be deemed to have been submitted by the SwapClear Clearing Member(s) for registration by the Clearing House.~~ The Clearing House will, in the case of SwapClear Transactions that have a Trade Date of greater than ten calendar days prior to the date of submission, hold the SwapClear Transaction overnight for registration the following day. For ~~Backloaded~~backloaded trades, the Clearing House will notify SwapClear Clearing Members of their submission and status ~~via~~as part of SwapClear Clearing Member ~~Reporting~~reporting (see section 2C.1.3). It is a pre-condition of registration that sufficient cover for initial and variation margin is provided.

2C.3.5 2C.3.6 **Notification**

The Clearing House will ~~notify SwapClear Participants~~send to the originating Approved Trade Source System notification of registration or rejection, as the case may be, and the SwapClear Clearing Members will be notified by the Approved Trade Source System or the SwapClear API or otherwise of the registration or rejection of SwapClear Transactions, or contracts purported as such, ~~via the SwapClear Clearing Member Reporting System (see section 2C.1.3) and the originating Source System messaging service for onward transmission to the submitting SwapClear participant.~~

2C.3.6 2C.3.7 **Rejected Trades**

Trades submitted for registration that do not meet the product or other eligibility criteria prescribed from time to time by the Clearing House or which contain invalid or incomplete message data will be rejected. If, at any time, the Clearing House does not register a trade presented for registration it will ~~notify~~send to the contracting partiesoriginating Approved Trade Source System notification of the ~~reasons for~~ rejection.

2C.4 **POSITION ACCOUNTS**

2C.4.1 **SCM Accounts**

For identification purposes each SCM is assigned a unique three-character mnemonic. An SCM's position and financial information are further identified by a single character code: C for segregated client business; and H for house business. The H account is obligatory, the C account is optional.

2C.4.2 **Position-Keeping Accounts**

2C.4.2.1 Clearing Member Accounts

These are identical to Clearing Member accounts as described in Regulation 5. The account types are: H for house business; and C for segregated client business. An SCM's SwapClear positions are also recorded within the SwapClear ~~Clearing System~~clearing system in SwapClear Accounts.

2C.4.2.2 SwapClear Accounts

The SwapClear ~~Clearing System~~clearing system will provide position-keeping accounts for SCMs. A SwapClear Account will be assigned a code identical to the Bank Identifier Code (BIC) of the SCM. Each SwapClear Account must map to a Member Account.

All registered SwapClear Contracts will be identifiable to SCMs via SwapClear ~~Reporting~~Clearing Member reporting (see section 2C.1.3). Each SwapClear Contract will also be assigned a unique trade identifier. The SwapClear Clearing Member ~~Reporting~~reporting functionality also allows SCMs to identify all SwapClear Contracts, registered in their name, and, if submitted by an SD, the submitting SD.

2C.5 **FINANCIAL ACCOUNTS**

Clearing Member accounts have financial accounts associated with them. These are, inter alia, used to record cash balances, and securities/ documentary credits. Information contained within position-keeping accounts is consolidated into financial accounts, as follows:

2C.5.1 **Relationship with Position-Keeping Accounts**

Trading Account	Financial Account	
H	House	H
C	Client	C

2C.5.2 **Other Financial Accounts**

At the Clearing House's discretion, further financial accounts, used only to record financial balances, may be opened as follows:

	Code
Buffer accounts (House), used for holding additional cash in relation to House business	B
Buffer account (Client), used for holding additional cash in relation to Client business	E
SwapClear Additional Collateral Account	A

2C.5.3 **Default Fund (DF) Account**

Each SCM's Default Fund Contribution is held on a separate financial account. The DF account code is "F".

2C.5.4 SwapClear Additional Collateral Account

Upon request from an SCM the Clearing House will setup a new sub-account called the Additional Collateral Account.

Such requests should be submitted to the Clearing House's Treasury Operations team (lchoperations-treasury@lchclearnet.com; 020 7426 7505).

SCMs are able to lodge excess collateral on behalf of their clients (the amount is at the SCM's discretion), into the Additional Collateral Account.

In order to lodge collateral into the Additional Collateral Account, an SCM must adhere to the following procedure:

- (a) an SCM can lodge non-cash collateral or request that the Clearing House call cash directly from the SCM into the Additional Collateral Account. If an SCM intends to lodge non-cash collateral they must submit an Additional Collateral Account Lodgement Form to the Clearing House. (Appendix 2C.E);
- (b) an SCM can transfer non-cash or cash collateral from its Client Account to the Additional Collateral Account (see section 2C.9).

When an SCM lodges non-cash collateral at the Clearing House, the Clearing House will issue the SCM with a collateral lodgement number that must be provided to the Clearing House whenever that SCM wishes to transfer that non-cash collateral.

The SCM is responsible for maintaining a record of the collateral held against each SwapClear Clearing Client (see Additional Collateral Account Spreadsheet, Appendix 2C.H).

The Additional Collateral Account Spreadsheet submitted by an SCM to the Clearing House is the primary record of the contents of the Additional Collateral Account and an SCM must provide an updated version to the Clearing House whenever transfers are made from/to the Additional Collateral Account.

In the event of an SCM default, the Additional Collateral Account Spreadsheet provided by the defaulted SCM will be used to identify the SwapClear Clearing Clients' collateral lodged in the Additional Collateral Account.

2C.6 VARIATION MARGIN

All SwapClear Transactions will, on submission to the Clearing House, be marked-to-market, in accordance with Regulation 15 (b), using the Clearing House's zero coupon yield curves. The Clearing House will use these curves to calculate the Net Present Value of the SwapClear Transaction. This value must, subject to Intra-day Registration (see section 2C.3.3), be paid by the SCM in cash in the currency of the SwapClear Transaction. Where a SwapClear Transaction is registered intra-day, and variation margin is covered with non-cash collateral, the Clearing House will, the following business day, require payment of the full cash amount.

All SwapClear Contracts will be marked-to-market daily, in accordance with Regulation 15 (b), using the Clearing House's zero coupon yield curves. The

daily change in the Net Present Value will be credited to or debited from SCM's financial accounts.

For the avoidance of doubt, this ~~procedure~~**Procedure** shall not apply to contracts which are credited to a SwapClear Clearing Member's Client account or to such other contracts as the Clearing House may determine.

2C.6.1 Zero Coupon Yield Curve Construction

The Clearing House will determine, at its sole discretion, appropriate instruments, points and market prices for the construction of zero coupon curves and portfolio valuation. Details of the construction method and Instruments used are available on request from the Clearing House Risk Management Department on +44 (0)20 7426 7549, but may be subject to change without prior notification.

2C.6.2 Official Quotations

Zero Coupon Yield curves will use prices and rates taken at:

All times quoted are London time

AUD	12:00
CAD	20:00
CHF LIBOR & OIS	16:30
CZK	16:30
DKK	16:30
EURO LIBOR	16:30
GBP LIBOR	16:30
HKD	12:00
HUF	16:30
JPY	12:00
NOK	16:30
NZD	12:00

PLN	16:30
SEK	16:30
SGD	12:00
USD LIBOR & OIS	20:00
ZAR	16:30
EURO OIS	18:00
GBP OIS	18:00

Zero coupon yield curves used for daily marking to market will be published on the Clearing House's ~~Member Reporting~~[member reporting](#) website at intervals during the day as the prices and rates are captured.

2C.6.3 Net Present Value

The Clearing House will calculate the net present value (NPV) of each eligible SwapClear Contract using the Clearing House's zero coupon yield curves.

It is a condition of registration that sufficient cover, as determined by the Clearing House, is held with the Clearing House to cover both the NPV and Initial Margin of each SwapClear Transaction.

2C.6.4 Price Alignment Interest

The payment of variation margin, or change in NPV, on a daily basis without adjustment would distort the pricing for SwapClear Transactions cleared through the Clearing House. In order to minimise the impact of variation margin, the Clearing House will for each SCM either charge interest on cumulative variation margin received, or pay interest on cumulative variation margin paid (see section 3.5.2).

2C.7 COUPON PAYMENTS

2C.7.1 Calendars and Coupons

Payment dates for coupon payments will be set based on the SwapsMonitor Financial Calendar (see section 2C.2.3). Changes to the calendar that affect SwapClear Contracts will be published and made available to SCMs by the Clearing House in a Clearing Member Report. The central control and

publication of these calendars will assist the reconciliation of coupon payments between SCMs and the Clearing House. Coupon payments will be adjusted, in the event of a holiday amendment, in accordance with the Contract Terms.

2C.7.2 Calculation of Fixed Amount

The Clearing House will calculate the Fixed Amount payable by a party on a Payment Date as either:

- (a) if an amount is specified for the SwapClear Contract as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, such amount; or
- (b) if an amount is not specified for the SwapClear Contract as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, an amount calculated on a formula basis for that Payment date or for the related Calculation Period as follows:

$$\text{Fixed Amount} = \text{Calculation Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

2C.7.3 Calculation of Floating Amount

The Clearing House will calculate the Floating Amount payable by a party on a Payment Date as an amount calculated on a formula basis for that Payment Date or for the related Calculation Period as follows:

$$\text{Floating Amount} = \text{Calculation Amount} \times \text{Floating Rate} \times \text{Floating Rate Day Count Fraction} \\ (+/- \text{ Spread})$$

2C.7.4 OIS coupon calculation

Compounding Rate Calculations

The rate used for the OIS rate is calculated according to ISDA 2006 definitions. The formula for these calculations is given below.

USD-Federal Funds-H.15-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{FEDFUND}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“d0” for any Calculation Period is the number of New York Banking Days in the relevant Calculation Period;

“i” is a series of whole numbers from 1 to d0, each representing the relevant New York Banking Days in chronological order from, and including, the first New York Banking Day in the relevant Calculation Period;

“FEDFUNDi”, for any day “i” in the relevant Calculation Period, is a reference rate equal to the rate set forth in H.15(519) in respect of the day under the caption “EFFECT”, as such rate is displayed on the Reuters Screen FEDFUNDS1 Page, in respect of any day “i”, the rate for that will be agreed between the parties, acting in good faith and in a commercially reasonable manner. If the parties cannot agree, the rate for that day will be the rate displayed on the Reuters FEDFUNDS1 Page, in respect of the first preceding New York Banking Day;

“ni” is the number of calendar days in the relevant Calculation Period on which the rate is FEDFUNDi; and

“d” is the number of calendar days in the relevant Calculation Period.

CHF-TOIS-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{TOIS}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“d0” for any Calculation Period is the number of Zurich Banking Days in the relevant Calculation Period;

“i” is a series of whole numbers from 1 to d0, each representing the relevant Zurich Banking Days in chronological order from, and including, the first Zurich Banking Day in the relevant Calculation Period;

“TOISi”, for any day “i” in the relevant Calculation Period, is a reference rate equal to the rate for tomorrow next deposits in Swiss Francs which appears on the Reuters Screen CHFTOIS= as of 11:00 a.m., Zurich time, on the day that is one Zurich Banking Day preceding that day;

“ni” is the number of calendar days in the relevant Calculation Period on which the rate is TOISi; and

“d” is the number of calendar days in the relevant Calculation Period.

GBP-WMBA-SONIA-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

“d0” for any Calculation Period is the number of London Banking Days in the relevant Calculation Period;

“i” is a series of whole numbers from 1 to d0, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Calculation Period;

“SONIA_i”, for any day “i” in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the Wholesale Market Brokers’ Association and appearing on the Reuters Screen SONIA Page in respect of that day;

“n_i” is the number of calendar days in the relevant Calculation Period on which the rate is SONIA_i; and

“d” is the number of calendar days in the relevant Calculation Period.

EUR-EONIA-OIS-COMPOUND

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{EONIA}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“d0” for any Calculation Period is the number of TARGET Settlement Days in the relevant Calculation Period;

“i” is a series of whole numbers from 1 to d0, each representing the relevant TARGET Settlement Days in chronological order from, and including, the first TARGET Settlement Days in the relevant Calculation Period;

“EONIA_i”, for any day “i” in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day;

“n_i” is the number of calendar days in the relevant Calculation Period on which the rate is EONIA_i; and

“d” is the number of calendar days in the relevant Calculation Period.

2C.7.5 Calculation of Compounded Amount

Depending on whether the SwapClear Contract is submitted under ISDA 2000 or 2006 Definitions the Clearing House will calculate the compounded floating amount payable by a SwapClear Clearing Member on a Payment Date as an amount calculated in accordance with Articles 6.1 to 6.3 inclusive of the relevant Definitions.

2C.7.6 Calculation of FRA Discounting (Article 8.4 of the 2006 ISDA Definitions)

Where FRA Discounting is specified for CAD, CHF, CZK, DKK, EUR, HUF, JPY, NOK, PLN, SEK, USD, ZAR the FRA Amount will be calculated in accordance with the following formula:

$$\text{FRA Amount} = \frac{\text{Calculation Amount} \times \left[\begin{array}{l} (\text{Floating Rate} + \\ \text{Spread}) \\ - \text{Fixed Rate} \end{array} \times \begin{array}{l} \text{Floating} \\ \text{Rate Day} \\ \text{Count} \\ \text{Fraction} \end{array} \right]}{1 + \left[\begin{array}{l} \text{Discount Rate} \times \\ \text{Discount} \\ \text{Rate Day} \\ \text{Count} \\ \text{Fraction} \end{array} \right]}$$

Where FRA Discounting is specified for AUD Forward Rate Transactions and NZD Forward Rate Transactions then FRA Yield Discounting will be applied and the FRA Amount calculated in accordance with the following formula:

$$\text{FRA Amount} = \text{Calculation Amount} \times 365 \times \left[\frac{1}{365 + [R_1 \times \text{ND}]} - \frac{1}{365 + [R_2 \times \text{ND}]} \right]$$

Where:

R₁ is the sum of the Floating Rate and the Spread on the payment date, expressed as a decimal

R₂ is the Fixed Rate, expressed as a decimal

ND is the actual number of days in the calculation period

2C.7.7 Business Day and Business Day Convention

In determining whether a day is a Business Day the Clearing House will only apply the Financial Centres specified in the matched SwapClear Transaction message. The Clearing House will in the event of non-business days apply the Business Day Conventions as specified in the matched SwapClear Transaction message.

2C.7.8 Payment of Coupons

After adjusting coupons, in accordance with the appropriate Business Day and Business Day Conventions, the Clearing House will credit or debit Clearing Members' Accounts with the appropriate Fixed or Floating Amount with a value date matching the Coupon Payment Date. In the event of SwapClear being closed on a Coupon Payment Date it will pay the Fixed and Floating Amounts on the next business day following the Coupon Payment Date.

2C.7.9 Calculation Periods

In respect of any Calculation Period that is a not a whole calendar month (a stub period), the Reset Rate for the Reset Date in respect of that Calculation Period shall be determined by the Clearing House with reference to the rate(s) specified in the matched format message.

2C.7.10 Day Count Fractions: ISDA 2000

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Where the SwapClear Contract is submitted under the ISDA 2000 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the following principles:

- (a) if "Actual/365" or "Actual/Actual" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if "Actual/365 (Fixed)" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (c) if "Actual/360" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (d) if "30/360", "360/360", "Bond Basis", "30E/360" or "Eurobond Basis" is specified the actual number of days in the Calculation Period in respect of which payment is being made will be determined in accordance with the following formula:

$$((Y_2 - Y_1) * 360) + ((M_2 - M_1) * 30) + (D_2 - D_1)$$

where D_1 , M_1 and Y_1 are the day, month and year respectively on which the period begins and D_2 , M_2 and Y_2 are the day, month and year respectively on which the period ends (coupon payment date).

In accordance with this formula the following will be applied:

- (i) if "30/360", "360/360" or "Bond Basis" is specified the Clearing House will:
 - if D_1 is 31 amend it to 30,
 - if D_2 is 31 amend it to 30 only if D_1 is 30 or 31; or
- (ii) if "30E/360" or "Eurobond Basis" is specified the Clearing House will:
 - if D_1 is 31 then amend it to 30
 - if D_2 is 31 then amend it to 30.
- (e) For Actual/Actual (ISMA): "The [Fixed/Floating] Amount will be calculated in accordance with Rule 251 of the statutes, by-laws, rules and

recommendations of the International Securities Market Association, as published in April 1999, as applied to straight and convertible bonds issued after December 31, 1998, as though the [Fixed/Floating] Amount were the interest coupon on such a bond”.

2C.7.11 Day Count Fractions: ISDA 2006

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Where the SwapClear contract is submitted under the ISDA 2006 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the following principles:

- (a) if “Actual/Actual”, Actual/Actual (ISDA)”, “Act/Act”, or “Act/Act-(ISDA)” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;
- (c) if “Actual/360” is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;
- (d) “30/360”, “360/360” or “Bond Basis” is specified the number of days in the Calculation Period or Compounding Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1))}{360}$$

Where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation or Compounding Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period or Compounding Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation period or Compounding Period, unless such number would be 31, in which case D1 will be 30 and

“D2” is the Calendar day, expressed as a number, immediately following the last day included in the Calculation Period or Compounding Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30; and

- (e) if “30/E60” or “Eurobond basis is specified, the number of days in the Calculation or Compounding Period in respect of which payment is being made divided by 360, calculate on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1))}{360}$$

Where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation or Compounding Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period or Compounding Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation period or Compounding Period, unless such number would be 31, in which case D1 will be 30 and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation or Compounding Period, unless such number would be 31, in which case D2 will be 30.

- (f) if 30E/360(ISDA) is specified, the number of days in the Calculation or Compounding period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1))}{360}$$

Where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation or Compounding Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period or Compounding Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation or Compounding Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation period or Compounding Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation or Compounding Period, unless (i) that day is the last day of February but NOT the termination date or (ii) such number would be 31, in which case D2 will be 30.

- (g) If "Actual/Actual" (ICMA) or "Act/Act" (ICMA) is specified, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "ICMA Rule Book"), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non US Dollar denominated straight and convertible bonds issued after December 21, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period or Compounding Period in respect of which payment is being made.

2C.7.12 **Reset Rates**

2C.7.12.1 Reset Rates will be published by the Clearing House via the Rate Reset reports.

The Clearing House will apply the following principles in calculating Reset Rates:

- (a) “GBP-LIBOR-BBA” means that the rate for a Reset Date will be the rate for deposits in Sterling for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00 hours, London time, on that Reset Date.
- (b) “USD--LIBOR-BBA” the rate for US Dollar deposits for a period of the Designated Maturity which appears on Reuters Screen LIBOR01 as of 11:00 hours London time, on the day that is two London Banking Days preceding that Reset Date.
- (c) “Euro-LIBOR-BBA” the rate for Euro deposits for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours London time, on the day that is two TARGET Settlement Days preceding that Reset Date.
- (d) “Euro-EURIBOR-Telerate (ISDA2000) / “Euro-EURIBOR-Reuters” the rate for Euro deposits for a period of the Designated Maturity which

- appears on the Reuters Screen EURIBOR01 as of 11:00 hours Brussels time, on the day that is two TARGET Settlement Days preceding that Reset Date.
- (e) “JPY-LIBOR-BBA” the rate for Japanese Yen deposits or a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours London time, on the day that is two London Banking Days preceding that Reset Date.
 - (f) “CHF-LIBOR-BBA” means that the rate for a Rest Date will be the rate for deposits in Swiss Francs for a period of the Designated Maturity which appears on the Reuters Screen LIBOR02 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
 - (g) “AUD-BBR-BBSW” means that the rate for a Reset Date will be the average mid rate, for Australian Dollar bills of exchange having a tenor of the Designated Maturity, which appears on the Reuters screen BBSW Page at approximately 10:10 hours, Sydney time, on that Reset Date.
 - (h) “AUD-LIBOR-BBA” means that the rate for a Reset Date will be the rate for deposits in Australian Dollars for a period of the Designated Maturity which appears on the Reuters Screen LIBOR02 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
 - (i) “CAD-BA-CDOR” means that the rate for a Reset Date will be the average rate for Canadian Dollar bankers acceptances for a period of the Designated Maturity which appears on the Reuters Screen CDOR page as of 10:00 hours, Toronto time, on that Reset Date.
 - (j) “CAD-LIBOR-BBA” means that the rate for a Reset Date will be the rate for deposits in Canadian Dollars for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 as of 11:00 hours, London time, on the day that is two London Banking Days preceding that Reset Date.
 - (k) “CZK-PRIBOR-PRBO” means that the rate for a Reset Date will be the rate for deposits in Czech Koruna for a period of the Designated Maturity which appears on the Reuters Screen PRBO page as of 10:00 hours, Prague time, on the day that is two Prague Banking days preceding that Reset Date.
 - (l) “DKK-CIBOR-DKNA13” means that the rate for a Reset Date will be the rate for deposits in Danish Kroner for a period of the Designated Maturity which appears on the Reuters Screen DKNA13 Page as of 11:00 hours, Copenhagen time, on that Reset Date.
 - (m) “DKK-CIBOR2-DKNA13” means that the rate for a Reset Date will be the rate for deposits in Danish Kroner for a period of the Designated Maturity which appears on the Reuters Screen DKNA13 Page as of 11:00 hours, Copenhagen time, on the day that is two Copenhagen Banking Days preceding that Reset Date.
 - (n) “HKD-HIBOR-HIBOR=” means that the rate for a Reset Date will be the rate for deposits in Hong Kong Dollars for a period of the Designated

Maturity which appears on the Reuters Screen HIBOR1=R Page (for Designated Maturities of one month to six months, inclusive) or the Reuters Screen HIBOR2=R Page (for Designated Maturities of seven months to one year, inclusive), in each case across from the caption "FIXING@11:00" as of 11:00 hours, Hong Kong time, on that Reset Date.

- (o) "HKD-HIBOR-HKAB" means that the rate for a Reset Date will be the rate for deposits in Hong Kong Dollars for a period of the Designated Maturity which appears on the Reuters Screen HKABHIBOR as of 11:00 hours, Hong Kong time, on that Reset Date.
- (p) "HKD-HIBOR-ISDC" (ISDA2000) means that the rate for a Reset Date will be the rate for deposits in Hong Kong Dollars for a period of the Designated Maturity which appears on the Reuters Screen ISDC Page as of 11:00 hours, Hong Kong time, on that Reset Date.
- (q) "HUF-BUBOR-Reuters" means that the rate for a Reset Date will be the rate for deposits in Hungarian Forint for a period of the Designated Maturity which appears on the Reuters Screen BUBOR= page as of 10:00 hours, Budapest time, on the day that is two Budapest Banking days preceding that Reset Date.
- (r) "NOK-NIBOR-NIBR" means that the rate for a Reset Date will be the rate for deposits in Norwegian Kroner for a period of the Designated Maturity which appears on the Reuters Screen NIBR Page as of 12:00 noon, Oslo time, on the day that is two Oslo Banking Days preceding that Reset Date.
- (s) "NZD-BBR-Telerate" (ISDA2000) means that the rate for a Reset Date will be the fixed midrate for New Zealand Dollar bills of exchange for a period of the Designated Maturity which appears on the Telerate Page 2484 as of 11:00 hours, Wellington time, on that Reset Date.
- (t) "NZD-BBR-FRA" means that the rate for a Reset Date will be the rate for the New Zealand Dollar bills of exchange for a period of designated maturity which appears on the Reuters Screen BKBM Page opposite the caption of "FRA" as of 11:00 hours, Wellington time, on that Reset Date.
- (u) "SEK-STIBOR-SIDE" means that the rate for a Reset Date will be the rate for deposits in Swedish Kronor for a period of the Designated Maturity which appears on the Reuters Screen SIDE page under the caption "FIXINGS" as of 11:00 hours, Stockholm time, on the day that is two Stockholm Banking days preceding that Reset Date.
- (v) "SGD-SOR-Reuters" means that the rate for a Reset Date will be the rate for deposits in Singapore Dollars for a period of the Designated Maturity which appears on the Reuters Screen ABSIRFIX01 as of 11:00 hours, Singapore time, on the day that is two Singapore Banking days preceding that Reset Date.
- (w) "PLN-WIBOR-WIBO" means that the rate for a Reset Date will be the rate for deposits in Polish Zloty for a period of the Designated Maturity which appears on the Reuters Screen WIBO page under the caption "FIXINGS" as of 11:00 hours, Warsaw time, on the day that is two Warsaw Banking days preceding that Reset Date.

- (x) “ZAR-JIBAR-SAFEX” means that the rate for a Reset Date will be the mid-market rate for deposits in South African Rand for a period of the Designated Maturity which appears on the Reuters screen SAFEY page under the caption “YIELD” as of 11:00 hours, Johannesburg time, on that reset date. If such rate does not appear on the Reuters screen SAFEY page, the rate for that Reset Date will be determined as if the parties had specified “ZAR-JIBAR-Reference Banks” as the applicable Floating Rate Option.
- (y) “CHF-TOIS-OIS-COMPOUND” means that the rate for a Reset Date, calculated in accordance with the formula set forth in section 2C.7.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day Swiss interbank money market).
- (z) “GBP-WMBA-SONIA-COMPOUND” means that the rate for a Reset Date, calculated in accordance with the formula set forth in section 2C 7.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Sterling daily overnight reference rate).
- (aa) “USD-Federal Funds-H.15-OIS-Compound” means that the rate for a Reset Date, calculated in accordance with the formula set forth in section 2C 7.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the daily effective federal funds rate determined by the Federal Reserve as the weighted average of the rates on brokered trades).
- (bb) “EUR-EONIA-OIS-COMPOUND” means that the rate for a Reset Date, calculated in accordance with the formula set forth in section 2C 7.4, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day Euro-zone interbank euro money market).

In the event of no rate being available the Clearing House will, at its sole discretion, determine an applicable rate.

2C.7.12.2 Applying Reset Rate

The Clearing House will identify the reset dates of floating legs that require the application of a Reset Rate. The Reset 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 Calendar(s) and Business Day Convention specified.

2C.7.12.3 Negative Interest Rate Method

SCMs should note the provisions of section 3.3 of Part A of the Schedule to the SwapClear Regulations regarding the applicability of the Negative Interest Rate Method to a SwapClear Contract. SwapClear [Participants](#) [Clearing Members](#) may, in the circumstances, wish to ensure that any trade submitted for registration follows that Negative interest Rate Method.

2C.8 INITIAL MARGIN

The Clearing House will require SCMs to post initial margin. This amount will be determined by the prevailing market conditions and the expected time to close out the portfolio. The Portfolio Approach to Interest Rate Scenarios (PAIRS) will be used to calculate initial margin requirements for SwapClear Contracts.

Separate initial margin calculations are performed for an SCM's house "H" and client "C" accounts.

2C.8.1 Margin Parameters

The Clearing House Risk Management Department uses appropriate yield curve scenarios, both in terms of shape and magnitude of movement, to capture potential losses based on an observed history - the primary component of the initial margin calculation. These scenarios will be continually monitored and reviewed periodically or on an ad hoc basis according to market conditions. However, in accordance with the Regulations, the Clearing House retains the right at its discretion to vary the rates for the whole market or for a specific SCM's House and/or Client accounts.

Clearing Members will usually be notified by the Clearing House of alterations to margin parameters no later than the day before calls are made based on the new yield curve scenarios.

2C.8.2 Counterparty Risk Multiplier

Where a risk multiplier is applied to an SCM that has SwapClear Clearing Clients, that multiplier will be applied only to SwapClear Clearing Clients that have no Backup SwapClear Clearing Member.

The Clearing House reserves the right to require additional amounts of cover from a specific SCM or from all SCMs in accordance with Regulation 12.

2C.8.3 Liquidity Multiplier

Risk Management apply a liquidity multiplier based on WCL exceeding certain thresholds on the SCM's whole portfolio and individual currencies. The threshold amounts and multipliers are reviewed on an ongoing basis. SwapClear Clearing Client accounts are treated as independent accounts for purposes of liquidity and will be called only in the event that the individual account exceeds the relevant threshold.

2C.8.4 Intra-day Margin Calls

In accordance with the Clearing House's General Regulations, the Clearing House is entitled to make additional margin calls for payment the same day (intra-day margin calls) where it is considered necessary. Intra-day margin calls can be called at any time throughout the business day (08:30 to 21:00 hours London time). Intra-day margin calls will usually be made via the Protected Payments System (PPS) (see Section 2C.9).

In certain circumstances the Clearing House may wish to make a call for additional funds after the closure of London PPS facilities at 16:00 hours London time. In this event the Clearing House will require payment of additional funds

through PPS facilities in the USA (see section 3.2.2). **Members must ensure, in these circumstances, that they are in a position to fund such calls through their nominated US PPS account within one hour of the call.**

2C.8.5 Calculation of Initial Margin

2C.8.5.1 Portfolio Approach to Interest Rate Scenarios (PAIRS)

The PAIRS calculation is a VAR based approach based on filtered historical simulations. All positions in each currency are re-valued under a series of cross portfolio yield curve scenarios to estimate the highest forecast loss and therefore the initial margin requirement. Further details of this method are available upon request and are detailed in the PAIRS TIP document. The PAIRS document and further information relating to Initial Margin calculations can be obtained from the Rates team on +44 (020) 7426 6325 or +44 (020) 7426 7428.

2C.9 INTRA-DAY MARGIN CALL: COLLATERAL MANAGEMENT

2C.9.1 General – Intra-day Margining

Following an intra-day margin call and unless notified otherwise by an SCM at the time of an intra-day margin call the Clearing House will deduct cash, in the appropriate currency, directly from the relevant SCM's PPS account to cover that intra-day margin call.

Standard Clearing House rules for acceptable cash used for intra-day cover will apply.

It is the responsibility of the SCM to ensure that they have sufficient cash funds in place with their PPS Bank(s) in order to avoid any intra-day liquidity issues.

If the Clearing House is unable to contact the SCM in order to arrange an alternative payment method for the intra-day margin call the Clearing House will automatically issue a PPS call to debit the SCM's PPS account in the appropriate currency.

Please note: An SCM must notify the Clearing House of its preferred method of collateralisation at the time of the Clearing House's margin call. Once an SCM has chosen an intra-day collateralisation method and has notified the Clearing House of its chosen method, such choice is definitive and the Clearing House will not reverse any decision.

2C.9.2 Alternative Intra-Day Cash Collateralisation Methods

An SCM may choose to cover its intra-day, margin calls by transferring cash from its House account or Additional Collateral Account to its Client Account.

2C.9.2.1 Method 1: Transferring Cash Collateral from the House Account

An SCM may choose to transfer excess cash collateral from its House account to cover an intra-day margin call for its Client account.

In the event that an SCM notifies the Clearing House that it wishes to meet its intra-day margin call, or part of its intra-day margin call, by transferring excess cash collateral from its House account it must follow the procedure below.

A transfer of excess cash collateral from its House account to its Client account must be completed within 1 hour of the SCM's request to the Clearing House that it intends to transfer House cash excess to its Client account by completing the Intra-Day House Cash Excess Transfer Form (Appendix 2C.D)

In the event that an SCM does not fulfil the requirement to provide the Clearing House with an executed Intra-Day House Cash Excess Transfer Form within 1 hour of notifying the Clearing House of its intention to transfer excess cash collateral, the Clearing House may at its discretion issue a PPS call to cover the requirements in cash, in the appropriate currency, or impose penalty charges.

2C.9.2.2 Method 2: Transferring Cash Collateral Excess Deposited in the Additional Collateral Account

An SCM may choose to utilise any cash collateral held in its Additional Collateral account in respect of a SwapClear Clearing Client to cover an intra-day margin call for its Client account. An SCM may only transfer collateral from its Additional Collateral account for the purposes of meeting an intra-day margin call on its Client account.

In the event that an SCM notifies the Clearing House that it wishes to meet its intra-day margin call, or part of its intra-day margin call, by transferring cash collateral from its Additional Collateral account it must follow the procedure below.

A transfer of cash collateral from the Additional Collateral account to the Client account must be completed within 1 hour of the SCM's request to the Clearing House that it intends to transfer Additional Collateral cash excess to its Client account by completing the Additional Collateral Cash Excess Transfer Form (Appendix 2C.G)

In the event that an SCM does not meet its requirement to provide the Clearing House with an executed Additional Collateral Cash Excess Transfer Form within 1 hour of notifying the Clearing House of its intention to transfer cash collateral, the Clearing House may as its discretion issue a PPS call to cover the requirement in cash, in the appropriate currency, or impose penalty charges.

An SCM may also transfer cash collateral from its Client account to its Additional Collateral account by completing an Additional Collateral Account Cash Transfer Form (Appendix 2C.G).

An SCM must submit an Additional Collateral Account Spreadsheet to the Clearing House whenever transfers are made from/to the Additional Collateral account.

2C.9.3 **Alternative Intra-Day Non-Cash Collateralisation Methods**

2C.9.3.1 An SCM may choose not to cover its intra-day margin calls with cash collateral. In such a case, an SCM may choose from one or more of the following three methods:

1. Deposit intra-day non-cash collateral into the Client account;
2. Transfer House non-cash excess from the House account to the Client account;

3. Transfer Client non-cash excess deposited in the Additional Collateral account to the Client account

2C.9.3.2 Method 1 – Deposit Intraday Non-Cash Collateral

An SCM may choose to lodge non-cash collateral to cover any intra-day margin call for their Client account.

In the event that an SCM notifies the Clearing House that it wishes to meet its intra-day margin call, or part of its intra-day margin call, by depositing non-cash collateral it must follow the procedure below:

Within 30 minutes of the SCM's notification of its intention to deposit non-cash collateral it must:

- (a) complete the Intra-Day Collateral Lodgement Form and provide a copy to the Clearing House (Appendix 2C.B);
- (b) input instructions for matching with the relevant Custodian account.

Any lodgement of non-cash collateral must be settled in the Clearing House's account at the relevant Custodian within 1 hour of the SCM's notification to the Clearing House of its intention to lodge non-cash collateral.

The Clearing House will charge accommodation fees as notified to SCMs for any non-cash collateral lodged as intra-day cover (see section 3 of the Clearing House Procedures). This charge will be invoiced to SCMs separately from the standard monthly interest and accommodation charge statement.

In the event that non-cash collateral is not settled in the Clearing House's account within 1 hour of the SCM notifying the Clearing House of its intention to lodge non-cash collateral, the Clearing House may at its discretion issue a PPS call to cover the intra-day requirement in cash, in the appropriate currency, or impose penalty charges.

When an SCM lodges non-cash collateral, the Clearing House will issue the SCM with a collateral lodgement reference number.

2C.9.3.3 Method 2 – Transfer Non-Cash House Excess

An SCM may choose to utilise any excess non-cash collateral held in its House account to cover an intra-day margin call on its Client account.

In the event that an SCM notifies the Clearing House that it wishes to meet its intra-day margin call, or part of its intra-day margin call, by transferring excess non-cash collateral from its House account it must follow the procedure below:

A transfer of excess non-cash collateral from the House account to the Client account must be completed within 1 hour of the SCM's request to the Clearing House that it intends to transfer House excess to its Client account by completing the House Excess Transfer Form (Appendix 2C.C).

The House Excess Transfer Form submitted by the SCM to the Clearing House must contain the collateral lodgement reference number as provided by the Clearing House to the SCM at the time the non-cash collateral was lodged.

In the event that an SCM transfers non-cash collateral to its Client account, the Clearing House will apply accommodation charges for any non-cash collateral lodged as intra-day cover. This charge will be invoiced to members separately from the standard monthly interest and accommodation charge statement.

In the event that an SCM does not fulfil its requirement to provide the Clearing House with an executed House Excess Transfer Form within 1 hour of notifying the Clearing House of its intention to transfer non-cash collateral, the Clearing House may at its discretion issue a PPS call to cover the requirement in cash, in the appropriate currency, or impose penalty charges.

Transfers from the Client Account to the House account are not permitted under any circumstances.

2C.9.3.4 Method 3 – Transfer Non-Cash Collateral deposited in the Additional Collateral Account

An SCM may choose to transfer non-cash collateral held in its Additional Collateral account in respect of a SwapClear Clearing Client to cover any intra-day margin call on its Client account.

In the event that an SCM notifies the Clearing House that it wishes to meet its intra-day margin call, or part of its intra-day margin call, by transferring non-cash margin held in its Additional Collateral account it must follow the procedure below:

Within 30 minutes of the SCM's notification of its intention to transfer non-cash collateral from the Additional Collateral Account:

- (a) submit an Additional Collateral Account Non-Cash Transfer Form (Appendix 2C.F);
- (b) provide the Clearing House with a revised Additional Collateral Account Spreadsheet (Appendix 2C.H) that takes into account the transfer from the Additional Collateral account to the Client account.

The Clearing House will apply accommodation charges for any Non-cash collateral lodged as intra-day cover (see section 3 of the Clearing House Procedures). This charge will be invoiced to members separately from the monthly interest and accommodation charge statement.

If an SCM does not fulfil its requirement to provide the Clearing House with an executed Additional Collateral Account Non-Cash Transfer Form within 1 hour of the SCM's notification to the Clearing House that it wishes to transfer non-cash collateral from the Additional Collateral account, the Clearing House may at its discretion issue a PPS call to cover the margin requirement in cash, in the appropriate currency, or impose penalty charges.

An SCM may also transfer non-cash collateral from its Client account to its Additional Collateral account by completing an Additional Collateral Account Transfer Form.

All Additional Collateral Account Non-Cash Transfer Forms submitted by the SCM to the Clearing House must contain the collateral lodgement reference

number as provided by the Clearing House to the SCM at the time the non-cash collateral was initially lodged.

An SCM must submit an Additional Collateral Account Spreadsheet to the Clearing House whenever transfers are made from/to the Additional Collateral account.

~~2C.10~~ ~~DECLARING~~

~~2C.10 TRADES ARE USUALLY DECLEARED FROM TRANSFERS OF SWAPCLEAR UPON RECEIPT BY THE CLEARING HOUSE OF APPROPRIATE INSTRUCTIONS FROM MARKITWIRE; SUCH INSTRUCTIONS WILL HAVE BEEN ORIGINATED IN MARKITWIRE BY BOTH SCMS CONTRACTS BETWEEN CLIENT ACCOUNTS AND/OR BOTH SCMS AND A SWAPCLEAR CLEARING CLIENT CONSENTING TO THE TRADE OR PORTFOLIO OF TRADES BEING DECLEARED. PROPRIETARY ACCOUNTS~~

~~2C.10.1~~ If at any time an ~~Early Termination Date~~ in respect of all Transactions under the ~~Clearing ISDA Master Agreement~~ ~~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 in respect of which the such SwapClear Clearing Member is a party to Related SwapClear Contracts and, at the time of such early termination date, the relevant SwapClear Clearing Client~~ ~~Member~~ is ~~thenot a Defaulting Party or sole Affected Party, SCM,~~ the relevant SwapClear Clearing Member may instruct the Clearing House to transfer the relevant Related SwapClear Contracts from its client account to its ~~Proprietary Account~~.

~~For the purposes of this section 2C.10.1 a "Related SwapClear Contract" means, in respect of a transaction between a SwapClear Clearing Member and a SwapClear Clearing Client which has been terminated on an early termination date, the open position represented by the SwapClear Contract entered into with the Clearing House will declare all by such SwapClear Clearing Member on behalf of the Associated LCH Transactions relating to the client upon relevant SwapClear Clearing Client on equal and opposite terms to such transaction.~~

~~A transfer pursuant to this section 2C.10.1 will be subject to receipt by the Clearing House of instructions from the SCM and the following:~~

- ~~(a)~~ a copy of the notice ~~from the relevant SwapClear Clearing Member to the relevant SwapClear Clearing Client~~ designating the ~~Early Termination Date~~ ~~relevant early termination date~~ or, if ~~the Early Termination Date occurs~~ ~~such early termination date has occurred~~ automatically, evidence of the relevant ~~Event~~ ~~event~~ of ~~Default~~ ~~default~~ or ~~Termination Event~~ ~~termination event~~;
- ~~(b)~~ a copy of a notice served by the ~~SCM~~ ~~relevant SwapClear Clearing Member~~ on the ~~relevant~~ SwapClear Clearing Client alerting that SwapClear Clearing Client of its intention to ~~declare~~ ~~request a transfer of the relevant trade;~~ ~~Related SwapClear Contracts pursuant to this section 2C.10; and~~
- ~~(c)~~ an indemnity from the ~~SCM~~ ~~relevant SwapClear Clearing Member~~ in a form suitable to the Clearing House.

The Clearing House will usually arrange a transfer of Related SwapClear Contracts within 24 hours of receipt (to the extent applicable) of the documents listed in paragraphs (a) to (c) above, unless such transfer is contested by the relevant SwapClear Clearing Client.

2C.10.2 In any other circumstance not covered by 2C.10.1, a SwapClear Clearing Member may only instruct the Clearing House to transfer a SwapClear Contract from its client account to its Proprietary Account in circumstances where the Clearing House has received from the SwapClear Clearing Member:

(a) evidence of the relevant SwapClear Clearing Client's consent to such transfer in a form suitable to the Clearing House; and

(a)(b) an indemnity in a form suitable to the Clearing House.

The Clearing House will usually ~~declare the relevant trade~~arrange a transfer of any SwapClear Contract to be transferred pursuant to this 2C.10.2 within 24 hours of receipt ~~of the~~(to the extent applicable) of the documents listed in paragraphs (a) and (b) above, unless a~~such transfer is contested by the relevant SwapClear Clearing Client~~contests the declaring of the trades.

2C.10.3 In the event that all of the Associated LCH Transactions relating to SwapClear Contracts entered into by a SwapClear Clearing Member on behalf of a SwapClear Clearing Client are~~declared;~~

(a) Related SwapClear Contracts transferred in accordance with section 2C.10.1; or

(b) transferred pursuant to section 2C.10.2,

the relevant ~~SCM that has declared the trades or trades~~SwapClear Clearing Member shall be entitled to any collateral lodged in the Additional Collateral Account with the Clearing House and held in respect of the relevant SwapClear Clearing Client.

2C.11 POSITION TRANSFERS

The SwapClear Clearing System provides functionality for transfer of positions between SCMs. ~~An~~Other than transfers conducted pursuant to Regulation 52C and Procedure 2C.15.5, an SCM who wishes to effect a position transfer to another SCM should contact the Clearing House Risk Management Department.

SwapClear Dealers who wish to change their SCM will be required to execute a new SwapClear Dealer Clearing Agreement with their intended new SCM. The Clearing House will, if all parties are in agreement, effect a transfer of positions from one SCM to the other.

~~Transfers will only be effected once adequate cover has been provided by both parties to the transfer with the exception~~Other than in respect of a transfer to a Backup SwapClear Clearing Member following a default of their existing SwapClear Clearing Member, transfers will only be effected once adequate cover (which, in the case of transfers conducted pursuant to Regulation 52C(b), may include Associated Account Assets) has been provided by both parties to the transfer.

2C.11.1 Legal Documentation

The Clearing House will provide standard legal documentation for the transfer of positions. The transfer must be authorised by both parties and by individuals with appropriate signing authority.

2C.11.2 Position Transfer Notice Period

The Clearing House will usually require five business days notice ahead of an intended transfer.

2C.12 TERMINATION BY AUTOMATED SERVICE

Termination by automated service is no longer available. SwapClear Contracts may be declared from SwapClear in line with section 2C.10. In the event that an SCM wishes to remove a SwapClear Contract submitted through the SWIFT trade source it should complete a Cleared Trade Removal Agreement as set out in Appendix [2M2C.M](#) and a corresponding Cleared Trade Removal Agreement should also be submitted to the Clearing House by the Counterparty SCM (as defined in the Agreement).

2C.13 AMENDMENT OF TRADE REFERENCES

Sometimes SwapClear [ParticipantsClearing Members](#) wish to change their own trade references numbers/codes by which they identify trades registered in the SwapClear Service. Subject to that SwapClear [ParticipantClearing Member](#) meeting all the Clearing House's requirements and these Procedures, the Clearing House will, as part of its service to SwapClear [ParticipantsClearing Members](#), amend its records in order to reflect this change. Such change has no effect whatsoever on the terms of any registered SwapClear contract or any other obligations of the SCMs party to those contracts.

2C.14 TRADE REFERENCE AMENDMENT REQUEST FORM

The Clearing House requires a completed Trade Amendment Request Form (in the form prescribed by the Clearing House) to be submitted by any SwapClear [ParticipantClearing Member](#) wishing to amend a trade reference. The form must be signed by two persons from within the SwapClear [ParticipantClearing Member](#) with appropriate signing authority and must set out the required full details of each registered trade in respect of which the SwapClear [ParticipantClearing Member](#) wishes to change its trade reference. Evidence of such signing authority may be required by the Clearing House. All parts of the form must be properly and fully completed, including the requested date for trade reference amendment, and, in respect of each trade identified therein, details of the current trade reference and the new trade reference and the Clearing House trade reference number.

The requested date for trade reference amendment must be no earlier than two business days ("the Trade Reference Amendment Notice Period") after the date upon which the form is received by the Clearing House. While the Clearing House will do what it reasonably can to meet the requested date for the amendment it cannot promise to do so. The date for the amendment in the Clearing House's records and SwapClear [Clearing Systemclearing system](#) is a matter entirely within the discretion of the Clearing House and SCMs will be advised in due course of the date set by the Clearing House.

2C.14.1 Multi-trade Amendments

If a SwapClear ParticipantClearing Member requests amendment to several trades it must (in addition to the hard copy Trade Reference Amendment Request Form) provide to the Clearing House an electronic text file containing all the relevant details required by the Trade Reference Amendment Request Form. Detail of the required formats of the file can be obtained from SwapClear Operations (Tel: +44 (0) 20 7426 7697). If the file is not submitted in the correct format and containing all the required details, the request for deletion will be rejected by the Clearing House and the SwapClear ParticipantClearing Member advised accordingly.

~~The Security Trustee Deed of Assignment is currently only available to UK incorporated SwapClear Clearing Members and UK branches of overseas incorporated SwapClear Clearing Members.~~

2C.14.2 Processing

The Clearing House will usually agree to process any request for amendment of trade reference properly submitted; however the Clearing House will reject any such request if:

- (a) it is not made in accordance with these Procedures;
- (b) any trade reference notified to the Clearing House in the Trade Reference Amendment Request Form does not match the SwapClear ParticipantClearing Member trade reference which the Clearing House has recorded;
- (c) any the Clearing House trade reference number notified in the Trade;
- (d) Reference Amendment Request Form does not refer to a trade registered in the SwapClear Clearing Systemclearing system;
- (e) any trade referred to in the Trade Reference Amendment Request Form is not already registered in the SwapClear Clearing system or is not recorded by the Clearing House against the BIC code of the SwapClear ParticipantClearing Member requesting the amendment;
- (f) it would not be practical in all the circumstances or would put the Clearing House to unacceptable cost if the Clearing House were to make the requested amendments or the Clearing House forms the view that to do so would adversely affect its risk.

Following notification of agreement to make the requested amendments, the Clearing House will use its reasonable endeavours to process the amendments on the anticipated date of amendments; if, for whatever reason the Clearing House is unable to do so, it will notify the SwapClear ParticipantClearing Member and process the amendment as soon as reasonably practicable thereafter.

After close of business of the day of processing, the Clearing House will produce a report setting out details of the time and date that it has amended its records in accordance with the request, details of the old and new SwapClear ParticipantClearing Member trade references and the status of the amendment

in respect of each trade set out in the Trade Reference Amendment Request – namely “amended” or “rejected”. All records of the Clearing House and data held in the SwapClear ~~Clearing System~~ clearing system will then be updated overnight following the close of business on that day.

2C.14.3 Legal Documentation

The Clearing House will provide the requesting SwapClear Participant Clearing Member with legal documentation in Clearing House standard form for that SwapClear Participant Clearing Member to sign. No trade reference will be amended unless such documentation is completed and signed. The documentation must be signed by a person within the SCM with appropriate signing authority. Evidence of such authority may be required by the Clearing House. No amendment to such documentation will be accepted by the Clearing House.

2C.14.4 Notification

Subject to the requesting SwapClear Participant Clearing Member meeting all the Clearing House’s requirements (including completion and submission of all documentation and such other additional requirements as the Clearing House may be set by the Clearing House in its discretion), the Clearing House will notify the SwapClear Participant Clearing Member of its agreement to the amendment of its records of the SwapClear Participant’s Clearing Member’s trade reference in respect of the trades identified in the Trade Reference Amendment Request Form, and advise of the anticipated date of amendment (“the anticipated date of amendment”).

2C.15 SWAPCLEAR CLIENT CLEARING

SwapClear Client Clearing allows a SwapClear Clearing Member to provide certain clearing services to SwapClear Clearing Clients.

2C.15.1 Deed of Assignment

Unless otherwise specified by the Clearing House, SwapClear Clearing Members and SwapClear Clearing Clients must enter into a Deed of Assignment with the Clearing House before such SwapClear Clearing Members provide clearing services to SwapClear Clearing Clients. The deed of assignment must be executed substantially in the form set out in Appendix ~~2~~2C.I.

A slightly amended Deed of Assignment is required for SwapClear Clearing Members incorporated in Ireland and is available from the Clearing House’s Membership Department (membershipteam@lchclearnet.com).

As an alternative to entering an individual Deed of Assignment with each SCM and their individual SwapClear Clearing Client, the Clearing House also operates a Security Trustee Model whereby the Clearing House holds those assets assigned under the Deed of Assignment on trust for SwapClear Clearing Clients. The Security Trustee Model Deed of Assignment is shown at Appendix 2C.J. Further details are available from the Clearing House’s Membership Department (membershipteam@lchclearnet.com).

~~2C.15.2~~ Give-Up Agreement

~~Unless otherwise specified by the Clearing House, a SwapClear Clearing Member that wishes to give up to another SwapClear Clearing Member a transaction entered into with a client with a view to such transaction being submitted to the Clearing House for clearing through the SwapClear Client Clearing Service must enter into a Give-up Agreement with such SwapClear Clearing Member. The Give-up Agreement must be executed substantially in the form set out in Appendix 2K and must incorporate the SwapClear Client Clearing Give Up Standard Terms Version 1.0 dated 8 November 2010.~~

~~The Security Trustee Deed of Assignment is currently only available to UK incorporated SwapClear Clearing Members and UK branches of overseas incorporated SwapClear Clearing Members.~~

~~2C.15.3~~ 2C.15.2 **Prescribed Language**

Pursuant to the Clearing House's General Regulations, each SwapClear Clearing Member is required to ensure that it includes certain language in its agreement with its SwapClear Clearing Client (the "Clearing House Prescribed Language"). The Clearing House Prescribed Language is shown at Appendix ~~2L~~ 2C.L.

~~2C.15.4~~ 2C.15.3 **Other Legal Documentation**

~~2C.15.4.1~~ 2C.15.3.1 From time to time, the Clearing House may make available on its website template documents that a SwapClear Clearing Member and a SwapClear Clearing Client may find useful when agreeing the terms between them for the provision of clearing services by such SwapClear Clearing Member to a SwapClear Clearing Client. ~~SwapClear Participants should note that the~~ The Clearing House makes no representations in respect of any documentation, including without limitation, those provided by the Clearing House or otherwise.

SwapClear Clearing Clients should, of course, make their own independent decisions in relation to the SwapClear Client Clearing Service based upon their own judgment and upon such advice from such advisers as those clients deem necessary.

SwapClear Clearing Clients' attention is drawn to the SwapClear Clearing End-User Notice which is published on the Clearing House's website (http://www.lchclearnet.com/swaps/swapclear_for_clients/default.asp)

~~2C.15.4.2~~ The following Certain template versions of client clearing documentation is currently are made available on the Clearing House's website:

~~(a) SwapClear Client Clearing Agreement Version 2.0 dated 8 November 2010, incorporating the SwapClear Client Clearing Standard Terms Version 1.0 dated 8 November 2010. An additional long form version of this document is also available;~~

~~2C.15.4.3~~ 2C.15.3.2 ~~SwapClear Client Clearing Give Up Standard Terms Version 1.0 dated 8 November 2010.~~

~~2C.15.5~~ 2C.15.4 **Withholding Taxes**

Please note that where SCMs are not beneficially entitled to securities that they lodge with the Clearing House as non-cash collateral, the Clearing House may

require certain tax documents from the relevant beneficial owner of such securities (see section 4 of the LCH procedures).

2C.15.5 Transfer of SwapClear Contracts held by a Carrying Clearing Member on behalf of SwapClear Clearing Clients

In certain circumstances, the Clearing House will transfer SwapClear Contracts registered with a Carrying Clearing Member on behalf of a SwapClear Clearing Client from such Carrying Clearing Member to a Receiving Clearing Member on behalf of a SwapClear Clearing Client, pursuant to Regulation 52(C).

2C.15.5.1 Partial Transfers

Where, pursuant to paragraph (d) of Regulation 52C, a Receiving Clearing Member wishes, on behalf of (i) an Individual Segregated Account Clearing Client to receive a transfer of a portion of such SwapClear Clearing Client's portfolio of SwapClear Contracts held with a Carrying Clearing Member; or (i) an Omnibus Net Segregated Clearing Client to receive a transfer of some of all of such SwapClear Clearing Client's portfolio of SwapClear Contracts held with a Carrying Clearing Member, it shall provide the Clearing House with a SwapClear Clearing Client Partial Transfer Form (see Appendix 2C.K1), signed by or on behalf of the relevant SwapClear Clearing Client. Such form shall list all of the Relevant SwapClear Contracts that are to be transferred pursuant to this Procedure. Following receipt of a SwapClear Clearing Client Partial Transfer Form, the Clearing House shall notify the Carrying Clearing Member that a request has been received to transfer SwapClear Contracts. All partial transfers shall take place in accordance with the timing and notice requirements set out in Procedure 2C.15.5.4. In the event that such timing and notice requirements are not complied with, and unless agreed otherwise between the Clearing House and the relevant Clearing Members, the relevant partial transfer shall not take effect.

In the event that any of the conditions set forth in paragraph (d) of Regulation 52C are not satisfied, including where the Carrying Clearing Member notifies the Clearing House that certain of the conditions have not been satisfied using the Carrying Member Response Form, the Clearing House shall not proceed with the transfer of the Relevant SwapClear Contracts and shall promptly notify the Receiving Clearing Member of such outcome. If the Receiving Clearing Member wishes to proceed with such transfer, it shall be required to submit a new request to transfer in accordance with these Procedures.

2C.15.5.2 Full Transfers

Where, pursuant to: (i) paragraph (b) of Regulation 52C, a Receiving Clearing Member wishes, on behalf of an Individual Segregated Account Clearing Client to receive a transfer of all of the SwapClear Contracts registered in the Individual Segregated Account of such Individual Segregated Account Clearing Client with a Carrying Clearing Member; or (ii) paragraph (c) of Regulation 52C, a Receiving Clearing Member wishes, on behalf of each Omnibus Net Segregated Clearing Client on behalf of whom the same Omnibus Net Segregated Account is held by a Carrying Clearing Member to receive a transfer of all of the SwapClear Contracts held in such Omnibus Net Segregated Account, such Receiving Clearing Member shall provide the Clearing House with a SwapClear Clearing Client Full Transfer Form (see Appendix 2C.K.2), in respect of (and signed by or on behalf of) each SwapClear Clearing Client on behalf of whom the relevant

transfer would be made. Each such form shall confirm that all SwapClear Contracts attributable to the applicable SwapClear Clearing Client shall be transferred pursuant to this Procedure. Where a Receiving Clearing Member submits a SwapClear Clearing Client Full Transfer Form, it must confirm whether or not the SwapClear Clearing Client also wishes to transfer Associated Account Assets in respect of the Account Assets of the relevant SwapClear Clearing Client. Following receipt of a SwapClear Clearing Client Full Transfer Form, the Clearing House shall notify the Carrying Clearing Member that a request has been received to transfer SwapClear Contracts. All full transfers shall take place in accordance with the timing and notice requirements set out in Procedure 2C.15.5.4. In the event that such timing and notice requirements are not complied with, and unless agreed otherwise between the Clearing House and the relevant Clearing Members, the relevant transfer shall not take effect.

In the event that any of the conditions set forth in Regulation 52C(b) are not satisfied, including where the Carrying Clearing Member notifies the Clearing House that certain conditions have not been satisfied using the Carrying Member Response Form, the Clearing House shall not proceed with the transfer of the Relevant SwapClear Contracts or the transfer of Associated Account Assets (when applicable) and shall promptly notify the Receiving Clearing Member of such outcome. If the Receiving Clearing Member wishes to proceed with such transfer or any other transfer of the Relevant SwapClear Contracts of the SwapClear Clearing Clients referred to in (i) or (ii) in the preceding paragraph, it shall be required to submit a new request to transfer in accordance with these Procedures.

Following receipt by the Carrying Clearing Member of the notice that a SwapClear Clearing Client Full Transfer Form has been received, the Carrying Clearing Member shall not be permitted to submit additional SwapClear Contracts on behalf of the SwapClear Clearing Clients whose SwapClear Contracts are to be subject to transfer during the period commencing at the end of the SwapClear service operating hours on the day on which the relevant SwapClear Clearing Member received such notice and ending at the time at which the relevant transfer (including the transfer of the relevant Associated Account Assets, if applicable) is actually effected, fails or is rejected in accordance with Regulation 52C and these Procedures.

2C.15.5.3 Collateral Transfers

Where a Receiving Clearing Member notifies the Clearing House that a SwapClear Clearing Client wishes to transfer Associated Account Assets in respect of its Account Assets from the Carrying Clearing Member to the Receiving Clearing Member, the Clearing House shall notify the Carrying Clearing Member of such request in accordance with the timetable below.

Following such notification, the Carrying Clearing Member shall confirm to the Clearing House (using the Carrying Member Response form at Appendix 2C.K.3) which Associated Account Assets are attributable to the SwapClear Clearing Client(s) and the Relevant SwapClear Contracts. In the event that the Carrying Clearing Member fails to do so in accordance with the timetable below, the Clearing House shall determine (in its sole discretion) the Associated Account Assets that are to be transferred from the Carrying Clearing Member's client account with LCH. The Clearing House shall notify the Carrying Clearing Member and the Receiving Clearing Member of the Associated Account Assets that will be transferred in accordance with the timetable below. Following receipt

of such notification by the Clearing House, the Receiving Clearing Member may elect to reject the transfer of some or all of the relevant Associated Account Assets in accordance with paragraph (e) of Regulation 52C. The Clearing House shall transfer the Associated Account Assets that have been identified to and consented by the Receiving Clearing Member. In the event that, for whatever reason, the Clearing House is unable to transfer such Associated Account Assets, the Clearing House will not proceed with the transfer of the Relevant SwapClear Contracts.

In the event that any of the conditions set forth in Regulation 52(b) or 52C(c) (as applicable) are not satisfied, including where the Carrying Clearing Member notifies the Clearing House that certain conditions have not been satisfied using the Carrying Member Response Form, such that the related SwapClear Contracts will not be transferred, the Clearing House shall not proceed with the transfer of the relevant Associated Account Assets.

In the event that the Clearing House transfers Associated Account Assets pursuant to these Procedures and the General Regulations, it will also transfer the aggregate variation margin and next day settlement coupons and fees associated with the transferring Relevant SwapClear Contracts.

2C.15.5.4 Timetable for SwapClear Clearing Client Transfer

<u>Time</u> <u>(all references below are to London Time)</u>	<u>Partial Transfer</u>	<u>Full Transfer (with collateral)</u>	<u>Full Transfer (without collateral)</u>
<u>Day 0: 17:00</u>	<u>Deadline for receipt from Receiving Clearing Member of SwapClear Clearing Client Partial Transfer Form.</u>	<u>Deadline for receipt from Receiving Clearing Member of SwapClear Clearing Client Full Transfer Form and confirmation that Associated Account Assets are to be transferred.</u>	<u>Deadline for receipt from Receiving Clearing Member of SwapClear Clearing Client Full Transfer Form.</u>
<u>Day 0: 19:00</u>	<u>Deadline for Clearing House to notify Carrying Clearing Member of receipt by Clearing House of SwapClear Clearing Client Partial Transfer Form.</u>	<u>Deadline for Clearing House to notify Carrying Clearing Member of receipt by Clearing House of SwapClear Clearing Client Full Transfer Form.</u>	<u>Deadline for Clearing House to notify Carrying Clearing Member of receipt by Clearing House of SwapClear Clearing Client Full Transfer Form.</u>
<u>Day 1: 10:00</u>	<u>Deadline for: (i) notification by the Clearing House to the Carrying Clearing Member and the Receiving Clearing Member that it intends to transfer the Relevant SwapClear Contracts of the relevant SwapClear Clearing Client pursuant to a request from the</u>	<u>Deadline for: (i) notification by the Clearing House to the Carrying Clearing Member and the Receiving Clearing Member that it intends to transfer the Relevant SwapClear Contracts of the relevant SwapClear Clearing Client</u>	<u>Deadline for: (i) notification by the Clearing House to the Carrying Clearing Member and the Receiving Clearing Member that it intends to transfer the Relevant SwapClear Contracts of the relevant SwapClear Clearing</u>

<u>Time</u> <u>(all references below are to London Time)</u>	<u>Partial Transfer</u>	<u>Full Transfer (with collateral)</u>	<u>Full Transfer (without collateral)</u>
	<u>Receiving Clearing Member; and (ii) provision by the Clearing House of details to the Carrying Clearing Member and the Receiving Clearing Member of the Relevant SwapClear Contracts to be transferred.</u>	<u>pursuant to a request from the Receiving Clearing Member; and (ii) provision of details to the Carrying Clearing Member and the Receiving Clearing Member of the Relevant SwapClear Contracts to be transferred.</u>	<u>Client pursuant to a request from the Receiving Clearing Member; and (ii) provision of details to the Carrying Clearing Member and the Receiving Clearing Member of the Relevant SwapClear Contracts to be transferred.</u>
<u>Day 2: 12:00</u>	<u>Deadline for notification (if any) from Carrying Clearing Member that it is rejecting the transfer (in accordance with Regulation 52C(d)(v)).</u>	<u>Deadline for notification (if any) from Carrying Clearing Member that it is rejecting the transfer (in accordance with Regulation 52C(b)(v) or 52C(c)(v) (as applicable)).</u>	<u>Deadline for notification (if any) from Carrying Clearing Member that it is rejecting the transfer (in accordance with Regulation 52C(b)(v) or (c)(v) (as applicable)).</u>
		<u>Deadline for confirmation from Carrying Clearing Member of the Associated Account Assets which are available to be transferred to the Receiving Clearing Member.</u>	
<u>Day 2: 12:00 to 14:00</u>		<u>LCH notifies the Receiving Clearing Member of the Associated Account Assets that would be transferred.</u>	
<u>Day 2: 17:00</u>	<u>Deadline for receipt by the Clearing House of consent to transfer of the Relevant SwapClear Contracts from the Receiving Clearing Member.</u>	<u>Deadline for receipt by the Clearing House of consent to transfer of the Relevant SwapClear Contracts and (if applicable) some or all of the Associated Account Assets from the Receiving Clearing Member.</u>	<u>Deadline for receipt by the Clearing House of consent to transfer of the Relevant SwapClear Contracts from the Receiving Clearing Member.</u>
<u>Day 3: 08:00</u>	<u>Target deadline for notification by Clearing House to the Carrying</u>	<u>Target deadline for notification by Clearing House to the</u>	<u>Target deadline for notification by Clearing House to</u>

<u>Time</u> <u>(all references below are to London Time)</u>	<u>Partial Transfer</u>	<u>Full Transfer (with collateral)</u>	<u>Full Transfer (without collateral)</u>
	<u>Clearing Member and/or the Receiving Clearing Member of whether any additional cover is required to enable the transfer.</u>	<u>Receiving Clearing Member of whether any additional cover is required to enable the transfer.</u>	<u>the Receiving Clearing Member of whether any additional cover is required to enable the transfer.</u>
<u>Day 3: 09:00</u>	<u>Deadline for receipt by Clearing House of any additional cover from the Carrying Clearing Member and/or the Receiving Clearing Member required to enable the transfer.</u>	<u>Deadline for receipt by Clearing House of any additional cover from the Receiving Clearing Member required to enable the transfer.</u>	<u>Deadline for receipt by Clearing House of any additional cover from the Receiving Clearing Member required to enable the transfer.</u>
<u>Day 3: 09:00</u>	<u>Clearing House transfers the Relevant SwapClear Contracts.</u>	<u>Clearing House transfers the Relevant SwapClear Contracts and (if applicable) some or all of the Associated Account Assets.</u>	<u>Clearing House transfers the Relevant SwapClear Contracts.</u>

2C.16 **EARLY TERMINATION EVENTS**

SwapClear ParticipantsClearing Members using MarkitWire, Tradeweb and Bloomberg may, if they so wish, use the Early Termination Provision FpML block to include details of any terms relating to optional early termination agreed between the parties to that SwapClear Transaction.

The Clearing House has agreed, in order to assist SwapClear ParticipantsClearing Members, that SwapClear ParticipantsClearing Members may use these fields for their own administrative convenience as a record of a term of the underlying SwapClear Transaction between them, but any data populating these fields will not under any circumstances constitute any part of or any term of the SwapClear Contracts which arise between the Clearing House and the SCMs in whose name such trades are registered. SCMs have no right to elect early termination of any SwapClear Contract. The full terms of any such SwapClear Contract are as set out in Part A of the Schedule to the SwapClear Regulations.

The Clearing House does not store or record any data populating these fields or blocks or any other fields or blocks in the trade confirmation message which are ignored by the SwapClear Systemsystem (see information documents provided by SwapClear entitled:

“The FpML Validation Rules for SwapClear”.

2C.17 **TERMINATION OF SWAPCLEAR CLEARING MEMBER AND SWAPCLEAR DEALER STATUS**

2C.17.1 **Termination of SwapClear Clearing Member Status**

Clearing Members should contact the Clearing House Membership Department (+44 (0) ~~207 426 7891/7627/706320~~ 7426 7949; membership@lchclearnet.com) for details of how to resign from the SwapClear service.

2C.17.2 **Termination of SwapClear Dealer status**

The SwapClear Dealer Agreement sets out how that relationship may be terminated.

In particular, a SwapClear Dealer may terminate the agreement by giving no less than twenty one (21) days' written notice in the same terms to the SCM and to the Clearing House. Before the expiry of such twenty one (21) days (the "Termination Date"), the Clearing House will notify all SwapClear Clearing Members and SwapClear Dealers that the relevant SD is no longer able, from such Termination Date to submit SwapClear Transactions for registration. It may only resume registration of SwapClear Transactions if it enters into another SwapClear Dealer Clearing Agreement and resumes its place in the Register of SwapClear Dealers. The Clearing House may give such notification by letter, email, fax, internet or telephone.

An SCM may terminate the agreement, inter alia, at any time by giving written notice to the SD and to the Clearing House in accordance with the provisions of the agreement. Following receipt of that notice, the Clearing House will confirm receipt to the SCM and SD and such termination will become effective 3 hours after the Clearing House's confirmation has been sent out. Confirmation may be given by the Clearing House by letter, email, fax, internet or telephone. Where notice is given to the Clearing House on a day which is not a business day for the SwapClear Service, it will become effective three (3) hours after the commencement of the SwapClear Service on the next following business day.

Following the receipt of a notice to terminate given by the SCM, the Clearing House will notify all SwapClear Clearing Members and SwapClear Dealers that the relevant SD is no longer able to submit SwapClear Transactions for registration until that SD enters into another SwapClear Dealer Clearing Agreement and resumes its place in the Register of SwapClear Dealers.

2C.18 **PAYMENT OF STAMP TAX**

Each SwapClear Clearing Member shall pay any Stamp Tax or duty levied or imposed upon it or in respect of its execution or performance of the Clearing Membership Agreement, the Regulations and the Procedures (including any registration of a SwapClear Contract) by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located ("Stamp Tax Jurisdiction") or by any other jurisdiction and shall indemnify the Clearing House against any Stamp Tax or duty levied or imposed upon the Clearing House or in respect of the Clearing House's execution or performance of the Clearing Membership Agreement, the Regulations and the Procedures (including any registration of a SwapClear Contract) by any such Stamp Tax Jurisdiction or by any other jurisdiction.

2C.19 SECTION 168, FINANCE ACT 1994

Under section 696 Corporation Tax Act 2009 (“**CTA 2009**”), net payments in relation to certain derivative contracts (as defined in Section 576 CTA 2009) by any company (company "A") to a non-UK resident are denied UK tax relief unless one or more of the following conditions in section 697 CTA 2009 are met:

Company A is a bank, building society, financial trader or recognised clearing house acting as principal who has entered into the qualifying contract for the purposes of a UK trade.

The non-UK resident holds the qualifying contract (as principal) for the purposes of its UK trade.

A double tax treaty, that makes provision for interest, is in force between the UK and the country of residence of the non-UK resident (or, if different, the country of residence of the beneficial counterparty to the contract).

The Clearing House is considered a "recognised clearing house" as defined in section 285 of FSMA 2000.

Any contract which would otherwise fall within section 696 CTA 2009 must not be submitted to the Clearing House ~~by SwapClear Participants~~ for clearing nor should any SwapClear Clearing Member knowingly permit any such contract to be submitted ~~by a SwapClear Participant.~~ Should this occur the SwapClear Clearing Member in whose name the contract is to be or has been registered must promptly notify the Clearing House and, in any event, within 30 days of that Clearing Member becoming aware of the situation. Having investigated the circumstances, the Clearing House has an obligation to notify the HM Revenue & Customs of the event and the Clearing House may, in its absolute discretion suspend any SwapClear Dealer submitting such a contract for registration for the Register of SwapClear Dealers. The Clearing House may also, in its absolute discretion take such action in respect of the SwapClear Clearing Member as it deems fit in accordance with the Regulations. The SwapClear Clearing Member shall indemnify the Clearing House against any Corporation Tax or any other tax levied or imposed upon the Clearing House in respect of any such contract, and any other costs and expenses incurred by the Clearing House in connection therewith.

If in doubt, Clearing Members should consult their professional advisers as to the potential application of sections 696 and 697 CTA 2009 to their transaction.

2C.20 DEFAULT MANAGEMENT**2C.20.1 Portfolio Splitting**

As part of the SwapClear DMP, the Clearing House may divide an Auction portfolio into two or more individual Auction Portfolios. In circumstances where such portfolio splitting is adopted, the Clearing house will, in consultation with the SwapClear DMG, seek to create:

- (a) one or more individual Sub-portfolios which have comparatively greater levels of risk associated with them, thereby isolating such Sub portfolios from those which are more risk neutral; and

- (b) one or more individual Sub portfolios which are more risk neutral.

2C.20.2 **Acceptance of Bids**

In deciding whether to accept a bid, the Clearing House will generally accept the best bid in respect of any individual Auction. However, the Clearing House is entitled to reject a bid in the event that it considers, in its reasonable discretion that accepting the bid may:

- (a) cause the Clearing House to breach any legal or regulatory requirement applicable to it by virtue of its being a Recognised Clearing House or a Derivatives Clearing Organization;
- (b) cause the Clearing House or its membership any reputational harm;
- (c) cause legal action or proceedings to be taken against the Clearing House; or
- (d) endanger the Clearing House, any of its clearing members or the financial markets in which the Clearing House operates.

Where the Clearing House receives more than one bid from the same SwapClear Clearing Member and in respect of the same Auction the Clearing House is entitled to accept the last bid received by it in respect of that Auction. Where the Clearing House does not receive a bid that was made by a SwapClear Clearing Member for operational, technological or other similar reasons and as a result of which a bid does not reach the Clearing House, the Clearing House will be unable to accept a bid and shall not be liable for any failure to accept such bid.

2C.20.3 **Affiliate Bidding**

SwapClear Clearing Members are entitled to bid for an Auction Portfolio on behalf of an affiliated SwapClear Clearing Member or affiliated FCM Clearing Member. Where a SwapClear Clearing Member makes a bid and that SwapClear Clearing Member has an affiliated SwapClear Clearing Member or FCM Clearing Member that does not make a bid, the Clearing House shall not (unless instructed otherwise in accordance with the paragraph below) assume that the bidding SwapClear Clearing Member has made the relevant bid on behalf of a non-bidding, affiliated SwapClear Clearing Member or affiliated FCM Clearing Member.

A SwapClear Clearing Member may notify the Clearing House, in advance of an Auction, that it wishes to bid on behalf of an affiliated SwapClear Clearing Member or affiliated FCM Clearing Member. Where it wishes to do so, the SwapClear Clearing Member should contact the Clearing House's Membership Department (membership@lchclearnet.com; +44 (0)[207-42620-7426](tel:207-42620-7426) 7949).

2C.20.4 **Backup SwapClear Clearing Members**

SwapClear Clearing Members may nominate a Backup SwapClear Clearing Member in respect of a SwapClear Clearing Client.

Where a SwapClear Clearing Member nominates a Backup SwapClear Clearing Member, the Clearing House is entitled, in accordance with the SwapClear DMP

and following the default of the relevant SwapClear Clearing Member, to immediately and without notice to any person, send details of the Relevant Contracts and Account Balances to that pre-nominated Backup SwapClear Clearing Member; the Clearing House shall not require consent from any person in advance of sending these details.

Note: Nomination of a Backup Clearing Member does not mean that SwapClear Contracts will always be transferred to that Backup Clearing Member. Porting of SwapClear Contracts, following a SwapClear Clearing Member's default is always subject to the Clearing House's receipt of consent from the relevant Backup SwapClear Clearing Member.

A SwapClear Clearing Member that wishes to nominate a Backup SwapClear Clearing Member on behalf of a SwapClear Clearing Client should contact the Clearing House's Membership Department (membership@lchclearnet.com; +44 (0)[207 42620 7426](tel:207426207426) 7949).

2C.20.5 **Default Fund: SwapClear Contributions**

SwapClear Contributions (as defined in the Default Fund Rules) will be called via PPS on the fourth working day of each month or more frequently pursuant to a determination of the SwapClear Contribution under S2(k) of the Default Fund Rules (each a "**SwapClear Reset Day**"). SwapClear Contribution requirements will be notified to SwapClear Clearing Members at least two working days prior to each SwapClear Reset Day on Member Intranet Report 000032.

Excess SwapClear Contribution amounts due to SwapClear Clearing Members following the adjustment to the SwapClear Contribution will be repaid to SwapClear Clearing Members' PPS accounts on the SwapClear Reset Day immediately following the adjustment to the SwapClear Contribution.

Interest on SwapClear Contributions will be paid to SwapClear Clearing Members' PPS accounts on the first working day after the SwapClear Reset Day following the end of the relevant "interest accrual period". Interest is calculated in respect of each "interest accrual period", which commences on (and includes) a SwapClear Reset Day and ends on (and includes) the calendar day immediately before the next SwapClear Reset Day. Notwithstanding the preceding paragraphs, if the rate of interest payable on SwapClear Contributions is negative, interest shall be payable by SwapClear Clearing Members to the Clearing House.

2C.20.6 **Quantifying SwapClear Contributions**

For the purposes of calculating the SwapClear Margin Weight under Rule S2(c) of the SwapClear Default Fund Supplement, the average daily requirement for initial margin applied to an SCM shall be determined by reference to the SwapClear Contracts comprising the SwapClear House Business of that SCM only. Nothing in the foregoing sentence shall prevent the Clearing House from introducing changes to the methodology used for calculating the SwapClear Margin Weight and, in particular, with effect from 28 September 2012, the average daily requirement for initial margin applied to an SCM for the purposes of such calculation shall be determined by reference to the SwapClear Contracts comprising both the SwapClear House Business and the SwapClear Clearing Client Business of that SCM.

2C.20.7 Outsourcing

Pursuant to Section 1 (Membership) of the Procedures, an SCM may appoint a third party to fulfil one or both of the Clearing House's Membership requirements to: (i) participate in a SwapClear "fire drill" run by the Clearing House; and (ii) participate in the SwapClear DMP operated by the Clearing House. Where an SCM chooses to outsource one or both of these functions it must appoint and maintain at least three LCH Approved Outsourcing Agents.

The following entities are eligible for appointment as an LCH Approved Outsourcing Agent:

- (a) a SwapClear Clearing Member;
- (b) an FCM Clearing Member;
- (c) an FCM Client or SwapClear Clearing Client;
- (d) any other entity that the Clearing House deems appropriate in its sole discretion.

Where an SCM wishes to appoint a third party to carry out any obligation on its behalf, it should contact the Clearing House's Membership Department with the:

- (a) details of the third party entity that the SCM wishes to appoint as an LCH Approved Outsourcing Agent. Such information should include details of the applicant's regulatory status;
- (b) evidence of the existence of a legally binding agreement between the SCM Clearing Member and the third party; and
- (c) such other information that the Clearing House reasonably considers necessary for the purposes of determining whether an entity should be approved as an LCH Approved Outsourcing Agent.

Following the receipt of all of the information above, the Clearing House shall determine in its sole discretion, whether to approve the third party as an LCH Approved Outsourcing Agent. In making its determination, the Clearing House shall consider the third party's ability to demonstrate that it has the necessary operational infrastructure and appropriate asset class expertise.

Where an SCM successfully appoints an LCH Approved Outsourcing Agent, that SCMs may be subject to increased margin requirements to cater for the additional time required to invoke an outsourcing process in the event of a default.

SCMs should note that LCH Approved Outsourcing Agents may be subject to a more rigorous driving test and fire-drill than SCM (i.e. required to demonstrate an ability to price and bid a greater number of trades at tighter pricing tolerances and within more onerous timeframes). In addition, the Clearing House may require an SCM that has appointed an LCH Approved Outsourcing Agent, to participate in an ad-hoc fire-drill or driving test with such notice as the Clearing House deems appropriate in its sole discretion.

The Clearing House reserves the right to revoke an entity's status as an LCH Approved Outsourcing Agent, in its sole discretion and without notice. In the event of such a revocation, the relevant SCM shall be required to assume those responsibilities that were previously outsourced. Such revocation may occur where the Clearing House considers that there is an insufficient number of third party entities that are providing outsourced default management services (usually a minimum of five providers at any one time).

Other than in exceptional circumstances and in the Clearing House's sole discretion, an LCH Approved Outsourcing Agent may not act on behalf of more than three clearing members.

The appointment of an LCH Approved Outsourcing Agent does not SwapClear DMP (including its obligation to participate in an Auction) and an LCH Approved Outsourcing Agent's participation in the SwapClear DMP on behalf of an SCM, in the event of a default, shall not extend beyond the provision of operational and other ancillary support to that SCM.

2C.20.8 **SwapClear DMG**

The necessary involvement of SCMs and the SwapClear DMG in the SwapClear DMP entails the assessment and dissemination of information that could give rise to conflicts of interest. To ensure that such potential conflicts are demonstrably contained, Appendix 2C.N establishes binding obligations of confidentiality, anonymity and the extent of dissemination of information on SCMs (and their executives or directors who participate from time to time in the SwapClear DMG) and on the Clearing House.

Each SCM who makes available a representative to serve on the SwapClear DMG agrees, and shall procure that, to the extent applicable, its representatives agree to be bound by and to ensure that it and any of its executives or directors serving on the SwapClear DMG complies with Appendix 2C.N covering confidentiality, non-disclosure and other terms.

APPENDIX 2C.A

SWAPCLEAR PROCESSING SCHEDULE

This table outlines the daily processes and timetable of the SwapClear operation. Clearing Members will be informed of changes to this timetable via member circular. All time shown is London time.

SWAPCLEAR PROCESSING SCHEDULE	
Time	
07:30	SwapClear Opens
by 09:30	Registration of Backloaded trades and confirmation of deleted trades from T-1 (see section 2C.3.4)
16:00	Deadline for PPS calls in London
22:00	SwapClear Closes

APPENDIX 2C.B

INTRA-DAY COLLATERAL LODGEMENT FORM



Version 1: Oct 2009

LCH.Clearnet Limited Ref No: **XX??**

To: LCH.Clearnet Limited (the "Clearing House"), Treasury Department
(scmcollateral@lchclearnet.com)

From: Clearing Member (full name):

Client Account*

Mnemonic:

We confirm that (i) we are the sole and beneficial owner of these securities; or (ii) these securities are furnished or deposited with the legal and beneficial owner's unconditional consent and free of such owner's interest.

We acknowledge that these securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or elsewhere) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator. and the Clearing House has no responsibility for the performance of any such custodian, system or operator and in particular we consent to the securities being held in the Euroclear clearance system subject to the fungibility regime organised by the Belgian Royal Decree No. 62 of 10 November 1967 promoting the circulation of securities as amended from time to time.

Security Code Number	Settlement Date	Trade Date	Amount/Nominal Value	Description of Security (Issue – Coupon – Maturity)

Delivery from: Depository/Agent: _____
 (for US Securities, Broker Code) _____
 Account Holder _____
 Account Number _____
 Delivery to (please indicate)

Depository	Euroclear	Euroclear (ITL tax exempt)	CRESTCo	Citibank (US owners)	Citibank (non-US owners)
Clearing House Account No	91205	91737	5165	090401	090372

Signatories for and on behalf
of the Clearing Member:

1. _____
(Signature) (Print Name) (Position)

2. _____
(Signature) (Print Name) (Position)

Date: _____

To: **THE ABOVE-NAMED CLEARING HOUSE**

We accept the above-mentioned securities for inclusion in The Schedule of "Specified Securities" charged to us under your above-mentioned charge.

For and on behalf of LCH
Clearnet Limited

Date: _____ Time: _____

(Authorised Signatory): _____

APPENDIX 2C.C

INTRA-DAY HOUSE NON-CASH EXCESS TRANSFER FORM



Version 1: Oct 2009

Completed forms should be sent to the Clearing House Treasury Department (scmcollateral@lchclearnet.com).

From: Clearing Member (full name) House Account: _____

To: **Client Account** **Mnemonic:** _____

Lodgment Ref: _____

We confirm that (i) we are the sole and beneficial owner of these securities; or (ii) these securities are furnished or deposited with the legal and beneficial owner’s unconditional consent and free of such owner’s interest.

We acknowledge that these securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or elsewhere) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator. and the Clearing House has no responsibility for the performance of any such custodian, system or operator and in particular we consent to the securities being held in the Euroclear clearance system subject to the fungibility regime organised by the Belgian Royal Decree No. 62 of 10 November 1967 promoting the circulation of securities as amended from time to time.

Security Code Number	Settlement Date	Amount/Nominal Value	Description of Security (Issue – Coupon – Maturity)

Signatories for and on behalf of the Clearing Member:

1. _____
 (Signature) (Print Name) (Position)

2. _____
 (Signature) (Print Name) (Position)

Date: _____

APPENDIX 2C.D

INTRA-DAY HOUSE CASH EXCESS TRANSFER FORM



Version 1: Oct 2009

Completed forms should be sent to the Clearing House Treasury Department (scmcollateral@lchclearnet.com).

From: Clearing Member (full name) House Account: _____

To: **Client Account** **Mnemonic:** _____

We wish to transfer the following amount of cash collateral from our House account to the Additional Collateral Account as detailed above. We confirm that we are duly authorised, on behalf of the Clearing Member detailed above, to instruct the Clearing House to make this transfer.

Amount

Signatories for and on behalf of the Clearing Member:

1. _____
 (Signature) (Print Name) (Position)

2. _____
 (Signature) (Print Name) (Position)

Date: _____

APPENDIX 2C.E

ADDITIONAL COLLATERAL ACCOUNT LODGEMENT FORM



Version 1: Oct 2009

LCH.Clearnet Limited Ref No: **XX??**

Completed forms should be sent to the Clearing House Treasury Department (scmcollateral@lchclearnet.com)

To: LCH.Clearnet Limited (the "Clearing House")

From: Clearing Member (full name):

Additional Collateral Account

Mnemonic:

**Please delete as appropriate*

We confirm that (i) we are the sole and beneficial owner of these securities; or (ii) these securities are furnished or deposited with the legal and beneficial owner's unconditional consent and free of such owner's interest.

We acknowledge that these securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or elsewhere) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator. and the Clearing House has no responsibility for the performance of any such custodian, system or operator and in particular we consent to the securities being held in the Euroclear clearance system subject to the fungibility regime organised by the Belgian Royal Decree No. 62 of 10 November 1967 promoting the circulation of securities as amended from time to time.

Security Code Number	Settlement Date	Trade Date	Amount/Nominal Value	Description of Security (Issue – Coupon – Maturity)

Delivery from: Depository/Agent: _____

(for US Securities, Broker Code) _____

Account Holder _____

Account Number _____

Delivery to (please indicate)

Depository	Euroclear	Euroclear (ITL tax exempt)	CRESTCo	Citibank (US owners)	Citibank (non-US owners)
Clearing House Account No	91205	91737	5165	090401	090372

Signatories for and on behalf
of the Clearing Member:

1. _____
(Signature) (Print Name) (Position)

2. _____
(Signature) (Print Name) (Position)

Date: _____

To: **THE ABOVE-NAMED CLEARING HOUSE**

We accept the above-mentioned securities for inclusion in The Schedule of "Specified Securities" charged to us under your above-mentioned charge.

For and on behalf of LCH
Clearnet Limited

Date: _____ Time: _____

(Authorised Signatory): _____

APPENDIX 2C.F

INTRA-DAY ADDITIONAL COLLATERAL ACCOUNT NON-CASH TRANSFER FORM



Version 1: Oct 2009

Completed forms should be sent to the Clearing House Treasury Department (scmcollateral@lchclearnet.com)

Clearing Member (full name):

Mnemonic:

.....

Lodgment Ref:

.....

From: **Additional Collateral Account** or **Client Account***

*Please delete as appropriate

To: **Additional Collateral Account** or **Client Account***

.....

We confirm that (i) we are the sole and beneficial owner of these securities; or (ii) these securities are furnished or deposited with the legal and beneficial owner's unconditional consent and free of such owner's interest.

We acknowledge that these securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or elsewhere) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator. and the Clearing House has no responsibility for the performance of any such custodian, system or operator and in particular we consent to the securities being held in the Euroclear clearance system subject to the fungibility regime organised by the Belgian Royal Decree No. 62 of 10 November 1967 promoting the circulation of securities as amended from time to time.

Security Code Number	Settlement Date	Amount/Nominal Value	Description of Security (Issue – Coupon – Maturity)

Signatories for and on behalf of the Clearing Member:

1. _____
 (Signature) (Print Name) (Position)

2. _____
 (Signature) (Print Name) (Position)

Date: _____

APPENDIX 2C.G

INTRA-DAY ADDITIONAL COLLATERAL ACCOUNT CASH TRANSFER FORM



Version 1: Oct 2009

Completed forms should be sent to the Clearing House Treasury Department (scmcollateral@lchclearnet.com)

Clearing Member (full name):

Mnemonic:

Lodgment Ref:

From: **Additional Collateral Account** or **Client Account**

*Please delete as appropriate

To: **Additional Collateral Account** or **Client Account**

We wish to transfer the following amount of cash collateral from the account specified above to the account specified above. We confirm that we are duly authorised, on behalf of the Clearing Member detailed above, to instruct the Clearing House to make this transfer.

Amount

Signatories for and on behalf of the Clearing Member:

1.

(Signature)

(Print Name)

(Position)

2.

(Signature)

(Print Name)

(Position)

Date:

APPENDIX 2C.H

ADDITIONAL COLLATERAL ACCOUNT SPREADSHEET

Additional Collateral (Client) Account Spreadsheet							Issue Date	04/05/2010						
Example														
Collateral Funded Date	SCM mnemonic	Scmname	Client	Collgroup	Collgroupdescription	Currency	Bankcode	Bankname	Price	Nominal value	Cover value	Value Date	Expiry date	ISIN
26/10/2009	XXX	XXX Bank	ABC	BUN	EUROPEAN GOVERNMENT BONDS	EUR	870001	EUROCLEAR (GROSS 91737)	146.80	14,000,000.00	19216120	20/08/2009	27/10/2023	IT0000366655
27/10/2009	XXX	XXX Bank	ABC	BUN	EUROPEAN GOVERNMENT BONDS	EUR	870001	EUROCLEAR (GROSS 91737)	114.03	16,000,000.00	17058888	21/04/2009	28/04/2031	IT0001444378
27/10/2009	XXX	XXX Bank	ABC	CASH	CASH	EUR	870001	XXXX		1,000,000.00				
28/10/2009	XXX	XXX Bank	XYZ	BUN	EUROPEAN GOVERNMENT BONDS	EUR	870001	EUROCLEAR (GROSS 91737)	103.37	10,000,000.00	9820150	07/05/2009	28/01/2020	IT0003644769
26/10/2009	XXX	XXX Bank	EFG	BUN	EUROPEAN GOVERNMENT BONDS	EUR	870001	EUROCLEAR (GROSS 91737)	146.80	14,000,000.00	19216120	20/08/2009	27/10/2023	IT0000366655
27/10/2009	XXX	XXX Bank	EFG	BUN	EUROPEAN GOVERNMENT BONDS	EUR	870001	EUROCLEAR (GROSS 91737)	114.03	16,000,000.00	17058888	21/04/2009	28/04/2031	IT0001444378
27/10/2009	XXX	XXX Bank	EFG	CASH	CASH	GBP	870001	XXXX		5,000,000.00				
Total "A" account holdings						???								
Please fill in the following:														
Collateral Funded Date	SCM mnemonic	Scmname	Client	Collgroup	Collgroupdescription	Currency	Bankcode	Bankname	Price	Nominal value	Cover value	Value Date	Expiry date	ISIN
Total "A" account holdings						???								

APPENDIX 2C.1
CLEARING DEED OF ASSIGNMENT

[Insert Date]

[CLEARING MEMBER]

and

[CLIENT]

and

LCH.CLEARNET LIMITED

DEED OF ASSIGNMENT

THIS DEED is dated [*Insert Date*] and made between:

- (1) [**CLEARING MEMBER**] in its capacity as assignor (the “**Assignor**”);
- (2) [**CLIENT**] in its capacity as assignee (the “**Assignee**”); and
- (3) **LCH.CLEARNET LIMITED** in its capacity as recipient of the notice of assignment pursuant to Clause 4.2 (“**LCH.Clearnet**”).

WHEREAS:

- (A) In order to facilitate the clearing of certain transactions with LCH.Clearnet, the Assignor and Assignee have entered into the Client Clearing Agreement –dated [*Insert Date*] (the “**Client Clearing Agreement**”) pursuant to which they will have entered into as of such date the Clearing ISDA Master Agreement (as defined in the Client Clearing Agreement). In addition, the parties have, pursuant to the Client Clearing Agreement, entered into a Credit Support Annex in respect of, and which forms part of, the Clearing ISDA Master Agreement (the Clearing ISDA Master Agreement together with such Credit Support Annex and the Client Clearing Agreement, the “**Swap Agreement**”).
- (B) The Assignor and Assignee, for commercial and economic reasons, desire to maximise the ability to move positions represented by Transactions under the Swap Agreement to a Backup SwapClear Clearing Member upon an Enforcement Event (defined below) and to deliver certain receivables from LCH.Clearnet to the Assignee directly.
- (C) LCH.Clearnet has agreed to be a party to this Deed solely for the purpose of Clause 4.2 [and Clause 4.4].

It is agreed as follows:

1. Definitions and Interpretation

Definitions

- 1.1 Capitalised terms used but not defined in this Deed shall have the meaning given to them in the Swap Agreement. In addition, the following expressions shall have the following meanings:

“**Assigned Assets**” means the assets subject, or expressed to be subject, to the Assignment or any part of those assets.

“**Assignment**” means the assignment created or expressed to be created by this Deed.

“**Client Clearing Agreement**” has the meaning given to it in Recital (A) to this Deed.

“**Enforcement Event**” means the occurrence of an Early Termination Date under the Swap Agreement as a result of a Clearing Default.

“**Insolvency Act**” means the Insolvency Act 1986.

“**Liabilities**” means all present and future obligations, moneys, debts and liabilities due, owing or incurred by the Assignor to the Assignee under or in connection with the Swap Agreement.

“**LPA**” means the Law of Property Act 1925.

“**Relevant Account Balance**” means the Account Balance (as defined in the LCH Rules) relating to the Assignee and the Associated LCH Transactions determined by LCH.Clearnet following a Clearing Default in accordance with the LCH Rules.

“**Relevant SwapClear Clearing Client Entitlement**” means the SwapClear Clearing Client Entitlement (as defined in the LCH Rules) relating to the Assignee and the Associated LCH Transactions determined by LCH.Clearnet following a Clearing Default in accordance with the LCH Rules.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Swap Agreement**” has the meaning given to it in Recital (A) to this Deed.

“**Transaction Documents**” means this Deed and the Swap Agreement.

“**UCC**” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

1.2 **Construction:**

1.2.1 Unless a contrary indication appears, any reference in this Deed to:

- (i) “**assets**” includes present and future properties, revenues and rights of every description;
- (ii) the “**Assignor**”, the “**Assignee**” or any “**party**” shall be construed so as to include its successors in title and permitted transferees;
- (iii) an agreement, confirmation or instrument is to a reference to that agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced;
- (iv) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (v) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and
- (vi) a provision of law is a reference to that provision as amended or re-enacted.

1.2.2 Clause and Schedule headings are for ease of reference only.

2. **Undertaking to pay**

The Assignor undertakes to pay each of its Liabilities when due in accordance with its terms.

3. Security

The Assignor, with full title guarantee [and as security for the payment of all Liabilities]¹, assigns absolutely to the Assignee all its present and future right, title and interest in and to the Relevant SwapClear Clearing Client Entitlement and the Relevant Account Balance.

4. Restrictions and Further Assurance

4.1 **Security:** The Assignor agrees that it shall not create or permit to subsist any Security over any Assigned Assets except for the Assignment.

4.2 **Notice of Assignment and Undertaking:** The Assignor hereby gives notice of the Assignment to LCH.Clearnet. LCH.Clearnet hereby acknowledges receipt of such notice and undertakes to the other parties hereto that it shall, following the occurrence of a Clearing Default, act in accordance with the LCH Rules and any other laws and regulations applicable to it in determining how the Assigned Assets are to be distributed.

The parties hereto acknowledge and agree that LCH.Clearnet has agreed to be a party to this Deed solely for the purposes of this Clause 4.2 [and to receive the written evidence referred to in Clause 4.4] and shall have no other obligation or liability save as expressly provided in Clause 4.2 [and Clause 4.4]. In particular, the parties agree that the undertaking given by LCH.Clearnet in this Clause 4.2 shall be without prejudice to any protections afforded to it pursuant to the LCH Rules or any other laws and regulations applicable to it.

4.3 **Margining:** The Assignor agrees that, prior to the operation of Clause 9.1, it shall provide margin in respect of any Associated LCH Transactions to LCH.Clearnet on [an Individual Segregated Account basis]/[an Omnibus Net Segregated Account basis]² in accordance with (and as defined in) the LCH Rules.

4.4 **[UCC Financing Statement:** The Assignor hereby authorises the filing of a financing statement describing the Assigned Assets in the filing office of Assignor's location as determined by Section 9-307 of the UCC and the Assignee hereby agrees to (a) file such financing statement within [10 Business Days] of the date hereof and (b) provide the Assignor and LCH.Clearnet with a copy of the relevant filed Form UCC-1.]³

4.5 **Assignor's Undertaking:** The Assignor undertakes to the Assignee that it shall not, without the prior written consent of the Assignee to such amendment, vote in favour of any amendment to Regulation 52B of the LCH Rules or the SwapClear DMP Annex to the Default Rules of LCH.Clearnet (to the extent any such vote is required) in either case the effect of which amendment would be to (a) amend the terms of the Assigned Assets hereunder or thereunder or (b) amend the terms on which the Assigned Assets may be dealt with following the occurrence of a Clearing Default.

¹ The language in brackets should not be included where the relevant Clearing Member is organised under the laws of Germany.

² Delete as applicable.

³ This covenant must be included if the Assignor is organised under the laws of the United States of America or any state thereof or located in any such jurisdiction for purposes of Section 9-307 of the UCC.

5. Payments

- 5.1 **No Enforcement Event:** Subject as otherwise provided in this Deed, and for so long as no Enforcement Event has occurred, the Assignor shall be entitled to receive and retain all payments or transfers made to it in respect of the relevant [Individual Segregated Account]/[Omnibus Net Segregated Account]⁴ in accordance with the LCH Rules. For the avoidance of doubt the Assignor shall not be entitled to deal with the Assigned Assets at any time while the Assignment is in effect.
- 5.2 **Post Enforcement Event:** Following the occurrence of an Enforcement Event, the Assignee shall be entitled to receive directly from LCH.Clearnet all Assigned Assets and payments or transfers made in respect of an Assigned Asset.

6. Enforcement and Remedies

- 6.1 **Enforcement Event:** As between the Assignor and the Assignee, the Security created on the date hereof shall only be enforceable, and the powers conferred by Section 101 of the LPA as varied and extended by this Deed shall only be exercisable, following the occurrence of an Enforcement Event.
- 6.2 **Power of Sale:** The statutory power of sale and the other statutory powers conferred on mortgagees by Section 101 of the LPA as varied and extended by this Deed shall arise on the date of this Deed.
- 6.3 **Section 103 LPA:** Section 103 of the LPA shall not apply to this Deed.

7. Provisions Relating to Assignee

- 7.1 **Assignee's Rights:** At any time after the occurrence of an Enforcement Event, the Assignee shall have the rights set out in the Schedule hereto.
- 7.2 **Application of Proceeds:** Subject to Clause 9.1, all amounts or assets received or recovered by the Assignee in the exercise of its rights under this Deed shall be applied in the following order: (i) in or towards the payment of the Liabilities in such order as the Assignee thinks fit, but in any case acting in good faith and in a commercially reasonable manner, and (ii) in payment of any surplus to the Assignor.
- 7.3 **Power of Attorney:** The Assignor by way of security irrevocably appoints the Assignee as its attorney (with full power of substitution), on its behalf and in its name or otherwise, in such manner as the attorney thinks fit, but in any case acting in good faith and in a commercially reasonable manner, to exercise (following the occurrence of an Enforcement Event only) any of the rights conferred on the Assignee in relation to the Assigned Assets or under the LPA or the Insolvency Act. The Assignor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in this Clause 7.3.

8. Saving Provisions

- 8.1 **Continuing Security:** Subject to Clause 9, the Assignment is continuing security and will extend to the ultimate balance of the Liabilities, regardless of any intermediate payment or discharge in whole or in part.

⁴ Delete as applicable.

- 8.2 **Reinstatement:** If any discharge, release or arrangement (whether in respect of the obligations of the Assignor or any security for those obligations or otherwise) is made by the Assignee in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of the Assignor and the Assignment shall continue or be reinstated as if the discharge, release or arrangement had not occurred.
- 8.3 **Waiver of Defences:** Neither the obligations of the Assignor under this Deed nor the Assignment will be affected by an act, omission, matter or thing which, but for this Clause 8, would reduce, release or prejudice any of its obligations under any Transaction Document or the Assignment (without limitation and whether or not known to it or the Assignee) including:
- 8.3.1 any time, waiver or consent granted to, or composition with, the Assignor or other person;
 - 8.3.2 the release of the Assignor or any other person under the terms of any composition or arrangement with any creditor of any affiliate;
 - 8.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Assignor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - 8.3.4 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Transaction Document or any other document or security; or
 - 8.3.5 any insolvency or similar proceedings.
- 8.4 **Immediate Recourse:** The Assignor waives any right it may have of first requiring the Assignee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Assignor under this Deed. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.
- 8.5 **Additional Security:** The Assignment is in addition to and is not in any way prejudiced by any other guarantees or security now or subsequently held by the Assignee.
9. **Discharge of Security**
- 9.1 **Final Redemption:** Immediately upon there no longer being any Liabilities remaining (or, if earlier, immediately upon it no longer being possible for an Enforcement Event to occur), the Assignee shall be deemed to have immediately released, reassigned or discharged (as appropriate) the Assigned Assets from the Assignment and therefore:
- 9.1.1 the Assignor may retain for its own account; and
 - 9.1.2 the Assignee shall therefore promptly pay or transfer to the Assignor, any amounts or other assets received by such party from LCH.Clearnet in respect of the Assigned Assets. For the avoidance of doubt, it is acknowledged that the

Assignor's rights under this Clause 9 shall constitute an equity of redemption (and therefore a proprietary interest to the extent of such equity of redemption) in the Assigned Assets and any amounts or other assets the subject of such rights shall be returned by the Assignee to the Assignor.

9.2 **Consolidation:** Section 93 of the LPA shall not apply to the Assignment.

10. Miscellaneous Provisions

10.1 **Payments:** All payments by the Assignor under this Deed (including damages for its breach) shall be made to such account, with such financial institution and in such other manner as the Assignee may direct.

10.2 **Remedies and Waivers:** No failure to exercise, nor any delay in exercising, on the part of the Assignee any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

10.3 **Amendments and Waivers:** Any term of this Deed may be amended or waived only with the consent of the Assignee and the Assignor.

10.4 **Assignment:** Subject to the extent permitted by applicable law, neither this Deed nor any interest or obligation in or under it may be assigned or otherwise transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party.

10.5 **Partial Invalidity:** If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

10.6 **Third Party Rights:** A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

10.7 **Counterparts:** This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

10.8 **Governing Law:** This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

10.9 **Jurisdiction:** In relation to any proceedings, each party to this Deed irrevocably submits to the exclusive jurisdiction of the courts of England and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum. Each such submission is made for the benefit of the other party and shall not affect the right of any party to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in any court of competent jurisdiction preclude any party from taking proceedings in any other court of competent jurisdiction (whether concurrently or not) unless precluded by law.

- 10.10 **[Agent for Service of Process; Assignor:** The Assignor hereby irrevocably appoints [*Name of Agent*] of [*Address in England*] to receive service of process on its behalf as its authorised agent for service of process in England. If for any reason such agent ceases to be such agent for service of process, the Assignor shall forthwith appoint a new agent for service of process in England and deliver to the Assignee a copy of the new agent's acceptance of appointment within 30 days. Nothing in this Deed shall affect the right to serve process in any other matter permitted by law.]
- 10.11 **[Agent for Service of Process; Assignee:** The Assignee hereby irrevocably appoints [*Name of Agent*] of [*Address in England*] to receive service of process on its behalf as its authorised agent for service of process in England. If for any reason such agent ceases to be such agent for service of process, the Assignee shall forthwith appoint a new agent for service of process in England and deliver to the Assignor a copy of the new agent's acceptance of appointment within 30 days. Nothing in this Deed shall affect the right to serve process in any other matter permitted by law.]

Schedule

Rights of Assignee

Following the occurrence of an Enforcement Event, the Assignee shall have the right, either in its own name or in the name of the Assignor or otherwise and in such manner and upon such terms and conditions as the Assignee thinks fit, but in any case, acting in good faith and in a commercially reasonable manner, and either alone or jointly with any other person:

1. **Take possession:** to take possession of, get in and collect the Assigned Assets and to require payment to it of revenues deriving therefrom;
2. **Deal with Assigned Assets:** to sell, transfer, assign, exchange or otherwise dispose of or realise the Assigned Assets to any person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred);
3. **Borrow money:** to borrow or raise money either unsecured or on the security of the Assigned Assets (either in priority to the Assignment or otherwise);
4. **Rights of ownership:** to manage and use the Assigned Assets and to exercise and do (or permit the Assignor or any nominee of it to exercise and do) all such rights and things as the Assignee would be capable of exercising or doing if it were the absolute beneficial owner of the Assigned Assets;
5. **Claims:** to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person relating to the Assigned Assets;
6. **Legal actions:** to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Assigned Assets;
7. **Redemption of Security:** to redeem any Security (whether or not having priority to the Assignment) over the Assigned Assets and to settle the accounts of any person with an interest in the Assigned Assets; and
8. **Other powers:** to do anything else it may think fit for the realisation of the Assigned Assets or incidental to the exercise of any of the rights conferred on the Assignee under or by virtue of any Transaction Document, the LPA or the Insolvency Act,

This Deed has been delivered on the date stated at the beginning of this Deed.

[ASSIGNOR]

[INSERT APPROPRIATE SIGNATURE BLOCK]

[ASSIGNEE]

[INSERT APPROPRIATE SIGNATURE BLOCK]^{1,2}

[Signed as a deed by

LCH.CLEARNET LIMITED

acting by its attorney

_____ [signature of attorney]

[NAME OF ASSIGNOR (ATTORNEY)]

in the presence of:

[signature of witness]

[name and address of witness]³

[Executed as a deed by

~~¹ Parties should ensure that suitable signature blocks are inserted, which will depend on the legal identity, jurisdiction of incorporation and constitutional documents relating to the parties.~~

~~² Parties should ensure that suitable signature blocks are inserted, which will depend on the legal identity, jurisdiction of incorporation and constitutional documents relating to the parties.~~

³ Use if the Assignor has a power of attorney to sign on behalf of LCH.Clearnet.

LCH.CLEARNET LIMITED

By: [Director] _____ By: [Director/Company Secretary]⁴

⁴ Use if LCH.Clearnet intend to execute the Deed themselves.

APPENDIX 2C.J
CLEARING DEED OF ASSIGNMENT

[Insert Date]

[CLEARING MEMBER]
and
LCH.CLEARNET LIMITED
DEED OF ASSIGNMENT

THIS DEED is dated [*Insert Date*] and made between:

- (1) **[CLEARING MEMBER]** in its capacity as assignor (the “**Assignor**”); and
- (2) **LCH.CLEARNET LIMITED** in its capacity as the clearing house (in such capacity, the “**Clearing House**”) and in its capacity as the assignee and security trustee under this Deed (in such capacity, the “**Security Trustee**”).

WHEREAS:

- (A) In order to facilitate the clearing of certain transactions with the Clearing House, the Assignor has entered into agreements with one or more of its clients (each a “**Client**” and each such agreement a “**Client Clearing Agreement**”) pursuant to which the Assignor and the relevant Client will have entered into as of the date of such Client Clearing Agreement a Clearing ISDA Master Agreement (as defined in the relevant Client Clearing Agreement). In addition, the Assignor and the relevant Client have, pursuant to the relevant Client Clearing Agreement, entered into a Credit Support Annex in respect of, and which forms part of, the relevant Clearing ISDA Master Agreement (each such Clearing ISDA Master Agreement together with the related Credit Support Annex and the related Client Clearing Agreement, a “**Swap Agreement**”).
- (B) The Assignor and each Client, for commercial and economic reasons, desire to maximise the ability to move cleared positions representing Transactions under the relevant Swap Agreement to a Backup SwapClear Clearing Member upon the occurrence of an Enforcement Event (as defined below) or to deliver certain receivables from the Clearing House to the relevant Client directly.
- (C) The Security Trustee has agreed to act as the security trustee in accordance with the provisions of this Deed.

IT IS AGREED as follows:

1. **Definitions and Interpretation**

1.1 **Definitions**

Capitalised terms used but not defined in this Deed shall have the meaning given to them in the LCH Rules. In addition, the following expressions shall have the following meanings:

“**Assigned Assets**” means the assets subject, or expressed to be subject, to the Assignment or any part of those assets.

“**Assignment**” means the assignment created or expressed to be created by this Deed.

“**Associated LCH Transaction**” means the SwapClear Contract, as defined in the LCH Rules, entered into between the Assignor and the Clearing House.

“**Clearing Default**” means the Assignor becoming a defaulter for the purposes of Rule 4 of the LCH Default Rules.

“**Client**” has the meaning given to it in Recital (A) to this Deed, save that a person shall not be a "Client" for the purposes of this Deed unless the notification provided for in Clause 7.2 has been made and has not been withdrawn.

“**Client Clearing Agreement**” has the meaning given to it in Recital (A) to this Deed.

“**Enforcement Event**” means the occurrence of a Clearing Default in relation to the Assignor in accordance with the LCH Rules.

“**Insolvency Act**” means the Insolvency Act 1986.

“**Liabilities**” means all present and future obligations, moneys, debts and liabilities due, owing or incurred by the Assignor to the Secured Parties under or in connection with the Transaction Documents.

“**LCH Rules**” means the rules, regulations, procedures or agreements (including the LCH General Regulations and the LCH Default Rules), applicable to the Assignor and/or an Associated LCH Transaction, in each case as published by the Clearing House and as the same may be amended from time to time.

“**LPA**” means the Law of Property Act 1925.

“**Relevant Account Balance**” means the Account Balance relating to a Client and the relevant Associated LCH Transactions as calculated by the Clearing House in accordance with the LCH Rules following an Enforcement Event.

“**Relevant SwapClear Clearing Client Entitlement**” means the SwapClear Clearing Client Entitlement relating to a Client and the relevant Associated LCH Transactions as calculated by the Clearing House in accordance with the LCH Rules following an Enforcement Event.

“**Secured Parties**” means each Client from time to time.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Swap Agreement**” has the meaning given to it in Recital (A) to this Deed.

“**Transaction Documents**” means this Deed and each Swap Agreement outstanding from time to time.

“**UCC**” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in this Deed to:

- (i) “**assets**” includes present and future properties, revenues and rights of every description;
- (ii) the “**Assignor**”, the “**Security Trustee**” or any “**party**” shall be construed so as to include its successors in title and permitted transferees;

- (iii) an agreement, confirmation or instrument is to a reference to that agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerous) or replaced;
- (iv) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (v) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and
- (vi) a provision of law is a reference to that provision as amended or re-enacted.

1.2.2 Clause and Schedule headings are for ease of reference only.

2. Undertaking to Pay

The Assignor undertakes to pay each of its Liabilities when due in accordance with its terms.

3. Security

The Assignor, with full title guarantee [and as security for the payment of all Liabilities⁵, assigns absolutely to the Security Trustee all its present and future right, title and interest in and to each Relevant SwapClear Clearing Client Entitlement and each Relevant Account Balance. The Security Trustee shall hold the benefit of the Assignment on trust for the Secured Parties on the terms of this Deed.

4. Restrictions and Further Assurance

Security

- 4.1 The Assignor agrees that it shall not create or permit to subsist any Security over any Assigned Assets except for the Assignment.
- 4.2 Notice of Assignment and Undertaking: The Assignor hereby gives notice of the Assignment to the Clearing House. The Clearing House hereby acknowledges receipt of such notice and undertakes to the Security Trustee (on behalf of the Secured Parties) that it shall, following the occurrence of a Clearing Default, act in accordance with the LCH Rules and any other laws and regulations applicable to it in determining how the Assigned Assets are to be distributed. The parties hereto acknowledge and agree that the Clearing House (acting in such capacity and not in its capacity as Security Trustee) has agreed to be a party to this Deed solely for the purposes of this Clause 4.3 [and to receive the written evidence referred to in Clause 4.4] and shall have no other obligation or liability save as expressly provided in this Clause 4.3 [and Clause 4.4]. In particular, the parties agree that the undertaking

⁵ The language in brackets should not be included where the relevant Clearing Member is organised under the laws of Germany.

given by the Clearing House in this Clause 4.3 shall be without prejudice to any protections afforded to it pursuant to the LCH Rules or any other laws and regulations applicable to it.

- 4.3 **Margining:** The Assignor agrees that, prior to the operation of Clause 9.1, it shall provide margin in respect of any Associated LCH Transactions to the Clearing House on an Individual Segregated Account basis or, as may be agreed between the Assignor and the relevant Client, an Omnibus Net Segregated Account basis in accordance with the LCH Rules.
- 4.4 **[UCC Financing Statement:** The Assignor hereby authorises the filing of a financing statement describing the Assigned Assets in the filing office of the Assignor's location as determined by Section 9-307 of the UCC and hereby agrees to (a) file such financing statement within [10 Business Days] of the date hereof and (b) provide the Security Trustee and the Clearing House with a copy of the relevant filed Form UCC-1]⁶.
- 4.5 **Assignor's Undertaking:** The Assignor undertakes to the Security Trustee that it shall not, without the prior written consent of the Security Trustee (acting upon the instructions of the relevant Client) to such amendment, make any amendment to the SwapClear Default Management Process Agreement to which the Assignor is a party the effect of which amendment would be to (a) amend the terms of the Assigned Assets hereunder or thereunder or (b) amend the terms on which the Assigned Assets may be dealt with following the occurrence of a Clearing Default, unless such amendment is of a formal, minor or technical nature or, in the reasonable opinion of the Security Trustee, is not materially prejudicial to the interests of any Secured Party.

5. **Payments**

- 5.1 **No Enforcement Event:** Subject as otherwise provided in this Deed, and for so long as no Enforcement Event has occurred, the Assignor shall be entitled to receive and retain all payments or transfers made to it in respect of each Individual Segregated Account and each Omnibus Net Segregated Account relating to each Client from time to time in accordance with the LCH Rules. For the avoidance of doubt the Assignor shall not be entitled to deal with the Assigned Assets at any time while the Assignment is in effect.
- 5.2 **Post Enforcement Event:** Following the occurrence of an Enforcement Event, the Security Trustee shall be entitled to receive directly from the Clearing House all Assigned Assets and payments or transfers made in respect of such Assigned Assets.

6. **Enforcement and Remedies**

- 6.1 **Enforcement Event:** The Security created on the date hereof shall only be enforceable, and the powers conferred by Section 101 of the LPA as varied and extended by this Deed shall only be exercisable, following the occurrence of an Enforcement Event.

⁶ This covenant must be included if the Assignor is organised under the laws of the United States of America or any state thereof or located in any such jurisdiction for purposes of Section 9-307 of the UCC.

6.2 Power of Sale: The statutory power of sale and the other statutory powers conferred on mortgagees by Section 101 of the LPA as varied and extended by this Deed shall arise on the date of this Deed.

6.3 Section 103 LPA: Section 103 of the LPA shall not apply to this Deed.

7. Declaration of Trust

7.1 The Security Trustee declares that it shall hold the benefit of this Deed and the Assignment on trust for the Secured Parties on the terms set out herein. The parties agree that the provisions set out in Schedule 1 hereto shall apply to the appointment of the Security Trustee.

7.2 The Assignor shall notify the Security Trustee of the identity of each person with whom it has entered into a Client Clearing Agreement, and whom it is intended shall take the benefit of this Deed (which includes, without limitation, the declaration of trust at Clause 7) and the Security Trustee shall, on request, confirm to such person or to the Assignor that it has received such notification. Such notification, once given, may be withdrawn at any time, but any such withdrawal shall take effect only when notification of withdrawal is received by the Security Trustee.

8. Saving Provisions

8.1 Continuing Security: Subject to Clause 9, the Assignment is continuing security and will extend to the ultimate balance of the Liabilities, regardless of any intermediate payment or discharge in whole or in part.

8.2 Reinstatement: If any discharge, release or arrangement (whether in respect of the obligations of the Assignor or any security for those obligations or otherwise) is made by any Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of the Assignor and the Assignment shall continue or be reinstated as if the discharge, release or arrangement had not occurred.

8.3 Waiver of Defences: Neither the obligations of the Assignor under this Deed nor the Assignment will be affected by an act, omission, matter or thing which, but for this Clause 8, would reduce, release or prejudice any of its obligations under any Transaction Document or the Assignment (without limitation and whether or not known to it or any Secured Party) including:

8.3.1 any time, waiver or consent granted to, or composition with, the Assignor or other person;

8.3.2 the release of the Assignor or any other person under the terms of any composition or arrangement with any creditor of any affiliate;

8.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Assignor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

- 8.3.4 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Transaction Document or any other document or security; or
- 8.3.5 any insolvency or similar proceedings.
- 8.4 Immediate Recourse: The Assignor waives any right it may have of first requiring a Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Assignor under this Deed. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.
- 8.5 Additional Security: The Assignment is in addition to and is not in any way prejudiced by any other guarantees or security now or subsequently held by any Secured Party.
- 9. Discharge of Security**
- 9.1 Final Redemption: Immediately upon there no longer being any Liabilities remaining in relation to a Client (or, if earlier, immediately upon it no longer being possible for an Enforcement Event to occur), the Security Trustee shall be deemed to have immediately released, reassigned or discharged (as appropriate) the Assigned Assets relating to such Client from the Assignment and therefore:
- 9.1.1 the Assignor may retain for its own account; and
- 9.1.2 the Security Trustee shall therefore promptly pay or transfer to the Assignor, any amounts or other assets received by such party from the Clearing House in respect of the relevant Assigned Assets. For the avoidance of doubt, it is acknowledged that the Assignor's rights under this Clause 9 shall constitute an equity of redemption (and therefore a proprietary interest to the extent of such equity of redemption) in the Assigned Assets and any amounts or other assets the subject of such rights shall be returned by the Security Trustee to the Assignor.
- 9.2 Consolidation: Section 93 of the LPA shall not apply to the Assignment.
- 10. Miscellaneous Provisions**
- 10.1 Payments: All payments by the Assignor under this Deed (including damages for its breach) shall be made to such account, with such financial institution and in such other manner as the Security Trustee may direct.
- 10.2 Remedies and Waivers: No failure to exercise, nor any delay in exercising, on the part of the Security Trustee any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.
- 10.3 Amendments and Waivers: Any term of this Deed may be amended or waived only with the consent of the Security Trustee and the Assignor.
- 10.4 Assignment: Subject to the extent permitted by applicable law, neither this Deed nor any interest or obligation in or under it may be assigned or otherwise transferred

(whether by way of security or otherwise) by either party without the prior written consent of the other party.

- 10.5 Disclosure to Clients: The Clearing House agrees that the Assignor may provide a copy of this Deed to any Client or prospective Client.
- 10.6 Partial Invalidity: If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
- 10.7 Third Party Rights: A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 10.8 Counterparts: This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.
- 10.9 Governing Law: This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 10.10 Jurisdiction: In relation to any proceedings, each party to this Deed irrevocably submits to the exclusive jurisdiction of the courts of England and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum. Each such submission is made for the benefit of the other party and shall not affect the right of any party to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in any court of competent jurisdiction preclude any party from taking proceedings in any other court of competent jurisdiction (whether concurrently or not) unless precluded by law.
- 10.11 [Agent for Service of Process: The Assignor hereby irrevocably appoints [Name of Agent] of [Address in England] to receive service of process on its behalf as its authorised agent for service of process in England. If for any reason such agent ceases to be such agent for service of process, the Assignor shall forthwith appoint a new agent for service of process in England and deliver to the Security Trustee a copy of the new agent's acceptance of appointment within 30 days. Nothing in this Deed shall affect the right to serve process in any other matter permitted by law.]

SCHEDULE 1**PROVISIONS RELATING TO THE APPOINTMENT OF THE SECURITY TRUSTEE****1. Trust**

The Security Trustee declares that it shall hold the benefit of this Deed and the Assignment on trust for the Secured Parties on the terms contained in this Deed. All moneys from time to time received or recovered by the Security Trustee in connection with the realisation or enforcement of all or any part of the Assignment in respect of the Assigned Assets relating to any Client shall be held by the Security Trustee on trust to apply them as soon as reasonably practicable, to the extent permitted by applicable law and subject to the provisions of this Deed in the following order of priority:

- (a) in payment to such Client of all sums due and payable by the Assignor to such Client in respect of Liabilities; and
- (b) the balance, if any, in payment to the Assignor.

The Security Trustee shall not apply any moneys realised by it under this Deed in respect of the Assigned Assets relating to one Client in discharge of any sums due and payable by the Assignor to another Client.

2. No Independent Power

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Assigned Assets or to exercise any rights or powers arising under this Deed.

3. Security Trustee's Actions

- 3.1 The Security Trustee shall have only those duties, obligations and responsibilities expressly specified in this Deed (and no others shall be implied). Subject to the other provisions of this Deed, the Security Trustee may take such action in the exercise of any of its powers and duties under this Deed which in its absolute discretion it considers to be for the protection and benefit of all the Secured Parties.
- 3.2 The duties, obligations and responsibilities of the Security Trustee specified in this Deed shall be subject to the duties, obligations and responsibilities, imposed from time to time by or pursuant to any law or instrument made thereunder, to which the Security Trustee is subject when it acts in its capacity as clearing house ("**RCH Duty**").
- 3.3 The Security Trustee may exercise any right, power or discretion in the discharge of any RCH Duty, whether under its default rules or otherwise, independently of its obligations as Security Trustee under this Deed ("**RCH Power**"). The exercise of any RCH Power shall take precedence over any duty, obligation or responsibility of the Security Trustee specified in this Deed. The Security Trustee shall not be liable to any person as a result of its proper exercise of (or proper omission to exercise) any RCH Power, including where the exercise of such power has the effect of varying the amount to which any beneficiary would otherwise be entitled under this Deed.
- 3.4 The Assignor shall, notwithstanding any release or discharge of all or any part of the Assignment, indemnify the Security Trustee against all charges and expenses, and

any action, proceeding, claims, losses, liabilities and costs ("Loss") properly incurred by it, or which it may sustain as a consequence of any breach by the Assignor of the provisions of this Deed, or in the proper exercise or purported exercise of any of the rights and powers conferred on the Security Trustee by, or in respect of any matter or thing properly done or omitted in any respect in connection with, this Deed or otherwise relating to the Assigned Assets, but only to the extent that such Loss has not been incurred by any fraud, wilful default or gross negligence of the Security Trustee or, in the case of the exercise of an RCH Power, any act or omission in respect of which it would not be subject to the exemption from liability in section 291 of the Financial Services and Markets Act 2000 or any other statutory exclusion of liability enacted from time to time.

4. **Security Trustee's Discretions**

4.1 The Security Trustee may assume (unless it has actual knowledge to the contrary or has received express notice to the contrary from any Secured Party) that:

- (a) the Assignor is not in breach of its obligations under Clause 2 of this Deed; and
- (b) any right, power, authority or discretion vested in any person has not been exercised.

4.2 The Security Trustee may engage, pay for and rely in good faith on the advice or services of any lawyers, accountants, or other experts (whether obtained by the Security Trustee or by any Secured Party) in connection with the performance of its obligations under this Deed.

4.3 The Security Trustee may rely upon any communication or document reasonably believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of a Secured Party or the Assignor, upon a certificate signed by or on behalf of that person.

5. **Security Trustee's Rights and Obligations**

5.1 At any time after the occurrence of an Enforcement Event, the Security Trustee shall have the rights set out in Schedule 2 to this Deed.

5.2 The Security Trustee shall promptly inform the Secured Parties of (a) the contents of any notice or document received by it in its capacity as Security Trustee from the Assignor; and (b) the occurrence of any breach of any term of this Deed of which the Security Trustee has received notice from any Secured Party.

6. **Excluded Obligations**

The Security Trustee shall not:

- (a) be bound to enquire as to the occurrence or otherwise of any breach by the Assignor of any of its obligations under this Deed;
- (b) be bound to account to any Secured Party for any sum or the profit element of any sum received by it for its own account;
- (c) be bound to disclose to any other person (including any Secured Party):

- (i) any confidential information, or
 - (ii) any other information if disclosure would constitute a breach of any law or be a breach of fiduciary duty;
- (d) be under any obligation, the discharge of which would constitute a breach of any RCH Duty;
 - (e) be under any obligation other than those which are specifically provided for in this Deed; or
 - (f) have or be deemed to have any duty, obligation or responsibility to, or relationship of trust or agency with, the Assignor.

7. Exclusion of Liability

7.1 Unless caused directly by its own fraud, wilful default or gross negligence, the Security Trustee shall not accept responsibility or be liable for:

- (a) the proper exercise of (or proper omission to exercise) any RCH Power;
- (b) the adequacy, accuracy and/or completeness of any information supplied by the Security Trustee or any other person in connection with this Deed, or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with this Deed;
- (c) the legality, validity, effectiveness, adequacy or enforceability of this Deed or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with this Deed;
- (d) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to this Deed or otherwise;
- (e) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with this Deed or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with this Deed; or
- (f) any shortfall which arises on the enforcement of the Assignment.

8. No Proceedings

No Secured Party or party to this Deed may take any proceedings against any officer, employee or agent of the Security Trustee in respect of any claim it might have against the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed and any officer, employee or agent of the Security Trustee may rely on this clause.

9. No Responsibility to Perfect Assignment

9.1 The Security Trustee shall have no obligation to, and shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of the Assignor to any of the Assigned Assets;

- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of this Deed or the Assignment;
- (c) register, file or record or otherwise protect the Assignment (or the priority of the Assignment) under any applicable laws in any jurisdiction or to give notice to any person of the execution of this Deed or of the Assignment;
- (d) take, or to require the Assignor to take, any steps to perfect its title to any of the Assigned Assets or to render the Assignment effective or to secure the creation of any ancillary security under the laws of any jurisdiction; or
- (e) require any further assurances in relation to this Deed.

10. **Insurance by Security Trustee**

The Security Trustee shall be under no obligation to insure any of the Assigned Assets or to require any other person to maintain any insurance. The Security Trustee shall not be responsible for any loss which may be suffered by any person solely as a result of the lack of or inadequacy of any such insurance.

11. **Acceptance of Title**

The Security Trustee shall be entitled to accept without enquiry, and shall not be obliged to investigate, such right and title as the Assignor may have to any of the Assigned Assets and shall not be liable for or bound to require the Assignor to remedy any defect in its right or title.

12. **Refrain from Illegality**

The Security Trustee may refrain from doing anything which in its reasonable opinion will or may be contrary to any relevant law, directive or regulation of any jurisdiction which would or might otherwise render it liable to any person, and may do anything which is, in its reasonable opinion, necessary to comply with any law, directive or regulation.

13. **Business with the Assignor**

13.1 The Security Trustee may

- (a) provide clearing services to the Assignor both for itself and on account of any other person and do all things incidental to the provision of clearing services as they involve the Assignor in whatever capacity; and
- (b) deal with, accept deposits from, lend money to, and generally engage in any kind of treasury or other business with the Assignor.

14. **Authorisation of Release**

Upon a disposal of any of the Assigned Assets pursuant to the enforcement of the Assignment by the Security Trustee, the Security Trustee is authorised to execute, without the need for any further authority from the Secured Parties, any release of the Assignment or other claim over that part of the Assigned Assets.

15. **Winding up of Trust**

After the Security Trustee, with the approval of the Secured Parties, has determined that all of the Liabilities and all other obligations secured by this Deed have been fully and finally discharged, and all relevant certifications and other documents have been transferred to the Assignor, the trusts set out in this Deed shall be wound up.

16. Perpetuity Period

The perpetuity period under the rule against perpetuities, if applicable to this Deed, shall be the period of eighty years from the date of this Deed.

17. Powers Supplemental

The rights, powers and discretions conferred upon the Security Trustee by this Deed shall be supplemental to the Trustee Acts 1925 and 2000 and in addition to any which may be vested in the Security Trustee by general law or otherwise.

18. Dis-application

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed. Where there are any inconsistencies between the Trustee Acts 1925 and 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of that Act.

19. Resignation of Security Trustee

19.1 Where:

- (a) the Security Trustee so agrees with the Secured Parties or
- (b) without prejudice to the generality of Clause 12 of this Schedule One, the Security Trustee is required to resign as a result of a change in its exempt status, its regulatory status or it otherwise becoming unable to exercise its duties and functions as Security Trustee because of a change in any law, regulation, rule or other regulatory measure,

the Security Trustee may resign by giving such notice to the Assignor as is reasonable in the circumstances giving rise to the resignation.

19.2 Where the Security Trustee gives notice of its resignation, it may together with the Secured Parties, appoint a successor Security Trustee, unless any change in its exempt status, its regulatory status, law, regulation rule, or other regulatory measure prevents the Security Trustee from taking any step to appoint a successor Security Trustee, in which case the Secured Parties may themselves appoint such successor Security Trustee, subject to any regulatory requirement to do so in consultation or after consultation with any relevant regulatory, governmental or similar authority.

19.3 The retiring Security Trustee shall, at its own cost, make available to the successor Security Trustee such documents and records and provide such assistance as the successor Security Trustee may reasonably request and any regulation rule, or other regulatory measure permits for the purposes of performing its functions as Security Trustee under this Deed.

- 19.4 The Security Trustee's resignation notice shall only take effect upon the appointment of a successor. Upon the appointment of a successor, the retiring Security Trustee shall be discharged from any further obligation in respect of this Deed but shall remain entitled to the benefit of this Schedule. Its successor and each of the other parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original party.

20. **Power of Attorney**

The Assignor by way of security irrevocably appoints the Security Trustee as its attorney (with full power of substitution), on its behalf and in its name or otherwise, in such manner as the attorney thinks fit, but in any case acting in good faith and in a commercially reasonable manner, to exercise (following the occurrence of an enforcement event only) any of the rights conferred on the Security Trustee in relation to the Assigned Assets or under the LPA or the Insolvency Act. The Assignor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of this power of attorney.

SCHEDULE 2**RIGHTS OF THE SECURITY TRUSTEE**

Following the occurrence of an Enforcement Event, the Security Trustee shall have the right, either in its own name or in the name of the Assignor or otherwise and in such manner and upon such terms and conditions as the Security Trustee thinks fit, but in any case, acting in good faith ~~in~~ and in a commercially reasonable manner, and either alone or jointly with any other person:

1. Take possession: to take possession of, get in and collect the Assigned Assets and to require payment to it of revenues deriving therefrom;
2. Deal with Assigned Assets: to sell, transfer, assign, exchange or otherwise dispose of or realise the Assigned Assets to any person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred);
3. Borrow money: to borrow or raise money either unsecured or on the security of the Assigned Assets (either in priority to the Assignment or otherwise);
4. Rights of ownership: to manage and use the Assigned Assets and to exercise and do (or permit the Assignor or any nominee of it to exercise and do) all such rights and things as the Security Trustee would be capable of exercising or doing if it were the absolute beneficial owner of the Assigned Assets;
5. Claims: to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person relating to the Assigned Assets;
6. Legal actions: to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Assigned Assets;
7. Redemption of Security: to redeem any Security (whether or not having priority to the Assignment) over the Assigned Assets and to settle the accounts of any person with an interest in the Assigned Assets; and
8. Other powers: to do anything else it may think fit for the realisation of the Assigned Assets or incidental to the exercise of any of the rights conferred on the Assignee under or by virtue of any Transaction Document, the LPA or the Insolvency Act.

THIS DEED has been delivered on the date stated at the beginning of this Deed.

[ASSIGNOR]

[INSERT APPROPRIATE SIGNATURE BLOCK]

[EXECUTED as a Deed by
LCH.CLEARNET LIMITED

By: *[Director]*

By: *[Director/Company Secretary]*

APPENDIX 2C.KK1

FORM OF GIVE UP AGREEMENT**GIVE UP AGREEMENT****BETWEEN:**(1) ~~_____~~ ~~[\bullet]~~ (the “**Clearing Broker**”)(2) ~~_____~~ ~~[\bullet]~~ (the “**Executing Broker**”)Date: ~~[\bullet]~~

This is a Give Up Agreement for the purposes of the SwapClear Client Clearing Give Up Standard Terms (the “**Give Up Standard Terms**”). The Give Up Standard Terms are incorporated into this Give Up Agreement and modified, amended or supplemented as set out below, and terms used herein and not otherwise defined shall have the respective meanings given to them in the Give Up Standard Terms.

1. ~~_____~~ Certain Elections

The following amendments and elections shall apply to the Give Up Standard Terms. References to Sections, Exhibits, or Paragraphs shall be references to the sections, exhibits or paragraphs of the Give Up Standard Terms.

General**SWAPCLEAR CLEARING CLIENT – PARTIAL TRANSFER FORM**

Section 2.2:	[\bullet] [Events of Default and Termination Events] under the ISDA Master Agreement fall outside the meaning of “ordinary course of business” in Section 2.2 of the Give Up Standard Terms.
Section 3.2	[promptly] / [within thirty minutes]
Section 3.3:	[one hour after receipt of a Communication] / [as of the Modification Time]
Section 4:	[[\bullet] one hour after receipt of such termination notice] / [[\bullet] as of the Modification Time]
Section 5:	[Applicable [insert electronic messaging system or email details]] / [Not Applicable. [A Trade Notice and a Problem Transaction Notice shall be effective: <ul style="list-style-type: none"> (i) if delivered in accordance with the rules of the Electronic Messaging System specified below; and

~~(ii) [immediately]/[within [●] minutes of transmission].~~

~~Section 6: [English law]/[The laws of the State of New York (without reference to choice of law doctrine)].~~

~~Section 8 (ISDA Master Agreement): The ISDA Master Agreement (including the related schedule and any related Credit Support Annex) between Clearing Broker and Executing Broker dated as of [●] and as amended from time to time.~~

~~Section 8 (Modification Time): For Trading Limits and Transaction Type:~~

~~[[•] hour[s] after receipt of such Communication][as of the opening of business on the day on which commercial banks are open for general business in the recipient's location following the date of receipt of such Communication]~~

**SWAPCLEAR CLEARING CLIENT -
PARTIAL TRANSFER FORM**



~~V.[•]:[•]
201[•]]~~

Terms used in this form are as defined in LCH.Clearnet Limited's Rulebook unless defined herein

To: LCH.Clearnet Limited

From: Receiving Clearing Member

Date:

We,[insert name of Receiving Clearing Member] (the "Receiving Clearing Member") have received a request from [insert name of transferring SwapClear Clearing Client] (the "SwapClear Clearing Client") to transfer (i) in the case of a SwapClear Clearing Client which is an Individual Segregated Account Clearing Client, part of its portfolio of SwapClear Contracts; and (ii) the case of a SwapClear Clearing Client which is an Omnibus Net Segregated Clearing Client, part or all of its portfolio of SwapClear Contracts, from[insert name of Carrying Clearing Member] to us. We hereby request the transfer of the SwapClear Contracts as identified below pursuant to Regulation 52C(d) and the Procedures.

Please insert the LCH trade IDs of the transferring SwapClear Contracts, using the Schedule below:

***Please insert the LCH trade ID and Approved Trade Source (ATS) ID of the transferring SwapClear Contracts.*

***Please append a list of additional SwapClear Contracts to this form, if required*

LCH Trade ID	ATS Trade ID

Signatories for and on behalf of the Receiving Clearing Member:

We acknowledge and confirm the above and are authorised to sign for and on behalf of the Receiving Clearing Member

1.

<u>(Authorised Signatory)</u>	<u>Name</u>	<u>Position</u>	<u>Date</u>
2.			

Signatories for and on behalf of the transferring SwapClear Clearing Client:

To: Receiving Clearing Member

We acknowledge and confirm:

- i. the request to transfer as detailed above;
- ii. that LCH.Clearnet Limited will contact our Carrying Clearing Member in relation to this transfer and will disclose our identity to such Carrying Clearing Member;
- iii. that, in accordance with the Clearing House's Rulebook, LCH.Clearnet Limited is entitled to rely conclusively on the instructions and information received from the Receiving Clearing Member and the Carrying Clearing Member and shall have no liability or responsibility therefor;
- iv. that the transfer detailed above may require that additional cover be paid to LCH.Clearnet Limited (and/or by us to the Receiving Clearing Member listed above and/or by us to our Carrying Clearing Member), and that LCH.Clearnet Limited is not required to effect the transfer if it has not received adequate cover in respect of the transfer or if any of the other conditions set forth in the Clearing House's Rulebook applicable to the transfer are unsatisfied;
- v. that in order for the transfer detailed above to be effected, we will be required to satisfy any requirements as between ourselves and the Carrying Clearing Member and/or its Affiliates at the time of, or arising as a result of, such transfer, to the extent the Clearing House's Rulebook states that such requirements must be satisfied in order for the transfer to be effected, including, without limitation, any outstanding obligations that are due and payable to the Carrying Clearing Member and/or its Affiliates at the time of, or arising as a result of, such transfer, as provided for in sub-paragraph (v) of Regulation 52C(d); and
- vi. that we are authorised to make these acknowledgements and confirmations and do so on behalf of the SwapClear Clearing Client listed above in accordance with the Regulations.

For and on behalf of the SwapClear Clearing Client:

<u>Authorised signatory</u>	<u>Authorised signatory</u>
<u>Date</u>	<u>Date</u>

All forms should be returned to LCH.Clearnet Limited for the attention of Client Services.
 Email: swapclearclientservices@lchclearnet.com
 Telephone: +44 (0) 207 426 7651 or +1 212 513 8265

<u>SwapClear Client Services</u>	<u>SwapClear Client Services</u>
<u>Aldgate House</u>	<u>17 State Street</u>
<u>33 Aldgate High Street</u>	<u>New York NY 10004</u>
<u>London EC3N 1EA</u>	<u>USA</u>

For termination notices:

~~(i) [[•] hour[s] after receipt of such termination notice]/[as of the opening of business on the day on which commercial banks are open for general business in the recipient's location following the date of receipt of such termination notice].~~

Exhibit B:

Paragraph 1: ~~[Procedure A]/[Procedure B]/[Neither. Specify]~~

Paragraph 2: ~~[Applicable]/[Not applicable]~~

~~IN WITNESS~~ whereof the parties have executed this Give Up Agreement on the date stated at the beginning.

~~SIGNED~~ for and on behalf of

{

APPENDIX 2C.K2

SWAPCLEAR CLEARING BROKER]CLIENT – FULL TRANSFER FORM

~~[INSERT APPROPRIATE SIGNATURE BLOCK]~~

~~SIGNED for and on behalf of~~

~~[EXECUTING BROKER]~~

[INSERT APPROPRIATE SIGNATURE BLOCK]

SWAPCLEAR CLEARING CLIENT - FULL TRANSFER FORM



V.1: [120]

Terms used in this form are as defined in LCH.Clearnet Limited's Rulebook unless defined herein

To: LCH.Clearnet Limited

From: Receiving Clearing Member

Date:

We, [insert name of Receiving Clearing Member] (the "Receiving Clearing Member") have received a request from [insert name of transferring SwapClear Clearing Client] (the "SwapClear Clearing Client") to transfer its entire portfolio of SwapClear Contracts from [insert name of Carrying Clearing Member] to us. We hereby request the transfer of all SwapClear Contracts registered in the name of the Carrying Clearing Member on behalf of the relevant SwapClear Clearing Client pursuant to Regulation 52C(b) or (c) (as applicable) and the Procedures.

Please insert:

Name of Carrying Clearing Member:

.....

in order to enable LCH.Clearnet to identify the relevant SwapClear Contracts that are to be transferred.

Please tick the relevant box below to confirm whether the SwapClear Clearing Client wishes to transfer the Associated Accounts Assets in accordance with Regulation 52C(b) or (c) (as applicable).

- The SwapClear Clearing Client wishes to transfer Associated Account Assets
- The SwapClear Clearing Client does NOT wish to transfer Associated Account Assets

Signatories for and on behalf of the Receiving Clearing Member:

We acknowledge and confirm the above and are authorised to sign for and on behalf of the Receiving Clearing Member

1. _____
(Authorised Signatory) Name Position date

2. _____
(Authorised Signatory) Name Position date

Signatories for and on behalf of the transferring SwapClear Clearing Client:

To: Receiving Clearing Member

We acknowledge and confirm:

- i. the request to transfer as detailed herein;
- ii. that our Carrying Clearing Member shall not be permitted to register additional SwapClear Contracts on our behalf during the period commencing at the end of the SwapClear service operating hours on the day on which it received notice that a SwapClear Clearing Client Full Transfer Form has been received and ending at the time at which the relevant transfer (including the transfer of the relevant Associated Account Assets, if applicable) is actually effected or is rejected;
- iii. that LCH.Clearnet Limited will contact our Carrying Clearing Member in relation to this transfer and will disclose our identity to such Carrying Clearing Member;
- iv. that, in accordance with the Clearing House’s Rulebook, LCH.Clearnet Limited is entitled to rely conclusively on the instructions and information received from the Receiving Clearing Member and the Carrying Clearing Member and shall have no liability or responsibility therefor;
- v. that the transfer detailed above may require that additional cover be paid to LCH.Clearnet Limited (and/or by us to the Receiving Clearing Member) even where Associated Account Assets are transferred, and that LCH.Clearnet Limited is not required to effect the transfer if it has not received adequate cover in respect of the transfer or if any of the other conditions set forth in the Clearing House’s Rulebook applicable to the transfer are unsatisfied;
- vi. that, where we have requested the transfer of Associated Account Assets, (x) we should contact our Carrying Clearing Member to ensure that they contact LCH.Clearnet Limited to identify the correct Associated Account Assets available for transfer, and (y) where our Carrying Clearing Member does not so identify the correct Associated Account Assets available for transfer, LCH.Clearnet Limited is permitted to transfer alternative collateral as it deems appropriate in accordance with the Clearing House’s Rulebook;
- vii. in order for the transfer detailed above to be effected, we will be required to satisfy any requirements as between ourselves and the Carrying Clearing Member and/or its Affiliates at the time of, or arising as a result of, such transfer, to the extent the Clearing House’s Rulebook states that such requirements must be satisfied in order for the transfer to be effected, including, without limitation, any outstanding obligations that are due and payable to the Carrying Clearing Member and/or its Affiliates at the time of, or arising as a result of, such transfer, as provided for in sub-paragraph (v) of Regulation 52C(b) or 52C(c) (as applicable);
- viii. that we are authorised to make these acknowledgements and confirmations and do so on behalf of the SwapClear Clearing Client listed above in accordance with the Regulations.

For and on behalf of the SwapClear Clearing Client:

<u>Authorised signatory</u>	<u>Authorised signatory</u>
<u>Date</u>	<u>Date</u>

All forms should be returned to LCH.Clearnet Limited for the attention of Client Services.
 Insert email: swapclearclientservices@lchclearnet.com
 Insert telephone number: +44 (0) 207 426 7651

<u>SwapClear Client Services</u> <u>Aldgate House</u> <u>33 Aldgate High Street</u> <u>London EC3N 1EA</u> <u>UNITED KINGDOM</u>	<u>SwapClear Client Services</u> <u>17 State Street</u> <u>New York NY 10004</u> <u>USA</u>
--	--

APPENDIX 2C.K3

**SWAPCLEAR CLEARING CLIENT TRANSFER – CARRYING CLEARING MEMBER
RESPONSE FORM**



**SWAPCLEAR CLEARING CLIENT TRANSFER –
CARRYING
CLEARING MEMBER RESPONSE FORM**

VI:1

Terms used in this form are as defined in LCH.Clearnet Limited's Rulebook unless defined herein

To: LCH.Clearnet Limited

From: Carrying Clearing Member

Date:

We, [insert name of Carrying Clearing Member] (the "Carrying Clearing Member") have received a request from LCH.Clearnet Limited in relation to 's [insert name of transferring SwapClear Clearing Client] (the "SwapClear Clearing Client") request to transfer [its entire]/[part of its]* portfolio of SwapClear Contracts held by us. We are writing to inform you that:

** Delete as appropriate*

(Please tick if applicable)

The transferring SwapClear Clearing Client has become insolvent and no SwapClear Contracts should therefore be transferred in accordance with Regulation 52(b)(i), Regulation 52C(c)(i) or Regulation 52C(d)(i) as applicable.

(Please tick if applicable)

The transferring SwapClear Clearing Client has, or would have as a consequence of the occurrence of the requested transfer, unsatisfied requirements which the Clearing House's Rulebook states must be satisfied in order for the transfer to be effected as between itself and us and/or our Affiliates at the time of, or arising as a result of, such transfer, including, without limitation, outstanding obligations as described in sub-paragraph (v) of Regulation 52C(b), Regulation 52C(c) or Regulation 52C(d) (as applicable) and therefore no SwapClear Contracts should not be transferred.

(Please tick if applicable)

The transferring SwapClear Clearing Client has asked that Associated Account Assets be transferred and the relevant Associated Account Assets are described in the schedule below.

Schedule of Associated Account Assets:

The Associated Account Assets of the SwapClear Clearing Client consist solely of cash in the following amount and currency:

CASH AMOUNT & CURRENCY

The Associated Account Assets of the SwapClear Clearing Client consist of the following cash and non-cash collateral:

CASH AMOUNT & CURRENCY

<u>ISIN</u>	<u>Notional Value</u>

All forms should be returned to LCH.Clearnet Limited for the attention of Client Services.
Email: swapclearclientservices@lchclearnet.com
Telephone: +44 (0) 207 426 7651 or +1 212 513 8265
Fax: +1 212 513 8290

<u>SwapClear Client Services</u> <u>Aldgate House</u> <u>33 Aldgate High Street</u> <u>London</u> <u>EC3N 1EA</u> <u>UNITED KINGDOM</u>	<u>SwapClear Client Services</u> <u>17 State Street</u> <u>New York NY 10004</u> <u>USA</u>
--	--

Signatories for and on behalf of the Carrying Clearing Member:

We acknowledge and confirm the above and that we are authorised to sign for and on behalf of the Carrying Clearing Member:

1.

<u>(Authorised Signatory)</u>	<u>Name</u>	<u>Position</u>	<u>Date</u>

2.

<u>(Authorised Signatory)</u>	<u>Name</u>	<u>Position</u>	<u>Date</u>

APPENDIX 2C.L

CLEARING HOUSE PRESCRIBED LANGUAGE

Capitalised terms used in this Annex and shall have the meaning specified in the LCH Rules.

[SwapClear Clearing Client] hereby acknowledges and agrees that:

- (a) the services provided by the Clearing House with regard to the SwapClear Clearing Services will be subject to and governed by the rules in the Clearing House's Rulebook and the Default Management Process Amendment Agreement between the Clearing House and the relevant SwapClear Clearing Member (the "**DMP Amendment Agreement**"), and the SwapClear Clearing Client will not act so as to cause – whether directly or indirectly – any breach of such rules or agreement by any person. The provisions of the amended text of Regulation 39 (Exclusion of Liability) of the Clearing House's Rulebook set out below shall apply *mutatis mutandis* as though entered into by the SwapClear Clearing Client directly with the Clearing House;
- (b) in the event that the SwapClear Clearing Client has failed to appoint a Backup SwapClear Clearing Member or the Clearing House does not receive the necessary confirmation from the SwapClear Clearing Client of its wish to have its positions transferred (including by way of termination, close-out and establishment of new replacement transactions to replicate such positions) or the Backup SwapClear Clearing Member declines to act as such, on the default of the relevant SwapClear Clearing Member, the Clearing House will close out and terminate the SwapClear Contracts entered into by that SwapClear Clearing Member in respect of the SwapClear Clearing Client and will not transfer or otherwise re-establish such positions;
- (c) the SwapClear Clearing Client will not be entitled to instruct the Clearing House to act or omit to act in any manner at any time prior to the default of the relevant SwapClear Clearing Member but the Clearing House shall accept instructions from the SwapClear Clearing Client following a default of the relevant SwapClear Clearing Member, provided that such instructions are in accordance with the rules of the Clearing House's Rulebook and/or the DMP Amendment Agreement;
- (d) the SwapClear Clearing Client will not be entitled to any information from the Clearing House as to any balance held by the Clearing House for any person at any time prior to the default of the relevant SwapClear Clearing Member but the Clearing House shall provide such information to the SwapClear Clearing Client following a default of the relevant SwapClear Clearing Member;
- (e) the Clearing House will not hold any assets transferred to it on trust for any person; and
- (f) where the SwapClear Clearing Member provides securities to the Clearing House as collateral (the "**Securities**"), the SwapClear Clearing Client will not be entitled to assert any equitable or other claim to any such Securities in circumstances where the assertion of such a claim would delay or inhibit the disposal by the Clearing House of such Securities and/or the application of the proceeds of sale of such Securities in accordance with the rules of the Clearing House's Rulebook and/or the DMP Amendment Agreement.

Regulation 39: Exclusion of Liability

(This has been extracted from the Clearing House's Rulebook)

- (a) Neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any SwapClear Clearing Member or to any other person (including, without limitation, any SwapClear Clearing Client) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a SwapClear Clearing Member or any other person, as the case may be, as a result of: any suspension, restriction or closure of any market, whether for a temporary period or otherwise or as a result of a decision taken on the occurrence of a market emergency; any failure by the Clearing House or a SwapClear Clearing Member to supply each other with data or information in accordance with arrangements from time to time established between such persons; the failure of any systems, communication facilities or technology supplied, operated or used by the Clearing House, a SwapClear Clearing Member or other relevant person; any event which is outside the control of the Clearing House; any act or omission of a SwapClear Clearing Member in connection with the provision of SwapClear Clearing Services or the entering into of SwapClear Contracts, including, without limitation, any error in the establishment of a price; any act or omission of the Clearing House; or any determination made in connection with SwapClear Clearing Services or SwapClear Contracts.
- (b) Neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability to a SwapClear Clearing Member or any other person (including, without limitation, any SwapClear Clearing Client) in respect of any dispute arising from or in relation to any SwapClear Contract including, but not limited to, any dispute as to the validity or otherwise of such transaction, the terms of such transaction, or whether any alleged agreement or arrangement constitutes a SwapClear Contract.
- (c) Without prejudice to the provisions of Regulation 1 and Regulation 39(e), neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any SwapClear Clearing Member or to any other person (including, without limitation, a SwapClear Clearing Client) in contract, tort (including without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred as a result of any suspension of any service, a step taken by the Clearing House under Regulations 26, 27, 47(f), 54(f) or 67, or any failure or malfunction of any systems, communication lines or facilities, software or technology supplied, operated or used by the Clearing House or the relevant approved agent; the occurrence of any event which is outside the control of the Clearing House; or any exercise by the Clearing House of its discretion under the Regulations, or any decision by the Clearing House not to exercise any such discretion.
- (d) Without prejudice to Regulation 39(c) and 39(e), unless otherwise expressly provided in the Regulations or in any other agreement to which the Clearing House is party, neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability under any circumstances (including, without limitation, as a result of any negligence by the Clearing House, or any other member of the LCH.Clearnet Group Limited, or their respective officers, employees, agents or representatives), be liable to any SwapClear Clearing Member or any SwapClear Clearing Client for any indirect or consequential loss or damage, or loss of

anticipated profit (whether direct or indirect) or loss of bargain, suffered or incurred by any such SwapClear Clearing Member or SwapClear Clearing Client and shall not in any circumstances be liable for any loss, cost, damage or expense suffered or incurred by any person as a result of any negligence on the part of the Clearing House, or any other member of the LCH.Clearnet Group Limited, or their respective officers, employees, agents or representatives.

- (e) Nothing in this Regulation 39 shall be construed as an attempt by the Clearing House to exclude any liability for any fraud, fraudulent misrepresentation or wilful default on the part of the Clearing House. The Clearing House accepts liability for any personal injury or death caused by the negligence of the Clearing House and for any fraud or wilful default on the part of the Clearing House.
- (f) Without prejudice to the provisions of Regulations 1 and 22 and 39(a) neither the Clearing House, nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any SwapClear Clearing Member or to any other person (including, without limitation, any SwapClear Clearing Client) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a SwapClear Clearing Member or any other person, as the case may be, as a result of the failure of any systems, communication facilities or technology or as a result of any negligence, wrongdoing, or other act, error, failure or omission on the part of any technology supplier in supplying any services to the Clearing House with regard to the Clearing House services or as a result of or in connection with any inconsistency or conflict between any provision contained in any Default Management Process Amendment Agreement or other agreement related to SwapClear between the Clearing House and a SwapClear Clearing Member on the one hand and any provision of the Clearing House Regulations, Default Rules and Procedures and any other Clearing House documentation on the other hand.
- (g) For the purposes of the Contracts (Rights of Third Parties) Act 1999, save: (i) as is expressly set out herein; and/or (ii) for rights conveyed to any SwapClear Clearing Client under a Deed of Assignment, these Regulations, Default Rules and Procedures do not create any rights in any persons who are not SwapClear Clearing Member.

APPENDIX 2C.M

CLEARED TRADE REMOVAL AGREEMENT

Removal of registered SwapClear Contracts

SCM's Requested Removal Date: DD/MM/YYYY

BETWEEN

LCH.CLEARNET LIMITED (the "Clearing House")

whose registered office is Aldgate House, 33 Aldgate High Street, London EC3N 1EA;

and

[SWAPCLEAR CLEARING MEMBER] ("SCM"),

each a "Party" and jointly the "Parties".

WHEREAS

- (A) The Clearing House, a Recognised Clearing House under the Financial Services and Markets Act 2000 runs a service known as SwapClear for the clearing of certain OTC derivatives transactions.
- (B) SCM is a member of the Clearing House authorised by the Clearing House to participate in the SwapClear service as a SwapClear Clearing Member.
- (C) SCM wishes to withdraw certain SwapClear Contracts from the SwapClear Service which were previously registered by the Clearing House
- (D) The Clearing House agrees to remove from the service certain SwapClear Contracts subject to and in accordance with the terms and conditions of this Agreement.
- (E) The Parties acknowledge that the removal of a trade from clearing pursuant to this Agreement (and the Clearing House Rulebook) is primarily for the removal of trades that were originally submitted from SWIFT and in respect of which automated trade deletion and termination is no longer available.

THE PARTIES agree as follows:

21. **Definitions**

Words and phrases not otherwise defined in this Agreement shall have the same meaning as in the General Regulations, Default Rules and Procedures of the Clearing House (the "**Clearing House Rulebook**").

22. **Contracts for Removal from Service**

SCM requests that the SwapClear Contract(s), particulars of which are set out in Schedule A hereto, registered by the Clearing House on the date(s) set out in that Schedule, and to which SCM and the Clearing House are party (the "Registered SwapClear Contract(s)"), be removed from service by mutual consent in accordance with the provisions of this Agreement and the Clearing House Rulebook.

23. Contingent Event

The removal of service of the Registered SwapClear Contract(s) requested herein is contingent, inter alia, upon the simultaneous removal (such time being the time set by the Clearing House in its absolute discretion) of each of the SwapClear Contract(s) which relate to the same SwapClear Transaction which was submitted to the Clearing House for clearing as two SwapClear Contracts ("the "Offsetting Contract(s)") to which the Clearing House is party together with the corresponding SwapClear Clearing Members (the "Counterparty SCMs").

24. Administrative and Other Arrangements

24.1 In order to facilitate the requested removal of service of the Registered SwapClear Contract(s) and the Offsetting Contract(s) the Clearing House may:

24.1.1 make whatever changes, adjustments and alterations to information and records relating to the SCM and the Counterparty SCM(s) held by the Clearing House on its internal systems (other than data constituting the economic terms of any such Registered SwapClear Contract or Offsetting Contract) and to the Clearing House's normal processes and procedures as the Clearing House in its sole discretion considers necessary; and

24.1.2 take whatever other steps and actions as the Clearing House in its sole discretion determines as necessary and appropriate.

25. Margin

25.1 In accordance with the Clearing House Rulebook, the Clearing House may, for so long as the Clearing House deems appropriate, retain all margin or cover for margin or other sums that the Clearing House may hold in connection with the Registered SwapClear Contract(s) or Offsetting Contract(s), and any cash or collateral provided to the Clearing House by or on behalf of SCM in respect of that SCM's margin obligations to the Clearing House in connection with the Registered SwapClear Contract(s) shall be available to the Clearing House to meet any obligations or liabilities whatsoever which are or which may become due to the Clearing House, notwithstanding any administrative change(s) that may have been made or administrative action that may have been taken by the Clearing House.

25.2 SCM agrees to advise its relevant PPS Bank of any additional margin requirements, in line with the Clearing House Rulebook, which may arise as a result of the requested termination and deletion and shall ensure that the Clearing House is sufficiently funded in order to meet any additional margin requirements.

26. Costs and Expenses

Unless agreed otherwise by the Clearing House, the SCM shall be responsible for and agrees to pay all costs and expenses associated with the requested removal from service.

27. Provision of Particulars

If so requested by the Clearing House, SCM shall promptly provide to the Clearing House such reasonable particulars in respect of any or all of the registered SwapClear Contracts as the Clearing House may request, in such electronic form as the Clearing House may require.

28. Time and Date of Termination

28.1 Unless specified otherwise by the Clearing House, the date of termination of each registered SwapClear Contract shall be the date set out at the head of this Agreement as the "Requested Removal Date" ("Removal Date"), unless the Parties otherwise agree, provided always that the Clearing House may amend the Removal Date by notice to the SCM.

28.2 SCM acknowledges and accepts that the time of removal on the Removal Date of the registered SwapClear Contract(s) shall not in any circumstances be the time at which the Clearing House effects any administrative change(s) or administrative action(s) but shall instead be the time which the Clearing House notifies SCM as being the time when removal has taken place.

28.3 The termination of any registered SwapClear Contract shall have no effect upon accrued rights and obligations of the SCM in respect of that registered SwapClear Contract, which rights and obligations shall survive termination.

28.4 The Clearing House may, by notice to the SCM given at any time up to the Removal Date, revoke its agreement to the removal of service of any registered SwapClear Contract in the event that:

28.4.1 the Counterparty SCM has not consented or has withdrawn its consent to the re of the ~~Offsetting~~ ~~Offsetting~~ Contract: or

28.4.2 the Clearing House takes the view that to terminate that registered SwapClear Contract(s) would adversely and materially adversely affect its risk or the risk of the market as a whole.

28.4.3 the Clearing House takes the view that to terminate that registered SwapClear Contract(s) would adversely and materially adversely affect its risk or the risk of the market as a whole.

28.5 SCM or any Counterparty SCM may, at any time up to the start of the day which is one clear London Business Day prior to the Removal Date, by notice in writing to the Clearing House and the Counterparty SCM, withdraw its agreement for the trade removal of any of the Registered SwapClear Contracts or Offsetting Contract (as the case may be) and the Clearing House shall use its reasonable endeavours to ensure that the Registered SwapClear Contract(s) and/or the Offsetting Contract is not removed from service.

29. Moneys Due to the Clearing House

SCM acknowledges and agrees that the Clearing House may in its sole discretion debit the relevant PPS account in respect of any moneys due from SCM to the Clearing House in connection with the requested removal.

30. Agreement to Prevail

In the event of any inconsistency between the provisions of this Agreement and the Clearing House Rulebook, the provisions of the Clearing House Rulebook shall prevail.

31. Confirmation of Consents etc.

SCM confirms that all requisite consents and approvals, regulatory or otherwise, have been obtained in connection with the removal from service requested herein.

32. **Law and Jurisdiction**

This Agreement shall be governed by English law and the Parties irrevocably submit to the exclusive jurisdiction of the English courts.

33. **Liability**

All matters of liability arising in connection with this Agreement shall be determined in accordance with the provisions of the Clearing House Rulebook as if the terms of this Agreement formed part of the Clearing House Rulebook.

For and on behalf of **SCM**

.....
Authorised Signatory

.....
Authorised Signatory

.....
Name

.....
Name

For and on behalf of the **CLEARING HOUSE**

.....
Signatory

.....
Name

SCHEDULE A

THE REGISTERED SWAPCLEAR CONTRACTS

Contract parties: {SwapClear Clearing Member} and LCH.Clearnet Limited (the “**Clearing House**”).

Contract LCH Reference Contract SCM Reference Date of Registration

APPENDIX 2C.N

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

34. Definitions

- 34.1 "**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 SwapClear DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the SCM).
- 34.2 "**DMG Member**" means an individual appointed by a Nominating SCM.
- 34.3 "**Nominating SCM**" means a SwapClear Member who, through their obligations under the SwapClear DMP, makes available a representative to serve on the DMG.
- 34.4 "**Permitted Purpose**" means proper fulfilment by the SCM of its duties under the SwapClear 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.
- 34.5 References denoting the masculine (including "his" and "he") shall be construed as the feminine if the DMG Member is female.
- 34.6 All other terms have the meaning ascribed to them in the Default Rules (including the SwapClear DMP Annex).

Confidentiality and Non-Disclosure: General Obligations of the SCM

35. Confidentiality

- 35.1 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 Clause 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:
- 35.1.1 it comes into the public domain other than through a breach by the SCM of this Agreement; or
- 35.1.2 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.
- 35.2 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.

- 35.3 Subject to paragraph 2.5, 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).
- 35.4 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.
- 35.5 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.

36. **Secrecy**

- 36.1 Except in accordance with the terms of this Appendix, the SCM agrees that it shall treat as strictly confidential and shall not disclose or allow to be divulged to any person:
- 36.2 Confidential Material;
- 36.2.1 the fact that it has received any Confidential Material;
- 36.2.2 the existence of any discussions or negotiations between the parties in this matter;
- 36.2.3 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.

37. **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.

38. **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.

39. No Representations or Warranties; No Conflict of Interest

39.1 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.

39.2 The Clearing House acknowledges and agrees that, subject to compliance with the terms of this Appendix by the SCM and any of its employees or representatives to whom Confidential Material is provided in accordance with this Appendix, the SCM's participation in the SwapClear 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.

40. Liability

40.1 Subject to General Regulation 39, 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.

40.2 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 Appendix to this Agreement) that it distributes to the SCM in connection with the SwapClear DMP.

40.3 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).

41. 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 no proof of special damages will be necessary to enforce this Agreement.

Confidentiality and Non-Disclosure and General Terms of Participation in SwapClear DMG

42. 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.

43. Confidentiality

43.1 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.

43.2 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.

43.3 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 prescribed by the Clearing House and/or the DMG with regard to the management of that default.

43.4 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.

44. Warranty and Representation

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

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

44.1.2 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.

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

The Clearing House will treat all Confidential Material in the terms envisaged in this Appendix, confining use to the SwapClear 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.

46. **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.

**Exhibit A – 3
FCM Regulations**

See Attached

CONTENTS

FCM REGULATIONS OF THE CLEARING HOUSE	1	
<i>Regulation 1</i>	Obligations of the Clearing House to each FCM Clearing Member 109	
<i>Regulation 2</i>	Performance by the Clearing House of its Obligations under the Terms of an Open Contract	1140
<i>Regulation 3</i>	FCM Clearing Member Status of the Clearing House and Application of LCH Regulations.....	1244
<i>Regulation 4</i>	FCM Client Business and Proprietary Account Trading	1443
<i>Regulation 5</i>	Registration of FCM SwapClear Contracts; Novation and Post-Novation Compression	1746
<i>Regulation 6</i>	Treatment of Accounts at LCH.....	2224
<i>Regulation 7</i>	Designation	2423
<i>Regulation 8</i>	Trading Information.....	2524
<i>Regulation 9</i>	Transfer	2625
<i>Regulation 10</i>	Margin and Cover for Margin; Other Obligations.....	3029
<i>Regulation 11</i>	Official Quotations and Reference Price	3433
<i>Regulation 12</i>	Daily Marking to Market	3534
<i>Regulation 13</i>	Market Disorders, Impossibility of Performance, Trade Emergency	3635
<i>Regulation 14</i>	Force Majeure	3736
<i>Regulation 15</i>	Invoicing Back	3837
<i>Regulation 16</i>	Currency Conversion	3938
<i>Regulation 17</i>	Disclosure.....	4039
<i>Regulation 18</i>	Fees and Other Charges	4140
<i>Regulation 19</i>	Records	4241
<i>Regulation 20</i>	FCM Procedures	4342
<i>Regulation 21</i>	Alteration of FCM Regulations and the FCM Procedures.....	4443
<i>Regulation 22</i>	Interpretation of these FCM Regulations.....	4544
<i>Regulation 23</i>	Waiver	4645
<i>Regulation 24</i>	Validity of FCM Regulations and Action	4746
<i>Regulation 25</i>	Governing Law and Jurisdiction.....	4847
<i>Regulation 26</i>	Exclusion of Liability	4948
<i>Regulation 26A</i>	Netting	5049
<i>Regulation 27</i>	The reset rate for, and the net present value of, an FCM SwapClear Contract.....	5352
<i>Regulation 28</i>	Withdrawal of the SwapClear Service by the Clearing House	5453
<i>Regulation 29</i>	Rules Relating to FCM OTC Client Segregated Accounts.....	5554
<i>Regulation 30</i>	Acknowledgements and Agreements of FCM Clients and Affiliates	6160
SCHEDULE A TO THE FCM REGULATIONS	6362	

LCH.CLEARNET LIMITED

FCM REGULATIONS OF THE CLEARING HOUSE

Scope

Save where expressly stated to the contrary in these FCM Regulations or the FCM Procedures, these FCM Regulations govern the clearing of FCM SwapClear Contracts by FCM Clearing Members through LCH.Clearnet Limited. They do **not** govern any other clearing services provided by LCH.Clearnet Limited nor do they cover clearing services provided by LCH.Clearnet SA which are governed by a separate set of rules.

Any FCM Regulation or group of FCM Regulations expressly stated not to apply to a category, or categories, of FCM SwapClear Contract shall not apply to such category, or categories, of FCM SwapClear Contract.

Definitions

In these FCM Regulations and the FCM Procedures, except where the context otherwise requires, the following words and expressions shall have the following meanings:

- Account Assets* - Means all cover, cash, margin, securities, receivables, rights, intangibles and any other collateral or assets deposited with or transferred to the Clearing House by an FCM Clearing Member in connection with an account carried by such FCM Clearing Member on behalf of an FCM Client, as cover for and in respect of the clearing of FCM SwapClear Contracts for such FCM Client.
- Affiliate* - Means, with respect to an FCM Clearing Member, any entity that controls, is controlled by or is under common control with such FCM Clearing Member, and the account of which, when carried by the FCM Clearing Member, would be considered a proprietary account pursuant to CFTC Regulation 1.3(y) (or any such successor or replacement regulation).
- Auction Portfolio* - Has the meaning assigned to it in the SwapClear DMP Annex of the Default Rules
- Business Day* - Means in respect of an FCM SwapClear Contract (except where specified otherwise in the relevant FCM SwapClear Contract Terms), a day on which the Clearing House is open for business as set forth in the FCM Procedures.
- Carrying FCM Clearing Member* - Means an FCM Clearing Member carrying an account for an FCM Client, and in respect of which the FCM SwapClear Contracts and Account Assets held in such account may be transferred to a Receiving FCM Clearing Member pursuant to FCM Regulation 9 of these FCM Regulations and in accordance with the FCM Procedures.
- CEA* - Means the U.S. Commodity Exchange Act.
- CFTC* - Means the U.S. Commodity Futures Trading Commission.
- CFTC Regulations* - Means the rules and regulations promulgated by the CFTC.
- Clearing House* - Means LCH.Clearnet Limited whose registered office is located at Aldgate House, 33 Aldgate High Street, London EC3N 1EA, United Kingdom.
- Closing-out Contract* - Means for the purposes of these FCM Regulations, an FCM SwapClear Contract effected by or on behalf of the Clearing House and registered in an FCM Clearing Member's name, being an FCM SwapClear Contract on the same terms (except as to price) as an Open Contract

- in the FCM Clearing Member's name, save that where the Clearing House is paying Rate X under the terms of such open FCM SwapClear Contract, the Clearing House shall pay Rate Y under the terms of such closing-out FCM SwapClear Contract, and vice-versa.
- Contribution* - Means, in relation to the Default Fund Rules, the meaning assigned to it in rule 17 of the Default Fund Rules.
- cover* - Means an amount determined by the Clearing House of cash or, with the approval of the Clearing House, security in a currency and a form acceptable to the Clearing House as prescribed by the FCM Procedures.
- defaulter* - Has the meaning attributed to it in rule 4 of the Default Rules.
- Default Fund Rules* - Means the Clearing House's Default Fund Rules from time to time in force.
- Default Rules* - Means the Clearing House's Default Rules from time to time in force pursuant to part II of schedule 21 to the UK Companies Act 1989.
- Economic Terms* - Means that part of the FCM SwapClear Contract Terms designated as Economic Terms by the Clearing House from time to time.
- Excess Margin* - Means cover delivered to the Clearing House by an FCM Clearing Member in respect of its FCM SwapClear Contracts which is in excess of the Required Margin in respect of such FCM SwapClear Contracts.
- Executing Party* - ~~Means each person described as a party to an FCM SwapClear Transaction in the details submitted to the Clearing House by an FCM Clearing Member and/or via the relevant FCM Approved Trade Source System. Means any party to a swap transaction with respect to which at least one party to such transaction applies to have its side of such transaction registered with the Clearing House (through its FCM Clearing Member or on its own behalf as an FCM Clearing Member, as applicable) as an FCM SwapClear Contract, and the other party to such transaction applies to have its side of such transaction registered with the Clearing House either as an FCM SwapClear Contract (through its FCM Clearing Member or on its own behalf as an FCM Clearing Member, as applicable) or as an SCM SwapClear Contract (through its SwapClear Clearing Member or on its own behalf as a SwapClear Clearing Member, as applicable), as the case may be.~~
- FCM* - Means a futures commission merchant, as defined under the CEA that is registered in such capacity with the CFTC.

- FCM Approved Trade Source System* - Means a system or facility, such as an exchange, a clearing house, a swap execution facility, a designated contract market or other similar venue, approved by the Clearing House for executing FCM SwapClear Transactions and/or submitting such FCM SwapClear Transactions to the Clearing House.~~Means a system approved for executing FCM SwapClear Transactions by the Clearing House.~~
- FCM Clearing Member* - Means an FCM that has been approved by the Clearing House for the clearing of FCM SwapClear Contracts on behalf of FCM Clients, in accordance with an FCM Clearing Membership Agreement and the FCM Procedures, and pursuant to these FCM Regulations, and as such is a “Clearing Member” for all purposes under the Default Rules, the Default Fund Rules and the FCM Default Fund Agreement, unless otherwise specified in these FCM Regulations.
- FCM Clearing Membership Agreement* - Means the agreement so designated under which, inter alia, the Clearing House agrees to make available clearing services to an FCM Clearing Member in respect of FCM SwapClear Contracts together with any ancillary agreements.
- FCM Client* - Means a client of an FCM Clearing Member (but not including Affiliates of such FCM Clearing Member) with positions in the Cleared OTC Derivatives Account Class (as that term is defined in CFTC Regulation 190.01(o)), including FCM SwapClear Contracts, on behalf of which the FCM Clearing Member provides FCM SwapClear Clearing Services and clears FCM SwapClear Contracts; provided that any such client is only an FCM Client with respect to its positions in cleared OTC derivatives (as that term is defined in CFTC Regulation 190.01(o)).
- FCM Client Business* - Means the provision of FCM SwapClear Clearing Services by an FCM Clearing Member to its FCM Clients.
- FCM Default Fund Agreement* - Means an agreement in a form prescribed by the Clearing House, entered into between an FCM Clearing Member and the Clearing House relating to the Clearing House’s default fund.
- FCM Omnibus OTC Client Account with LCH* - Means an omnibus account located in the United States and maintained on the books of the Clearing House in the name of an FCM Clearing Member for the benefit of its FCM Clients, in which all FCM SwapClear Contracts cleared by such FCM Clearing Member on behalf of such FCM Clients, and all associated cover and other payments and deliveries, will be reflected on the books of the Clearing House.
- FCM OTC Client Segregated Depository Account* - Means an omnibus account located in the United States and maintained by an FCM Clearing Member for its FCM Clients with a depository, which is segregated in accordance with the CEA and regulations of the CFTC

- and contains the Account Assets deposited by such FCM Clients in connection with FCM SwapClear Contracts cleared for such FCM Clients by such FCM Clearing Member.
- FCM Procedures* - Means the document containing the working practices and administrative or other requirements of the Clearing House for the purposes of implementing or supplementing these FCM Regulations, or the procedures for application for and regulation of membership of the Clearing House.
- FCM Regulations* - Means these FCM Regulations entitled as such, relating to FCM SwapClear Contracts and the clearing of FCM SwapClear Contracts only, from time to time in force.
- FCM Rulebook* - Means the FCM Regulations, the Other Specific Regulations, the FCM Procedures and such other rules of the Clearing House, which are applicable to FCM SwapClear Clearing Services, as published and amended from time to time.
- FCM Segregated Accounts* - Means, with respect to each FCM Clearing Member, its FCM OTC Client Segregated Depository Accounts and its PPS Accounts in which the FCM Clearing Member holds funds of its FCM Clients.
- FCM SwapClear Clearing End-User Notice* - Means the “FCM SwapClear Clearing End-User Notice” as specified by the Clearing House from time to time and as published by the Clearing House on its website or otherwise.
- FCM SwapClear Clearing Services* - Means the services provided by an FCM Clearing Member in connection with FCM SwapClear Contracts cleared on behalf of its FCM Clients or its Affiliates, as the case may be.
- FCM SwapClear Contract* - Means a contract that is registered for clearing and is entered into by the Clearing House with an FCM Clearing Member on the FCM SwapClear Contract Terms, and which is governed by these FCM Regulations.
- FCM SwapClear Contract Terms* - Means the terms applicable to each FCM SwapClear Contract as set out from time to time in the FCM Regulations.
- FCM SwapClear Transaction* - Means any transaction the details of which are presented to the Clearing House via an Approved Trade Source System for the purpose of having such transaction registered at the Clearing House as two FCM SwapClear Contracts (or, where a corresponding presentation has been made in respect of the same transaction for registration of an SCM SwapClear Contract, one SCM SwapClear Contract and one FCM SwapClear Contract), regardless of whether (a) such transaction is an existing swap transaction, (b) it was entered into in anticipation of clearing, and (c) it is contingent on clearing. ~~Means any~~

~~transaction entered into between two Executing Parties for purposes of having at least one side of such transaction registered with the Clearing House as an FCM SwapClear Contract, and the other side of such transaction registered with the Clearing House as either an FCM SwapClear Contract or an SCM SwapClear Contract.~~

Initial Margin

- Means an amount determined and published from time to time by the Clearing House with regard to each category of FCM SwapClear Contract, in respect of which FCM Clearing Members may be required to provide cover in such amount to the Clearing House in accordance with these FCM Regulations and the FCM Procedures as a condition of registration of an FCM SwapClear Contract by the Clearing House and otherwise in respect of all FCM SwapClear Contracts registered with the Clearing House, as prescribed by these FCM Regulations and the FCM Procedures.

LCH.Cleernet Group

- Means the group of undertakings consisting of LCH.Cleernet Limited, LCH.Cleernet Group Limited and Banque Centrale de Compensation S.A. trading as LCH.Cleernet SA. (Reference to a “member” of LCH.Cleernet Group within these FCM Regulations is to be construed accordingly).

LCH Approved Outsourcing Party

- Means a party approved for these purposes by the Clearing House, as set out in the FCM Procedures.

LCH OTC Client Segregated Depository Account

- Means the omnibus account (which will consist of one or more accounts at one or more depositories which are commingled for purposes of the applicable provisions of the CEA and regulations of the CFTC) located in the United States and maintained by the Clearing House for the benefit of FCM Clients of its FCM Clearing Members with a depository, which is segregated in accordance with the CEA and regulations of the CFTC, is part of the Cleared OTC Derivatives Account Class under Part 190 of the CFTC’s regulations and contains the cover deposited by such FCM Clearing Members on behalf of their FCM Clients in connection with FCM SwapClear Contracts cleared for such FCM Clients by such FCM Clearing Members.

Official Quotation

- Means a price determined by the Clearing House under FCM Regulation 11.

“Open Contract” or “open contract”

- Means an FCM SwapClear Contract which has not been closed-out, settled or invoiced back in accordance with the FCM Regulations and the FCM Procedures. The terms “Open Contract” and “open contract” shall not include a Closing-out Contract.

Other Specific Regulations

- Means the Clearing House’s Default Rules, Default Fund Rules, Settlement Finality Regulations and related Definitions and provisions relating to construction as

	published and amended by the Clearing House from time to time.
<i>Portfolios</i>	- Has the meaning assigned to it in the SwapClear DMP Annex of the Default Rules.
<i>Price</i>	- Means, in the case of an FCM SwapClear Contract, the price calculated by the Clearing House in accordance with the FCM Regulations and the FCM Procedures.
<i>Proprietary Account</i>	- Means the house account with the Clearing House opened in the name of an FCM Clearing Member to which FCM SwapClear Contracts made by the FCM Clearing Member for its own account or accounts of its Affiliates (but never accounts of its FCM Clients) are registered and to which monies in respect of such FCM SwapClear Contracts are credited.
<i>PPS Account(s)</i>	- Means the Protected Payments System (PPS) bank account(s) established by FCM Clearing Members and by LCH, as described in the FCM Procedures.
<i>Receiving FCM Clearing Member</i>	- Means an FCM Clearing Member receiving the transfer of part or all of the FCM SwapClear Contracts and Account Assets of an FCM Client from a Carrying FCM Clearing Member that previously carried such account, pursuant to Regulation 9 of these FCM Regulations and in accordance with the FCM Procedures.
<i>Reference Price</i>	- Means a price (howsoever called) by reference to which an FCM SwapClear Contract is marked to market or valued in accordance with the FCM Regulations and FCM Procedures.
<i>Registration Time</i>	- Means, in respect of FCM SwapClear Contracts, the meaning given in FCM Regulation 5(e) or FCM Regulation 5(l) as applicable.
<i>Regulatory Body</i>	- Means the Secretary of State, The Financial Services Authority or professional body designated under Part 20 of the Financial Services and Markets Act 2000 or other body given regulatory powers under that Act, the Bank of England, the CFTC or any department, agency, office or tribunal of a nation or state or any other body or authority which exercises a regulatory or supervisory function under the laws of the United Kingdom or under any foreign law.
<i>Required Margin</i>	- Means the cover required by the Clearing House from an FCM Clearing Member from time to time in respect of its FCM SwapClear Contracts.
<i>Risk Neutralisation</i>	- Has the meaning assigned to it in the SwapClear DMP Annex of the Default Rules
<i>SCM SwapClear Contract</i>	- Means a "SwapClear Contract" (as such term is defined in the U.K. General Regulations) and which is governed

in accordance with the UK General Regulations.

<i>Settlement Finality Regulations</i>	- Means the Clearing House's Settlement Finality Regulations from time to time in force.
<i>Settlement Price</i>	- Means in relation to an FCM SwapClear Contract, one or more prices determined in accordance with the FCM Regulations or the FCM Procedures.
<i>Standard Terms</i>	- Means that part of the FCM SwapClear Contract Terms designated as Standard Terms by the Clearing House from time to time.
<i>SwapClear Clearing Member</i>	- 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.
<i>SwapClear DMP</i>	- Has the meaning assigned to it in the SwapClear DMP Annex of the Default Rules.
<i>UK General Regulations</i>	- Means the Default Rules, the Default Fund Rules and the Settlement Finality Regulations, and the Clearing House's General Regulations from time to time in force.
<i>Variation Margin</i>	- Means an amount determined by the Clearing House in accordance with the FCM Procedures in respect of original contracts or Open Contracts (as the case may be) by reference to the difference between the contract value of such contracts (as determined in accordance with the FCM Procedures) and the value of such contracts at the Reference Price or at such other prices as the Clearing House may determine pursuant to the FCM Procedures, in respect of which FCM Clearing Members may be required to provide cover in such amount to the Clearing House in accordance with these FCM Regulations and the FCM Procedures.

Any reference in these FCM Regulations or the FCM Procedures to statutes or statutory instruments or provisions thereof shall be to such statutes or statutory instruments or provisions thereof as amended, modified or replaced from time to time.

Reference to writing contained in these FCM Regulations or the FCM Procedures shall include typing, printing, lithography, photography or any other mode of representing or reproducing words in a visible form.

Words importing the singular shall, where the context permits, include the plural and vice-versa.

Any reference to time contained in these FCM Regulations or the FCM Procedures shall, unless otherwise stated, be to London time. Times are shown using the twenty four hour clock.

Any reference in these FCM Regulations to a person or a party (howsoever described) shall include its successors.

Headings are used herein for ease of reference only.

Regulation 1 Obligations of the Clearing House to each FCM Clearing Member

- (a) The Clearing House shall perform the obligations referred to in paragraph (b) below so as to ensure the performance of all Open Contracts in accordance with these FCM Regulations. FCM Clearing Members are fully liable to the Clearing House for the performance of all obligations arising in connection with FCM SwapClear Contracts, regardless of whether such FCM SwapClear Contracts are cleared by such FCM Clearing Members as principal for their own accounts, or as agent and guarantor for their respective FCM Clients and Affiliates (as set forth in FCM Regulation 3(b)).
- (b) The obligations of the Clearing House to each FCM Clearing Member shall be as a counterpart to an Open Contract registered in the name of an FCM Clearing Member in accordance with these FCM Regulations and the FCM Procedures, to perform its obligations under the terms of such Open Contract as principal to such FCM Clearing Member in accordance with the provisions of these FCM Regulations and the FCM Procedures, but subject to the restrictions on the Clearing House's obligations and liabilities contained in these FCM Regulations.
- (c) The performance by the Clearing House of its obligations referred to in this FCM Regulation 1 shall be subject to the provisions of these FCM Regulations. It is not the intention of the Clearing House or its members to confer any benefit on or give any right to enforce any provisions of this FCM Regulation 1 or any of the other FCM Regulations to any person who is not a member.

Regulation 2 Performance by the Clearing House of its Obligations under the Terms of an Open Contract

The Clearing House's obligations under the terms of an Open Contract shall be performed in the manner and form and by such day and time as may be prescribed in these FCM Regulations or the FCM Procedures; provided that where the Economic Terms of an FCM SwapClear Contract specify a time by which a party thereto shall perform its obligations, the Clearing House shall be deemed to have complied with such Economic Terms if it performs its obligations promptly after such time.

Regulation 3 FCM Clearing Member Status of the Clearing House and Application of LCH Regulations

- (a) Application for FCM Clearing Member status in the Clearing House shall be made in accordance with the FCM Procedures. An FCM Clearing Member's status in the Clearing House and all FCM SwapClear Clearing Services shall be governed by these FCM Regulations, the Other Specific Regulations and the FCM Procedures. Additionally, an FCM Member's status in the Clearing House shall be governed by any FCM Clearing Membership Agreement to which it is for the time being party. FCM Clearing Member status does not provide or entitle an FCM Clearing Member to any other clearing member status with the Clearing House, or to any shareholding membership of LCH.Clearnet Limited or any shareholding or other membership of any other member of the LCH.Clearnet Group or any entitlement to membership or participation in LCH.Clearnet SA, each of which has separate and distinct membership requirements.
- (b) Notwithstanding any other provision of these FCM Regulations, with respect to FCM SwapClear Transactions involving an FCM Client or an Affiliate cleared by an FCM Clearing Member as FCM SwapClear Contracts, such FCM Clearing Member shall act solely as agent of its FCM Clients and Affiliates in connection with the clearing of such FCM SwapClear Contracts, provided that each FCM Clearing Member shall remain fully liable for all obligations to the Clearing House arising in connection with such FCM SwapClear Contracts.
- (c) Qualification of FCM Clearing Members. An FCM Clearing Member must obtain approval from the Clearing House in order to provide FCM SwapClear Clearing Services. In order to obtain such approval, and in order to maintain such approval once such approval has been obtained, an FCM Clearing Member must:
- (i) be registered with the CFTC as an FCM;
 - (ii) be incorporated or otherwise organized under the laws of a State within the United States;
 - (iii) maintain adjusted net capital, as defined in CFTC Regulation 1.17, of at least \$50,000,000 (fifty million United States dollars); provided, that (A) the Clearing House shall be permitted (in its sole and reasonable discretion), including as described in the FCM Procedures, to scale an FCM Clearing Member's required level of net capital in accordance with the level of risk introduced to the Clearing House by such FCM Clearing Member and (B) the Clearing House shall be permitted (in its sole and reasonable discretion) to scale an FCM Clearing Member's level of risk introduced to the Clearing House by such FCM Clearing Member in accordance with its level of net capital (and regardless of whether such FCM Clearing Member has adjusted net capital exceeding \$50,000,000);
 - (iv) have and maintain systems and personnel that are, in the judgment of the Clearing House, adequate to enable such FCM Clearing Member or applicant to satisfy its operational responsibilities, in accordance with the FCM Regulations and FCM Procedures and, without limitation, have the connectivity and capability to process FCM SwapClear Transactions through an FCM Approved Trade Source System;
 - (v) be in compliance with all applicable provisions of the FCM Rulebook and the FCM Default Fund Agreement, including but not limited to the requirement to

- contribute to the Clearing House Default Fund in accordance with the FCM Rulebook;
- (vi) be able to successfully participate or demonstrate that it has: (A) an affiliated SwapClear Clearing Member that can successfully participate; or (B) an LCH Approved Outsourcing Party that can successfully participate in a SwapClear “fire drill” run by the Clearing House from time to time which shall involve submitting a bid for a notional portfolio of trades within a specific currency in a specified timeframe. Submission of a bid outside the timeframe specified by the Clearing House or submitting a bid that is unreasonable will constitute a failure of the “fire drill” and the applicant’s FCM Clearing Member application will not be approved;
 - (vii) be able to participate or demonstrate that it has: (A) an affiliated SwapClear Clearing Member that can successfully participate; or (B) an LCH Approved Outsourcing Party that can successfully participate in the Default Management Process operated by the Clearing House;
 - (viii) have, within its corporate group, at least one banking institution, credit institution, securities firm, investment banking firm or similar entity licensed by the competent authorities of the United States or a member state of the European Union, or the equivalent of a banking institution, credit institution, securities firm, investment banking firm or similar entity licensed by the competent authorities of a country outside the United States and the European Union and which is subject to prudential rules considered by the Clearing House to be at least as stringent as those applicable to banking institutions, credit institutions, securities firms, investment banking firms or similar entities, as applicable, within the United States or the European Union; and
 - (ix) in the event of a default be able to receive from the Clearing House and process FCM SwapClear Contracts and SCM SwapClear Contracts, and any associated hedge trades, in FPML format.
- (d) Each FCM Clearing Member shall at all times continue to comply with and satisfy the qualifications and requirements set forth in FCM Regulation 3(c) and shall promptly notify the Clearing House if it has breached or reasonably expects to breach any such qualifications or requirements.
 - (e) Notwithstanding anything else contained in this FCM Regulation 3 or in the FCM Procedures, an applicant to become an FCM Clearing Member shall provide any additional documentation or information that is reasonably requested by the Clearing House in order to verify or substantiate the ability of such FCM Clearing Member applicant to satisfy its obligations under the FCM Rulebook or to satisfy its obligations as an FCM Clearing Member.

Regulation 4 FCM Client Business and Proprietary Account Trading

- (a) Subject to the provisions of these FCM Regulations, FCM SwapClear Clearing Services may be provided by an FCM Clearing Member to its FCM Clients on any terms and conditions mutually agreed to by the FCM Clearing Member and the FCM Client, provided, however, that each FCM Clearing Member shall, before providing FCM SwapClear Clearing Services to any FCM Client, ensure that:
- (i) it has entered into an agreement with that FCM Client, or an Addendum to an existing Agreement with such FCM Client, which, in either case, binds the FCM Client to the applicable provisions of the FCM Rulebook by direct reference to the FCM Rulebook or otherwise, and any such other provisions as shall be agreed from time to time between the Clearing House and FCM Clearing Members, or as may be prescribed by the Clearing House; and
 - (ii) the FCM Client has been provided with or has been directed to a copy of the FCM SwapClear Clearing End-User Notice and that the FCM Clearing Member confirms to the Clearing House in writing that it has done so.
- (b) FCM SwapClear Clearing Services may be provided by an FCM Clearing Member to its FCM Clients, and FCM SwapClear Contracts may be entered into by an FCM Clearing Member with the Clearing House on behalf of its FCM Clients only through an FCM Omnibus OTC Client Account with LCH maintained by the Clearing House in the name of the FCM Clearing Member for the benefit of its FCM Clients.
- (c) If and to the extent permitted in the FCM Procedures, FCM Clearing Members shall be permitted to enter into and clear FCM SwapClear Contracts for their own account or accounts of their Affiliates, in each case through their Proprietary Accounts. An FCM Clearing Member wishing to provide FCM SwapClear Clearing Services to Affiliates shall enter into an agreement with each such Affiliate, or an Addendum to an existing agreement which, in either case, binds the Affiliate to the applicable provisions of the FCM Rulebook by direct reference to the FCM Rulebook or otherwise, and any such other provisions as shall be agreed from time to time between the FCM Clearing Member and the Affiliate, or as may be prescribed by the Clearing House. An FCM Clearing Member providing FCM SwapClear Clearing Services to its Affiliates shall notify the Clearing House of any Affiliates for which it provides such FCM SwapClear Clearing Services.
- (d) Each FCM Clearing Member shall maintain appropriate books and records identifying all pertinent information regarding its FCM Clients and any Affiliates for which it provides FCM SwapClear Clearing Services and regarding trades made on its own behalf through its Proprietary Account, the FCM SwapClear Contracts cleared for such FCM Clients, Affiliates, or on its own behalf, and the cover held in respect of such cleared FCM SwapClear Contracts, subject to the provisions of the following paragraph (e).
- (e) Each FCM Clearing Member shall establish and maintain an FCM OTC Client Segregated Depository Account on behalf of its FCM Clients, in accordance with applicable provisions of the CEA and regulations of the CFTC, including but not limited to Part 1 and Part 190 of such regulations, and as further set forth in FCM Regulation 29. The FCM OTC Client Segregated Depository Account shall be maintained with a depository in accordance with the CEA and CFTC Regulations and the FCM Clearing Member may commingle assets of all of its FCM Clients in such FCM OTC Client Segregated Depository Account in a single omnibus account established and maintained in accordance with CFTC Regulations. The FCM OTC

Client Segregated Depository Account maintained by each FCM Clearing Member shall be designated as part of the Cleared OTC Derivatives Account Class for the purposes of Part 190 of the CFTC's regulations and Section 2(h) of the CEA.

- (f) The Clearing House shall establish and maintain an LCH OTC Client Segregated Depository Account on behalf of the FCM Clients, in accordance with applicable provisions of the CEA and regulations of the CFTC, including but not limited to Part 1 and Part 190 of such regulations. The LCH OTC Client Segregated Depository Account shall be maintained with a depository in accordance with the CEA and CFTC Regulations and the Clearing House may commingle assets of all of the FCM Clients Account in a single omnibus account established and maintained in accordance with CFTC Regulations. All cover deposited by FCM Clearing Members in connection with FCM SwapClear Contracts cleared on behalf of FCM Clients shall be held in such LCH OTC Client Segregated Depository Account. The LCH OTC Client Segregated Depository Account shall be maintained by the Clearing House separately from any and all assets of the FCM Clearing Members, or any other assets that the Clearing House is holding for clients (other than FCM Clients) and shall contain no assets other than cover deposited by FCM Clearing Members in connection with the clearing of FCM SwapClear Contracts on behalf of their FCM Clients. The LCH OTC Client Segregated Depository Account maintained by the Clearing House shall be designated as part of the Cleared OTC Derivatives Account Class for the purposes of Part 190 of the CFTC's regulations.
- (g) The Required Margin relating to FCM SwapClear Contracts cleared by an FCM Clearing Member on behalf of its FCM Clients, its Affiliates, or on its own behalf, will be calculated by the Clearing House, and discharged by the FCM Clearing Member in respect of all such FCM SwapClear Contracts, by:
- (i) if and to the extent that there is Excess Margin available, deduction by the Clearing House of amounts from such Excess Margin, provided that, in accordance with these FCM Regulations, including without limitation FCM Regulation 29, in no event shall Excess Margin attributable to FCM Clients be available to satisfy Required Margin requirements relating to Proprietary Accounts;
 - (ii) otherwise, delivery by the FCM Clearing Member to the Clearing House of cover with a value which is at least sufficient to discharge the relevant requirement.

FCM Clients and FCM SwapClear Contract positions established for FCM Clients shall be subject to gross margin requirements on all such positions, and FCM Clearing Members shall require its FCM Clients to satisfy such gross margin requirements. FCM SwapClear Contract positions established in an FCM Clearing Member's Proprietary Account on its own behalf and for its Affiliates shall be subject to net margin requirements, such that an FCM Clearing Member shall be required to deposit a net margin amount with the Clearing House in connection with all of the FCM SwapClear Contract positions of itself and its Affiliates. An FCM Clearing Member may impose margin requirements on its Affiliates for which it provides FCM SwapClear Clearing Services on a net basis, netting the positions and related margin requirements with respect to a single Affiliate or across multiple Affiliates, or an FCM Clearing Member may impose such margin requirements on a gross basis.

- (h) An FCM Clearing Member shall provide the Clearing House with all information required under the FCM Procedures regarding the FCM SwapClear Contracts and

Account Assets held by such FCM Clearing Member for each of its FCM Clients at such times and in such form as required under the FCM Procedures. In addition, an FCM Clearing Member, as soon as reasonably practicable following a request from the Clearing House, provide the Clearing House with any other information which the Clearing House may reasonably require in relation to the FCM Clients or Affiliates of the FCM Clearing Member, or the clearing of FCM SwapClear Contracts by such FCM Clearing Member on behalf of its FCM Clients, its Affiliates, or on its own behalf.

- (i) No FCM Clearing Member may withdraw any amount from its FCM Omnibus OTC Client Account with LCH or its Proprietary Account if such withdrawal would cause the account balance to be less than the Required Margin then attributable to such FCM Omnibus OTC Client Account with LCH or Proprietary Account, as applicable, determined by the Clearing House in accordance with the provisions of the FCM Rulebook.

Regulation 5 Registration of FCM SwapClear Contracts; Novation and Post-Novation Compression

- (a) In order for an FCM to submit an FCM SwapClear Transaction for registration as an FCM SwapClear Contract, the FCM must be currently approved as an FCM Clearing Member pursuant to these FCM Regulations. The Executing Parties to such FCM SwapClear Transaction shall be responsible for any give-up or other agreement mutually agreed to among the parties with respect to such transactions, as applicable. An FCM Clearing Member must submit the particulars of an FCM SwapClear Transaction for registration as FCM SwapClear Contracts in accordance with these FCM Regulations. Each FCM SwapClear Transaction involving an FCM Client shall be presented to the Clearing House for registration on behalf of such FCM Client by its FCM Clearing Member. ~~It is a condition for registration as an FCM SwapClear Contract that both sides of the underlying FCM SwapClear Transaction be presented for clearing (as one FCM SwapClear Contract and one SCM SwapClear Contract, or as two FCM SwapClear Contracts, as the case may be).~~
- (b) Where an Executing Party enters into an FCM SwapClear Transaction on an FCM Approved Trade Source and such FCM SwapClear Transaction is to be cleared through an FCM Clearing Member, the Clearing House shall notify the FCM Clearing Member of such FCM SwapClear Transaction and request acceptance for registration in accordance with the FCM Procedures. Upon receipt of acceptance for registration by the Clearing House from the FCM Clearing Member, (i) the FCM Clearing Member shall be deemed to have presented the FCM SwapClear Transaction to the Clearing House (and such presentation may not be withdrawn by the FCM Clearing Member unless otherwise provided in the FCM Rulebook) and the Clearing House shall register the FCM SwapClear Transaction subject to, and in accordance, with these FCM Regulations and the FCM Procedures and (ii) such FCM Clearing Member shall be obligated to pay, upon request of the Clearing House, all cover required by the Clearing House in connection with the registration of the FCM SwapClear Transaction.
- (c) Without prejudice to the Clearing House's rights under paragraph (f) of this FCM Regulation 5, an FCM Clearing Member shall be bound by an FCM SwapClear Contract registered in its name on behalf of an FCM Client or an Affiliate pursuant to the presentation of particulars of an FCM SwapClear Transaction by it, and by the other FCM Clearing Member or SwapClear Clearing Member, as applicable.
- ~~(d) The Clearing House shall register an FCM SwapClear Contract in respect of an FCM SwapClear Transaction presented for registration within a commercially reasonable time, provided that: Without prejudice to the Clearing House's rights under paragraph (f) of this FCM Regulation 5, an FCM SwapClear Transaction, particulars of which are submitted for registration as FCM SwapClear Contracts, must meet the eligibility criteria prescribed in these FCM Regulations and the FCM Procedures at the time the particulars of the FCM SwapClear Transaction are presented to the Clearing House and must continue to meet such criteria at the Registration Time in order to be registered as FCM SwapClear Contracts, at which time the FCM SwapClear Contracts shall replace and supersede such corresponding FCM SwapClear Transaction.~~
- ~~(i) both sides of the relevant FCM SwapClear Transaction have been properly presented and submitted for clearing by (or on behalf of the) the Executing Parties;~~

- (ii) the relevant FCM SwapClear Transaction meets the eligibility criteria prescribed in the FCM Rulebook at the time the particulars of the FCM SwapClear Transaction are presented to the Clearing House and continues to meet such criteria at the Registration Time;
 - (iii) each FCM SwapClear Contract is consented to by the relevant FCM Clearing Member (automatically or otherwise) in accordance with paragraph (b) above and Section 2.3.2 of the FCM Procedures;
 - (iv) the applicable FCM Clearing Member has paid or transferred, upon request of the Clearing House and in accordance with FCM Regulation 10 and such other applicable provisions of the FCM Rulebook, all cover in respect of such FCM SwapClear Contract prior to registration; and
 - (v) all the conditions applicable (under the terms of the FCM Rulebook or the Rulebook, as the case may be) for the registration of the other corresponding FCM SwapClear Contract or the other SCM SwapClear Contract (as the case may be) deriving from the relevant FCM SwapClear Transaction have been satisfied.
 - (d) If for any reason in respect of an FCM SwapClear Contract the other corresponding FCM SwapClear Contract or SCM SwapClear Contract (as the case may be) is not registered by the Clearing House, the Clearing House shall de-register such FCM SwapClear Contract or SCM SwapClear Contract (as the case may be) and shall not have any liability whatsoever to any FCM Clearing Member or to any other person in contract, tort (including without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred as a result of such de-registration.
- (e) The Clearing House shall be deemed to register an FCM SwapClear Contract, in accordance with this FCM Regulation 5 in the name of an FCM Clearing Member on behalf of an FCM Client or an Affiliate (or, if applicable, on the FCM Clearing Member's own behalf), at the time prescribed in the FCM Procedures ("Registration Time"). At the Registration Time, the FCM Clearing Member, and the FCM Client or Affiliate if applicable, will be deemed to be bound by the relevant FCM SwapClear Contract on the terms entered into between the FCM Clearing Member and the Clearing House automatically and without any further action by such FCM Clearing Member or FCM Client or Affiliate, which such terms shall, without limitation, incorporate all applicable terms of these FCM Regulations and Schedule A hereto.
- (f) If at any time after registration of FCM SwapClear Contracts, the Clearing House determines that the corresponding FCM SwapClear Transaction of which details were submitted for registration did not, at the Registration Time, meet the eligibility criteria for registration as FCM SwapClear Contracts pursuant to the FCM Rulebook, the Clearing House shall, as soon as practicable thereafter, set aside such FCM SwapClear Contracts. Upon the FCM SwapClear Contracts being set aside under this FCM Regulation 5, the particulars of the corresponding FCM SwapClear Transaction in question shall be deemed never to have been submitted to the Clearing House. Any payment made under, or in respect of, an FCM SwapClear Contract set aside under this paragraph shall be repayable to the person who made the payment. Without prejudice to FCM Regulation 26 and its obligations under this FCM Regulation 5, the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of an FCM SwapClear Contract in respect of a transaction which did not

meet the eligibility criteria at the Registration Time to enable it to be registered as an FCM SwapClear Contract.

- (g) Where the FCM Procedures so provide, the Clearing House may require the FCM Clearing Members in whose names one or more FCM SwapClear Transactions are to be registered to furnish it with cover as a condition of registration of such FCM SwapClear Transaction(s), and such cover shall be furnished to the Clearing House in accordance with FCM Regulation 10 and such other applicable provisions in the FCM Rulebook.
- (h) The Clearing House may decline to register an FCM SwapClear Transaction in the name of an FCM Clearing Member where it considers such action advisable for its own protection or the protection of the relevant market, provided that the Clearing House shall (subject to the provisions of the FCM Rulebook) register any FCM SwapClear Contract which reduces the risk exposure of the Clearing House and the applicable FCM Clearing Member, as determined in the discretion of the Clearing House. The Clearing House may, without assigning any reason, make the registration of any FCM SwapClear Transaction subject to any conditions stipulated by the Clearing House including, without limitation, the furnishing of additional cover by any FCM Clearing Member in whose name any such FCM SwapClear Transaction is to be registered.
- (i) An FCM SwapClear Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House in one of the following ways:
 - (i) in the case where one Executing Party clears its side of such FCM SwapClear Transaction, either through a SwapClear Clearing Member or directly with the Clearing House in its capacity as a SwapClear Clearing Member, and the other Executing Party clears its side of such FCM SwapClear Transaction as or through an FCM Clearing Member, as one SCM SwapClear Contract pursuant to the UK General Regulations applicable to SwapClear Clearing Members and one FCM SwapClear Contract pursuant to these FCM Regulations, where the FCM SwapClear Contract shall be registered between the FCM Clearing Member, as the party paying Rate X, and the Clearing House as the party paying Rate Y, and the SCM SwapClear Contract shall be registered between the Clearing House, as the party paying Rate X, and the SwapClear Clearing Member, as the party paying Rate Y; or
 - (ii) in the case where each Executing Party will clear its respective side of such FCM SwapClear Transaction either through an FCM Clearing Member or directly itself as an FCM Clearing Member, as two FCM SwapClear Contracts pursuant to these FCM Regulations where each relevant FCM SwapClear Contract is registered between the relevant FCM Clearing Member and the Clearing House, with one such FCM Clearing Member as the party paying Rate X, and the Clearing House as the party paying Rate Y, and the other FCM Clearing Member as the party paying Rate Y and the Clearing House as the party paying Rate X.

In each of the foregoing cases, to the extent the FCM SwapClear Contract has been entered into by an FCM Clearing Member on behalf of an FCM Client or Affiliate, each FCM Clearing Member will be the agent of its FCM Client or Affiliate, but will nevertheless remain fully liable to the Clearing House for any and all amounts due to the Clearing House in connection with any FCM SwapClear Contract cleared on behalf of its FCM Client or Affiliate.

- (j) With effect from the registration of an FCM SwapClear Transaction in accordance with FCM Regulation 5(i) above:
- (i) such FCM SwapClear Transaction shall be extinguished and replaced by the corresponding FCM SwapClear Contracts (or if applicable, the corresponding FCM SwapClear Contract and SCM SwapClear Contract), and the parties to such FCM SwapClear Transaction shall be released and discharged from all rights and obligations under such FCM SwapClear Transaction which fall due for performance on or after the Registration Time;
 - (ii) each FCM SwapClear Contract registered under FCM Regulation 5(i) above shall be governed by the FCM SwapClear Contract Terms as applicable to that FCM SwapClear Contract;
 - (iii) subject to sub-paragraph (2) above, in respect of the Economic Terms, the FCM Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the FCM SwapClear Contract as the party paying Rate X had and owed in respect of its counterparty under the corresponding FCM SwapClear Transaction; and
 - (iv) subject to sub-paragraph (2) above, in respect of the Economic Terms, the FCM Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the FCM SwapClear Contract to which it is party as the party paying Rate Y had and owed in respect of its counterparty under the corresponding FCM SwapClear Transaction.
- In subparagraphs (3) and (4) above, a reference to the “same” rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the Economic Terms of the corresponding FCM SwapClear Transaction (it being assumed, for this purpose, that such FCM SwapClear Transaction was a legal, valid, binding and enforceable obligation of the parties thereto and that the Economic Terms thereof were as presented to the Clearing House for registration), notwithstanding the change in the person entitled to them or obliged to perform them, and subject to any change thereto as a result of the operation of the Standard Terms.
- (k) If an FCM SwapClear Transaction is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any FCM SwapClear Contract arising under this FCM Regulation 5 or any other applicable provision of the FCM Rulebook.
- (l) In the case of an FCM SwapClear Contract registered by the Clearing House pursuant to rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this FCM Regulation 5 shall take effect.
- (m) An FCM Clearing Member may provide FCM SwapClear Clearing Services in connection with FCM SwapClear Contracts or FCM SwapClear Transactions to any of its Affiliates. Such FCM SwapClear Clearing Services shall be provided in the same manner as set forth under these FCM Regulations with respect to FCM Clients, as applicable, except that all transactions for Affiliates shall be cleared through the Proprietary Account of the applicable FCM Clearing Member.

- (n) Notwithstanding any other provision of these FCM Regulations, if one or more FCM SwapClear Contracts registered by an FCM Clearing Member in accordance with these FCM Regulations and the FCM Procedures has substantially the same Economic Terms as one or more other FCM SwapClear Contracts previously registered for the account of such FCM Clearing Member, and all such FCM SwapClear Contracts are either (i) registered on the FCM Clearing Member's own behalf, (ii) registered on behalf of the same FCM Client or (iii) registered on behalf of the same Affiliate, the FCM Clearing Member may request that the Clearing House compress and combine all such FCM SwapClear Contracts by terminating the relevant existing FCM SwapClear Contracts and compressing them into one FCM SwapClear Contract reflecting the aggregate economic terms, or the net economic terms, as the case may be, of the original FCM SwapClear Contracts. For purposes of this FCM Regulation 5(n), two or more FCM SwapClear Contracts may be deemed by the Clearing House to have "substantially the same Economic Terms" if they are based on the same underlying currencies and the Clearing House considers them, in its sole discretion, to have substantially the same fundamental economic attributes which influence the amount, value date and direction of all coupon cash flows. Two or more FCM SwapClear Contracts that are compressed under the terms of this FCM Regulation 5(n) shall be aggregated if the position of the FCM Clearing Member (on its own behalf) or the relevant FCM Client or Affiliate is in the same direction on each such FCM SwapClear Contract (i.e., obligations to make payment aggregated and rights to receive payment aggregated), such that the FCM SwapClear Contract that replaces the compressed FCM SwapClear Contracts shall have a notional amount equal to the total notional amount of the compressed FCM SwapClear Contracts. Two or more FCM SwapClear Contracts that are compressed under the terms of this Regulation 5(n) shall be netted if the position of the FCM Clearing Member (on its own behalf) or the relevant FCM Client or Affiliate is in the opposite direction on two or more of each such FCM SwapClear Contracts (i.e., obligations to make payment netted against rights to receive payment), such that the FCM SwapClear Contract (if any) that replaces the compressed FCM SwapClear Contracts shall have a notional amount equal to the net notional amount of the compressed FCM SwapClear Contracts, and provided that in the event that the net notional amount is equal to zero such compression shall result in no replacement FCM SwapClear Contracts. The Clearing House shall determine (in its sole discretion) whether FCM SwapClear Contracts that are the subject of a request for compression from the FCM Clearing Member may be compressed and, if such FCM SwapClear Contracts are compressed, the Clearing House shall determine the resulting notional amount of the FCM SwapClear Contract(s) (if any) that replaces the compressed FCM SwapClear Contracts, and such determination shall be binding on the FCM Clearing Member, absent manifest error. It is a condition for compression of FCM SwapClear Contracts that the amount of cover that the Clearing House requires in respect of the original FCM SwapClear Contracts is equal to that which is required by the Clearing House in respect of the replacement FCM SwapClear Contract(s).

Regulation 6 Treatment of Accounts at LCH

- (a) Accounts shall be opened between each FCM Clearing Member and the Clearing House in accordance with the FCM Procedures. An FCM Clearing Member shall be responsible to LCH for all obligations owed to the Clearing House in respect of every account opened in respect of such FCM Clearing Member.
- (b) This paragraph applies to an FCM Clearing Member's Proprietary Accounts. In the event that more than one Proprietary Account is opened in respect of an FCM Clearing Member, the Clearing House shall have the right to combine or consolidate the balances on any or all of the FCM Clearing Member's Proprietary Accounts, treat all such accounts as a single account and set off any amount or amounts standing from time to time to the credit of any one or more of such accounts in or towards payment or satisfaction of all or any of the FCM Clearing Member's liabilities to the Clearing House on any one or more of such accounts, or in or towards payment or satisfaction of any other obligations of the FCM Clearing Member to the Clearing House, including but not limited to, obligations arising in connection with FCM Client Business.
- (c) This paragraph applies to an FCM Clearing Member's FCM Omnibus OTC Client Accounts with LCH. Unless the FCM Rulebook provides otherwise, in the event that more than one FCM Omnibus OTC Client Account with LCH is opened in respect of an FCM Clearing Member, the Clearing House shall have the right to combine or consolidate the balances on any or all of such FCM Omnibus OTC Client Accounts (within the same account class for purposes of Part 190 of the CFTC Regulations) with LCH of an FCM Clearing Member, treat all such accounts as a single account and set off any amount or amounts standing to the credit of any one or more of such FCM Omnibus OTC Client Accounts with LCH of an FCM Clearing Member in or towards payment or satisfaction of all or any of the FCM Clearing Member's liabilities to the Clearing House on any one or more of such FCM Omnibus OTC Client Accounts with LCH.
- (d) Amounts standing to the credit of an FCM Clearing Member's account relating to Contributions made under the Default Fund Rules may be applied as provided for in the Default Fund Rules.
- (e) Any rights of set-off, combination of accounts or appropriation which the Clearing House may have under these FCM Regulations or otherwise shall apply whether or not accounts are denominated in the same currency.
- (f) Interest calculated on a basis determined from time to time by the Clearing House in accordance with the FCM Procedures may at the Clearing House's discretion (but subject to the provisions of the Default Fund Rules) be paid, or, in the case of negative interest rates, be charged, on amounts standing to the credit of any of the FCM Clearing Member's accounts.
- (g) Debit balances due to the Clearing House on any account opened in respect of an FCM Clearing Member are payable by such FCM Clearing Member on demand and interest may at the Clearing House's discretion be charged on debit balances remaining unpaid (whether or not demand for payment is made) on a basis and at a rate determined from time to time by the Clearing House in accordance with the FCM Procedures.
- (h) Subject to the provisions of the Default Fund Rules, the Clearing House may at its absolute discretion alter the basis of calculating interest rates and such alteration

shall be effective in respect of all current and future business on the date notified to FCM Clearing Members in accordance with the FCM Procedures.

- (i) If an FCM Clearing Member specifies a Termination Date under FCM Regulation 26A, the FCM Clearing Member shall be entitled to set off any or all amounts (whether present or future, liquidated or unliquidated, actual or contingent) due as between the Clearing House and the FCM Clearing Member, provided that in accordance with these FCM Regulations, including without limitation FCM Regulation 29, an FCM Clearing Member's obligations to the Clearing House (other than solely in respect of the obligations of its FCM Clients) may never be set off with amounts in FCM OTC Client Segregated Depository Accounts.
- (j) Where a payment has been made to the Clearing House by an FCM Clearing Member through the PPS, that payment will only be credited to the account of the FCM Clearing Member with the Clearing House if it (i) is paid into an account of the Clearing House with an institution which is solvent, (ii) that institution has performed its concentration function (being the transfer of net funds from the institution to a central account in the name of the Clearing House) and (iii) the institution has made the relevant payments to other Members on the date when the payment was due to be received by the Clearing House.

Regulation 7 Designation

An FCM Clearing Member shall designate the account of the FCM Clearing Member in which a prospective FCM SwapClear Contract shall be registered in the manner and form and by the time prescribed by the FCM Procedures. If the FCM Clearing Member fails to so designate an account, the Clearing House may, at its discretion and in accordance with the FCM Procedures, determine in which account of the FCM Clearing Member the FCM SwapClear Contract shall be entered.

Regulation 8 Trading Information

The Clearing House shall make available to an FCM Clearing Member in the manner and by the time prescribed by the FCM Procedures, such details of original contracts presented for registration in the name of that FCM Clearing Member, Open Contracts registered in that FCM Clearing Member's name, and cover furnished by that FCM Clearing Member as may be prescribed in the FCM Procedures.

Regulation 9 Transfer

- (a) Other than in the event that an FCM Clearing Member is a defaulter, Open Contracts in such FCM Clearing Member's name shall not be allocated or transferred except as provided in this FCM Regulation 9.
- (b) Upon the instruction or at the request of an FCM Client, via a Receiving FCM Clearing Member (as set out in the FCM Procedures), to transfer that FCM Client's entire portfolio (and not less than an entire portfolio) of FCM SwapClear Contracts from a Carrying FCM Clearing Member, the Clearing House shall transfer: (x) all FCM SwapClear Contracts entered into by the Carrying FCM Clearing Member on behalf of such FCM Client, as identified to the Clearing House by the Carrying FCM Clearing Member, the Clearing House being entitled to rely conclusively on the instructions of the Carrying FCM Clearing Member with respect to the FCM SwapClear Contracts to be transferred (such transfer to occur by novation of such FCM SwapClear Contracts rather than by closeout and rebooking of new FCM SwapClear Contracts); and (y) upon request, if any, of the Receiving FCM Clearing Member on behalf of the relevant FCM Client, all Account Assets deposited with or transferred to the Clearing House by a Carrying FCM Clearing Member and held by the Clearing House in respect of the FCM SwapClear Contracts that are being transferred to a Receiving FCM Clearing Member designated by the FCM Client as set out in the FCM Procedures (the Clearing House being entitled to rely conclusively on the instructions of the Carrying FCM Clearing Member with respect to such Account Assets), provided that:
- (i) such FCM Client has not become insolvent (such FCM Client to be presumed to be solvent by the Clearing House unless evidenced to the contrary by the Carrying FCM Clearing Member in the manner set forth in the FCM Procedures or as otherwise reasonably determined by the Clearing House);
 - (ii) neither the Carrying FCM Clearing Member nor the Receiving FCM Clearing Member is a defaulter;
 - (iii) the Receiving FCM Clearing Member has consented to such transfer;
 - (iv) the Clearing House considers that it has received sufficient cover from the Receiving FCM Clearing Member in order to enable the transfer; and
 - (v) the FCM Client has satisfied (such satisfaction to be presumed by the Clearing House unless evidenced to the contrary by the Carrying FCM Clearing Member in the manner set forth in the FCM Procedures or as otherwise reasonably determined by the Clearing House) all outstanding obligations that are due and payable to the Carrying FCM Clearing Member and its Affiliates, including any increased margin due and payable that may result from the proposed transfer, unless the Carrying FCM Clearing Member otherwise consents.
- For purposes of (v) above, with respect to obligations owed to Affiliates of the Carrying FCM Clearing Member by an FCM Client, "obligations" shall consist only of those obligations that arise as a result of cross-margining, cross-netting or other similar arrangements with respect to the FCM SwapClear Contracts being transferred or the FCM Client's related collateral.
- (c) Upon the instruction or at the request of an FCM Client via a Receiving FCM Clearing Member (as set out in the FCM Procedures) to transfer a portion of that FCM Client's

portfolio of FCM SwapClear Contracts from a Carrying FCM Clearing Member, (the "Porting FCM SwapClear Contracts"), the Clearing House shall transfer (such transfer to occur by novation of such Porting FCM SwapClear Contracts rather than by closeout and rebooking of new FCM SwapClear Contracts) the Porting FCM SwapClear Contracts entered into by the Carrying FCM Clearing Member on behalf of such FCM Client to a Receiving FCM Clearing Member, designated by the FCM Client as set out in the FCM Procedures, provided that:

- (i) such FCM Client has not become insolvent (such FCM Client to be presumed to be solvent by the Clearing House unless evidenced to the contrary by the Carrying FCM Clearing Member in the manner set forth in the FCM Procedures or as otherwise reasonably determined by the Clearing House);
- (ii) neither the Carrying FCM Clearing Member nor the Receiving FCM Clearing Member is a defaulter;
- (iii) the Receiving FCM Clearing Member has consented to such transfer;
- (iv) the Receiving FCM Clearing Member has provided sufficient cover to the Clearing House in respect of its current FCM SwapClear Contracts and the Porting FCM SwapClear Contracts in order to enable the transfer;
- (v) the FCM Client has satisfied (such satisfaction to be presumed by the Clearing House unless evidenced to the contrary by the Carrying FCM Clearing Member in the manner set forth in the FCM Procedures or as otherwise reasonably determined by the Clearing House) all outstanding obligations that are due and payable to the Carrying FCM Clearing Member and its Affiliates, including any increased margin due and payable that may result from the proposed transfer, unless the Carrying FCM Clearing Member otherwise consents; and
- (vi) in the event that the transfer will lead to an increased cover requirement from the Carrying FCM Clearing Member to the Clearing House, the Carrying FCM Clearing Member provides sufficient cover to the Clearing House in respect of such increased cover requirement.

For purposes of (v) above, with respect to obligations owed to Affiliates of the Carrying FCM Clearing Member by an FCM Client, "obligations" shall consist only of those obligations that arise as a result of cross-margining, cross-netting or other similar arrangements with respect to the FCM SwapClear Contracts being transferred or the FCM Client's related collateral.

- (d) Upon request from the Clearing House, and in order to facilitate a transfer pursuant to FCM Regulation 9(b), the Carrying FCM Clearing Member shall notify the Clearing House of the Account Assets which are attributable to the transferring FCM Client and, along with the Receiving FCM Clearing Member, shall take such actions and provide such information in connection with the transfer as may be required under the FCM Procedures. In the event that the Carrying FCM Clearing Member fails to notify the Clearing House of the Account Assets that are attributable to the relevant FCM Client, the Clearing House shall transfer such collateral as it deems appropriate and as set out in the FCM Procedures.
- (e) (i) By notifying the Clearing House of a request to accept a transfer of FCM SwapClear Contracts of an FCM Client, and the related Account Assets if applicable, pursuant to FCM Regulation 9(b) or 9(c), the Receiving FCM

Clearing Member shall be deemed to have represented to the Clearing House that all of the conditions set forth herein and in the FCM Procedures to the transfer of the account of the FCM Client have been satisfied. Upon receipt of such transfer instructions, and provided that it does not determine, in its sole discretion, that the transfer cannot be effected under these FCM Regulations or the FCM Procedures, the Clearing House shall transfer the FCM SwapClear Contract(s) into the name of the Receiving FCM Clearing Member as agent for the relevant FCM Client.

- (ii) In the case where a transfer pursuant to FCM Regulation 9(b) will include the transfer of the related Account Assets in addition to the transfer of FCM SwapClear Contracts:
 - (A) Upon completion of the transfer, the Account Assets deposited with or transferred to the Clearing House by the Carrying FCM Clearing Member and held by the Clearing House in respect of the FCM SwapClear Contracts that are being transferred shall, without limitation, be deemed to have been delivered by the Receiving FCM Clearing Member to the Clearing House and subject to the security interest granted by the Receiving FCM Clearing Member pursuant to FCM Regulation 10(n). Furthermore, and for the avoidance of doubt, the Carrying FCM Clearing Member shall have no right or entitlement to assert any claim over, or right with respect to, the Account Assets transferred.
 - (B) The transfer of the FCM SwapClear Contracts and related Account Assets shall be deemed to occur simultaneously, and the transfer of the FCM SwapClear Contracts shall be conditioned on the transfer of the related Account Assets, and vice versa.
 - (C) If the transfer of all such FCM SwapClear Contracts and related Account Assets is not completed for any reason, then any actual transfer of Account Assets or FCM SwapClear Contracts that has occurred, as the case may be, shall be deemed not to have occurred, and any actual transfer of Account Assets or FCM SwapClear Contracts that has occurred shall be immediately unwound.
- (f) Rights under an Open Contract shall not be capable of assignment by an FCM Clearing Member. Any such purported assignment by an FCM Clearing Member, or any purported transfer that is not in compliance with this FCM Regulation 9, shall be void.
- (g) If an FCM Clearing Member is a defaulter, the Clearing House shall take such actions, subject to and in accordance with the Default Rules (including the SwapClear DMP Annex), and as may be required by the CEA, CFTC Regulations and applicable bankruptcy laws regarding the liquidation or transfer of FCM SwapClear Contracts carried by such FCM Clearing Member on behalf of its FCM Clients. If possible under such applicable laws and regulations and the Default Rules, the Clearing House shall undertake to dispose of open FCM SwapClear Contracts held by FCM Clients of the defaulter in accordance with the instructions of such FCM Clients, either by liquidating such FCM SwapClear Contracts or by transferring such FCM SwapClear Contracts to the FCM Clearing Member designated by such FCM Clients, provided that the Clearing House shall at all times act in accordance with the Default Rules, the requirements of the CEA, CFTC

Regulations and applicable bankruptcy laws regarding the liquidation or transfer of FCM SwapClear Contracts and, provided further, that the Clearing House shall have no responsibility or liability whatsoever for any action taken or not taken with respect to the accounts and FCM SwapClear Contracts of FCM Clients of the defaulter in accordance with such laws or regulations or the directions of any Regulatory Body or bankruptcy trustee. In the event that the Clearing House does not receive instructions from FCM Clients in a timely manner, or the Clearing House for any reason deems it necessary or appropriate for its protection, or the protection of market participants, the Clearing House may take any action with respect to the Open Contracts of FCM Clients of the defaulter that it determines to be appropriate in its sole discretion which may include as part of the SwapClear DMP including an FCM SwapClear Contract in respect of FCM Client Business in an Auction Portfolio if determined to be appropriate by the Clearing House, provided that the relevant Auction Portfolio does not include any type of positions of the defaulting FCM Clearing Member other than FCM SwapClear Contracts in respect of FCM Client Business. Risk Neutralisation in relation to such FCM SwapClear Contracts and the auction process in relation to an Auction Portfolio of such FCM SwapClear Contracts shall be conducted in accordance with the provisions of the SwapClear DMP Annex.

- (h) If and to the extent permitted under the FCM Procedures, an FCM Clearing Member may transfer Open Contracts between its Proprietary Account and accounts of its FCM Clients, and vice versa, upon a client default or otherwise as permitted under and subject to applicable provisions of the CEA and CFTC Regulations regarding segregation of assets, and in accordance with the FCM Procedures.
- (i) Notwithstanding anything to the contrary in these FCM Regulations, in making any transfer of an FCM Client account (and the related FCM SwapClear Contracts and Account Assets) pursuant to this FCM Regulation 9, the Clearing House shall be authorized and entitled to rely conclusively on the instructions of and information provided by the relevant FCM Clearing Member(s), which shall be solely responsible for all such instructions and information, including ensuring that the transfer is properly authorized, and that the appropriate account, FCM SwapClear Contracts and Account Assets have been identified, and the Clearing House shall have no responsibility or liability therefor.

Regulation 10 Margin and Cover for Margin; Other Obligations

- (a) The Clearing House may in accordance with the FCM Procedures require an FCM Clearing Member to furnish it with cover, and to keep the Clearing House furnished with sufficient cover at all times, in an amount determined by the Clearing House in accordance with these FCM Regulations and the FCM Procedures, as security for the performance by such FCM Clearing Member of its obligations to the Clearing House in respect of all FCM SwapClear Contracts from time to time to be registered in its name as Open Contracts pursuant to these FCM Regulations. The obligation upon an FCM Clearing Member to furnish cover to the Clearing House pursuant to this paragraph shall be in addition to any other obligation of the FCM Clearing Member to furnish cover to the Clearing House pursuant to these FCM Regulations.
- (b) If insufficient monies are standing to the credit of an FCM Clearing Member's account, or if any security deposited by an FCM Clearing Member as cover is determined by the Clearing House in accordance with the FCM Procedures to be insufficient, such cover as the Clearing House requires an FCM Clearing Member to furnish to it pursuant to paragraph (a) above, FCM Regulation 5 or any other FCM Regulation shall be furnished by the FCM Clearing Member in such form and manner and by such time or times as may be prescribed by the FCM Procedures.
- (c) (i) The Clearing House shall be entitled to assume that all securities and other assets furnished or deposited by an FCM Clearing Member to or with the Clearing House as cover pursuant to these FCM Regulations or under the terms of any agreement made with the FCM Clearing Member are the sole legal and beneficial property of the FCM Clearing Member or are furnished or deposited for the purposes of these FCM Regulations with the legal and beneficial owner's unconditional consent and with the authority granted to the FCM Clearing Member to repledge such property to the Clearing House. An FCM Clearing Member may not furnish or deposit securities or other assets to or with the Clearing House as cover otherwise than in conformity to this paragraph. It shall be accepted by every person dealing on the terms of these FCM Regulations that an FCM Clearing Member has such person's unconditional consent to furnish or deposit to or with the Clearing House as cover for the purposes of these FCM Regulations any securities or other assets of such person in the FCM Clearing Member's possession.
- (ii) Each FCM Clearing Member represents and warrants to the Clearing House as at each date on which such FCM Clearing Member furnishes or deposits securities or other assets to or with the Clearing House as cover pursuant to these FCM Regulations (A) that such FCM Clearing Member is the sole legal and beneficial owner of those securities or other assets or, as the case may be, those securities or other assets are so furnished or deposited with the legal and beneficial owner's unconditional consent and with the authority granted to the FCM Clearing Member to repledge such property to the Clearing House, and (B) that the provision to the Clearing House of such securities or other assets pursuant to these FCM Regulations will not constitute or result in a breach of any trust, agreement or undertaking whatsoever.
- (iii) The Clearing House may, in its absolute discretion and at any time, require an FCM Clearing Member to furnish or deposit other securities or assets to or with the Clearing House in substitution of any securities or assets deposited with the Clearing House pursuant to this FCM Regulation 10.

- (d) Notwithstanding paragraph (c) above, the Clearing House shall be entitled at its absolute discretion, without assigning any reason and without prior notice to an FCM Clearing Member, to modify the amount of Initial Margin applicable to an FCM SwapClear Contract or to call for larger or additional amounts of cover for Initial Margin to be furnished to it by an FCM Clearing Member, either before registration of a contract or at any time after registration. Any cover called by the Clearing House pursuant to this paragraph shall be furnished by the FCM Clearing Member on demand and in such form as the Clearing House may require.
- (e) The Clearing House shall be entitled at any time to demand immediate provision of cover from an FCM Clearing Member in an amount deemed necessary by the Clearing House without reference to Official Quotations or Reference Prices in respect of any Open Contract in the FCM Clearing Member's name, if, in the opinion of the Clearing House, the furnishing of such cover by the FCM Clearing Member is necessary in the circumstances then prevailing which may be affecting or may in the Clearing House's opinion be likely to affect market conditions or the FCM Clearing Member's performance of its obligations under the terms of such contracts or under the terms of any original or confirmed contract to which the member is party. In this paragraph, "immediate provision" means payment to the Clearing House within one hour of demand.
- (f) The Clearing House shall be entitled to make an accommodation charge at a rate determined by the Clearing House and specified in the FCM Procedures, in respect of any security furnished to it as cover in a form prescribed by the FCM Procedures. Any alteration in the basis of calculating the rates of accommodation charge shall become effective in respect of all current and future business by the time specified in the FCM Procedures.
- (g) Without prejudice to the requirements of paragraph (c) above or any other applicable requirements contained in the FCM Rulebook, the Clearing House may at its absolute discretion accept cover in an agreed amount and in a form other than those specified in the FCM Procedures, subject always to the Clearing House's prior assessment as to the appropriateness of such form of cover in accordance with its standard risk management procedures and with any special arrangements which the Clearing House may prescribe in each case (including as to valuation and haircut). The Clearing House may at its discretion make an accommodation charge at a special rate.
- (h) Without prejudice to the requirements of paragraph (c) above or any other applicable requirements contained in the FCM Rulebook, and subject to the settlement of any other obligations of an FCM Clearing Member to the Clearing House: (i) an FCM Clearing Member may request the return of any Excess Margin at any time; and (ii) upon the close-out or termination of an FCM SwapClear Contract in accordance with the FCM Rulebook, the Clearing House shall return all Initial Margin attributable to such FCM SwapClear Contract to the respective FCM Clearing Member, provided that no portion of such Initial Margin is required as cover or otherwise required by the FCM Rulebook for any other positions established by the FCM Clearing Member with respect to its Proprietary Account (with respect to Initial Margin to be released in connection with positions for the Proprietary Account) or any of its FCM Segregated Accounts (with respect to Initial Margin to be released in connection with positions for the FCM Segregated Accounts).
- (i) If, in the opinion of the Clearing House, any security which has been furnished to it by an FCM Clearing Member as cover pursuant to these FCM Regulations is no longer either of sufficient value or otherwise acceptable to the Clearing House, the Clearing

House shall be entitled to demand further provision of cover from such FCM Clearing Member. Such cover shall be furnished by such FCM Clearing Member on demand in a form prescribed by the FCM Procedures, provided that at any time the Clearing House shall be entitled to require the FCM Clearing Member to furnish it with cover in a specified form and to demand that the FCM Clearing Member replace the whole or part of any security furnished by an FCM Clearing Member pursuant to these FCM Regulations by cover in the form of cash.

- (j) If, in respect of Open Contracts in an FCM Clearing Member's name, Official Quotations indicate that Excess Margin is maintained with the Clearing House by such FCM Clearing Member in respect of such contracts, the Clearing House may, or at the FCM Clearing Member's request in accordance with FCM Regulation 10(h) shall, release the Excess Margin.
- (k) If the Clearing House takes any step or steps under the Default Rules in relation to an FCM Clearing Member, any sum (including without limitation the price due to be paid by the Clearing House in respect of the delivery of any property or currency by or on behalf of the FCM Clearing Member) standing to the credit of any of the FCM Clearing Member's accounts shall be treated as cover, provided that under no circumstances will any assets in the FCM Omnibus OTC Client Accounts with LCH be applied to the satisfaction of proprietary obligations of the FCM Clearing Member or any other obligations not related to such FCM Clearing Member's FCM Client Business.
- (l) Each FCM Clearing Member and, to the extent applicable, such FCM Clearing Member's guarantor in accordance with FCM Regulation 3(c), shall be obligated to perform all of their respective obligations (including without limitation to pay all amounts due) as required pursuant to the FCM Regulations, the Default Rules (including the SwapClear DMP Annex) and the Default Fund Rules, as applicable. Each FCM Clearing Member and, to the extent applicable, such FCM Clearing Member's guarantor in accordance FCM Regulation 3(c), shall be entitled to the return of any amounts due to them (after all obligations to the Clearing House have been satisfied) pursuant to the FCM Regulations, the Default Rules (including the SwapClear DMP Annex) and the Default Fund Rules, as applicable.
- (m) Unless the Clearing House otherwise agrees in writing, cover provided to the Clearing House by way of cash shall not be capable of assignment by any person. Any purported assignment by an FCM Clearing Member (whether by way of security or otherwise) of cash cover provided to the Clearing House shall be void. An FCM Clearing Member shall not otherwise encumber (or seek to encumber) any cash cover provided to the Clearing House.
- (n) Each FCM Clearing Member hereby grants the Clearing House a first security interest in and a first priority and unencumbered first lien upon any and all cover, cash, securities, receivables, rights and intangibles and any other collateral or assets deposited with or transferred to the Clearing House, or otherwise held by the Clearing House (including without limitation all property deposited in the Default Fund, a Proprietary Account or in an FCM Omnibus OTC Client Account with LCH, or any amounts owing to an FCM Clearing Member in the Default Fund or a Proprietary Account), including all substitutions for and proceeds of, any such property, in connection with any FCM SwapClear Contracts cleared for such FCM Clearing Member, its Affiliates, or its FCM Clients, as security for unconditional payment and satisfaction of the obligations and liabilities of the FCM Clearing Member to the Clearing House. The FCM Clearing Member agrees to take any and all actions, including but not limited to the execution of any and all documents, requested by the

Clearing House in order to perfect, maintain or enforce the security interest granted to the Clearing House hereunder. The Clearing House may exercise any and all rights available to it with respect to the security interest granted hereunder, in accordance with the FCM Regulations and applicable laws. Notwithstanding the foregoing, in no event shall the Clearing House's security interest in an FCM Clearing Member's FCM Omnibus OTC Client Accounts with LCH be exercised to satisfy any obligations or liabilities of such FCM Clearing Member other than in connection with obligations or liabilities relating to such FCM Clearing Member's FCM Omnibus OTC Client Accounts with LCH.

- (o) Each FCM Clearing Member shall ensure that where it has entered into an FCM SwapClear Transaction which results in an FCM SwapClear Contract that is of a non-hedging nature, it shall collect additional cover from the relevant FCM Client in respect of such non-hedging FCM SwapClear Contract in an amount which shall be no less than the minimum percentage as required by the Clearing House and as notified to the relevant FCM Clearing Member from time to time.
- (p) Each FCM Clearing Member shall ensure that no FCM Client withdraws cover from the FCM OTC Client Segregated Depository Account unless the net liquidating value (as that term is used in the CFTC Regulations) plus the cover remaining in that FCM OTC Client Segregated Account after such withdrawal is sufficient to meet the level of Required Margin, as calculated by the Clearing House in respect of all FCM SwapClear Contracts entered into on behalf of that FCM Client.

Regulation 11 Official Quotations and Reference Price

- (a) The Clearing House may determine Official Quotations and Reference Prices for the purposes of these FCM Regulations and the FCM Procedures in such manner and at such times as may be prescribed in the FCM Procedures. Except as prescribed in the FCM Procedures, an Official Quotation or Reference Price is binding on an FCM Clearing Member and may in no circumstances be called in question.
- (b) For the avoidance of doubt, the Clearing House is not responsible for and does not warrant the accuracy of any Settlement Price determined by a third party or any Reference Price.

Regulation 12 Daily Marking to Market

- (a) The Clearing House shall, in accordance with the FCM Procedures, in respect of each FCM SwapClear Contract in an FCM Clearing Member's name, mark each such Open Contract against the price determined by the Clearing House to be the current Settlement Price of such contract to be used for marking to market purposes.
- (b) The Clearing House shall, upon completion of the procedure set out in paragraph (a) above, calculate the daily mark-to-market amounts in accordance with the FCM Procedures and shall thereafter determine the status of the FCM Clearing Member's accounts.
- (c) For the avoidance of doubt, the completion of the calculation and settlement of daily marked-to-market amounts pursuant to paragraph (b) above by the Clearing House shall not affect the validity of any Open Contracts, which shall remain in effect as Open Contracts in all respects.
- (d) The net present value of each FCM SwapClear Contract shall be calculated by the Clearing House in accordance with paragraphs (a) and (b) of this FCM Regulation 12, in such manner and at such times as may be provided in the FCM Procedures. Except as prescribed in the FCM Procedures, the net present value calculated by the Clearing House may in no circumstances be called in question. The Clearing House shall, at least daily, receive payment from, or pay to, the FCM Clearing Member cash cover for Variation Margin, representing the change in the net present value of such FCM Clearing Member's portfolio of FCM SwapClear Contracts from the preceding Business Day, in accordance with the FCM Procedures.
- (e) In respect of a portfolio of FCM SwapClear Contracts and each payment date for coupon payments (in accordance with the FCM Procedures), the Clearing House shall net:
 - (i) the sums which would otherwise have been payable by the FCM Clearing Member to the Clearing House as cash cover (in respect of Variation Margin) on such date and the Coupon Payments due on that date; and
 - (ii) the sums which would otherwise have been payable by the Clearing House to the FCM Clearing Member as cash cover (in respect of Variation Margin) on such date and the Coupon Payments due on that date,

and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party then the obligations of each party under this FCM Regulation 12 shall be automatically satisfied and discharged on payment by the applicable party of the excess. All netting in respect of a portfolio of FCM SwapClear Contracts shall be calculated separately with respect to FCM SwapClear Contracts held in an FCM Clearing Member's Proprietary Account and with respect to FCM SwapClear Contracts held on behalf of FCM Clients.

Regulation 13 Market Disorders, Impossibility of Performance, Trade Emergency

- (a) If the Clearing House, in relation to FCM SwapClear Contracts, determines that one of the following conditions exists, namely:
- (i) a state of war exists or is imminent or threatened or civil unrest or terrorist or other criminal action has occurred or is imminent or threatened, and is likely to affect or has affected the normal course of business, including, but not limited to, performance under an FCM SwapClear Contract; or
 - (ii) the government of any nation, state or territory or any institution or agency thereof has proclaimed or given notice of its intention to exercise, vary or revoke controls which appear likely to affect the normal course of business, including, but not limited to, performance under an FCM SwapClear Contract; or
 - (iii) the EU or any international organisation, or any institution or agency thereof, has introduced, varied, terminated or allowed to lapse any provision so as to be likely to affect the normal course of business, including, but not limited to, performance under an FCM SwapClear Contract; or has given notice of its intention to do so or appears to be about to do so;

then:

- (iv) in respect of such Open Contracts which are FCM SwapClear Contracts as specified by the Clearing House, and notified to the affected FCM Clearing Members, the Clearing House shall be entitled to invoice back such FCM SwapClear Contracts in accordance with FCM Regulation 15 and the FCM Procedures at a price determined by the Clearing House or to require such FCM Clearing Members to comply with any directions issued by the Clearing House regarding the performance of, or any other direction in respect of, such FCM SwapClear Contracts. Accounts shall be made up by the Clearing House in accordance with the FCM Procedures for each FCM Clearing Member who is a party to Open Contracts invoiced back pursuant to this paragraph. Settlement of such accounts shall be due immediately and settlement thereof shall be made forthwith in discharge of such contracts invoiced back notwithstanding any further change of circumstances.

Regulation 14 Force Majeure

- (a) Neither the Clearing House (nor any other member of the LCH.Clearnet Group) nor an FCM Clearing Member shall be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the terms of these FCM Regulations or of any FCM SwapClear Contract if such failure, hindrance or delay arises out of events or circumstances beyond its control. Such events or circumstances may include, but are not limited to, acts of God or the public enemy, acts of a civil or military authority other than the acts referred in FCM Regulation 13(a)(i), (ii) or (iii) above, terrorist or other criminal action, sabotage, civil unrest, embargoes, blockades, fire, flood, earthquake, tornado, tsunami, other natural disasters, explosion, epidemics or plagues, labour dispute, unavailability or restriction of computer or data processing facilities, energy supplies, settlement systems or of bank transfer systems or wires, failures of software or communications systems, and any other causes beyond the parties reasonable control.
- (b) On the happening of any one or more of the events or circumstances referred to in paragraph (a) above, which shall immediately be notified by the party prevented, hindered or delayed from performing any of the obligations referred to in paragraph (a) above to the other in respect of affected FCM SwapClear Contracts, the Clearing House shall be entitled to require any of the affected FCM SwapClear Contracts to be performed in accordance with directions issued by the Clearing House, or shall be entitled to require the FCM Clearing Member to take such action as the Clearing House may direct in respect of such FCM SwapClear Contracts.

Regulation 15 Invoicing Back

- (a) Invoicing back of an FCM Clearing Member's FCM SwapClear Contracts pursuant to FCM Regulation 13 or FCM Regulation 14 or otherwise shall be carried out by the Clearing House effecting and registering pursuant to the FCM Procedures opposite contracts between itself and the FCM Clearing Member at the price referred to in the relevant FCM Regulation or, where applicable, in paragraph (d) below, and thereupon settling such FCM SwapClear Contracts against such opposite contracts.
- (b) The Clearing House shall, in addition to carrying out the procedures referred to in paragraph (a) above, register opposite contracts between itself and such other FCM Clearing Members as the Clearing House may select in its absolute discretion in proportion to the net position of Open Contracts in their names on the same FCM SwapClear Contract Terms as the FCM SwapClear Contracts invoiced back under paragraph (a) above.
- (c) Where Open Contracts are invoiced back pursuant to FCM Regulation 13 or FCM Regulation 14 the Clearing House shall make up the accounts of any FCM Clearing Member affected by such invoicing back in accordance with FCM Regulation 13 or FCM Regulation 14, as applicable.
- (d) Opposite FCM SwapClear Contracts effected and registered by the Clearing House pursuant to paragraph (a) and (b) above shall, subject to FCM Regulation 13, be at a price determined by the Clearing House, and shall be binding as a final settlement upon the parties affected by invoicing back. This paragraph shall be without prejudice to any further liability of the defaulting FCM Clearing Member to the Clearing House or to any additional rights which the Clearing House may have against the defaulting FCM Clearing Member whether under these FCM Regulations, at law or otherwise.
- (e) In this FCM Regulation 15:
 - (i) "net position" means: in respect of Open Contracts, one or more of such FCM SwapClear Contracts against which the FCM Clearing Member in whose name they are registered has no matching FCM SwapClear Contracts on the same Economic Terms;
 - (ii) "opposite contract" means an FCM SwapClear Contract on the same terms (except as to price), as the FCM SwapClear Contract to be invoiced back in accordance with this FCM Regulation 15, but where an FCM Clearing Member is a floating rate payer, in respect of an FCM SwapClear Contract to be invoiced back, such FCM Clearing Member shall be a fixed rate payer in respect of the opposite contract and vice versa.

Regulation 16 Currency Conversion

For the purpose of exercising any rights under these FCM Regulations, the Clearing House shall be entitled in its discretion to convert monies standing to the debit or credit of an FCM Clearing Member's accounts (including FCM OTC Client Segregated Depository Accounts) into such other currency or currencies as it thinks fit, such conversion to be effected at such reasonable rate or rates of exchange as the Clearing House may determine in accordance with the FCM Procedures.

Regulation 17 Disclosure

- (a) The Clearing House shall have authority to supply any information whatsoever concerning an FCM Clearing Member and its trading to (a) any Regulatory Body which is entitled to receive or request any such details or information, (b) LCH.Clearnet Group Limited, (c) LCH.Clearnet SA or (d) any other person or body to which the Clearing House is, in its reasonable opinion, legally required to disclose the same.

- (b) The Clearing House shall also be entitled to supply any information whatsoever concerning an FCM Clearing Member to any person (and the Clearing House will solicit an undertaking from any such person that such person will keep such information confidential) who has provided or may be contemplating entering into arrangements to provide the Clearing House directly or indirectly with stand-by or other finance, insurance cover, guarantee or other financial backing, which the Clearing House has been requested or is legally required to disclose to assist such person in relation to the provision of, or continued provision of, such finance, insurance cover, guarantee or financial backing.

Regulation 18 Fees and Other Charges

- (a) The Clearing House shall be entitled to levy fees in respect of such matters and at such rates as may from time to time be prescribed. Such fees shall be payable by such FCM Clearing Members, by such times, and in such manner as may be prescribed by the FCM Procedures.
- (b) Accommodation charges made by the Clearing House pursuant to FCM Regulation 10(e) shall be payable to the Clearing House by such FCM Clearing Members, in such manner and by such times as may be prescribed by the FCM Procedures.
- (c) Any changes to be made to the fees and charges payable pursuant to paragraphs (a) and (b) above shall take effect, as prescribed by the FCM Procedures.

Regulation 19 Records

An FCM Clearing Member shall not be entitled to the return of any particulars, notices or any other documentation presented to the Clearing House pursuant to FCM Regulation 8, FCM Regulation 9 and FCM Regulation 12.

Regulation 20 FCM Procedures

The FCM Procedures shall take effect and shall be binding on FCM Clearing Members as if they formed part of these FCM Regulations save that, in the event of any conflict between the provisions of these FCM Regulations and the FCM Procedures, the provisions of these FCM Regulations shall prevail.

Regulation 21 Alteration of FCM Regulations and the FCM Procedures

- (a) Unless the FCM Clearing Membership Agreement or these FCM Regulations otherwise specifically provide in relation to any proposed amendment or extension, the Clearing House may from time to time, by notice delivered to FCM Clearing Members, amend or extend these FCM Regulations and such amendment or extension may be made with immediate effect or with such deferred effect as the Clearing House shall determine. Any amendment or extension to these FCM Regulations may take effect so as to apply to FCM SwapClear Contracts registered in an FCM Clearing Member's name at the time such amendment or extension comes into effect if the Clearing House so determines.
- (b) Unless the FCM Clearing Membership Agreement or these FCM Regulations or the FCM Procedures otherwise specifically provide in relation to any proposed amendment or extension, the Clearing House may from time to time amend or extend the FCM Procedures by notice to such FCM Clearing Members as may be affected.
- (c) The accidental omission to give notice under this FCM Regulation 21 to, or the non-receipt of notice under this FCM Regulation 21 by, any FCM Clearing Member shall not invalidate the amendment or extension with which the notice is concerned.

Regulation 22 Interpretation of these FCM Regulations

- (a) In the event of inconsistency between the provisions of these FCM Regulations and the rules or regulations or other contractual provisions of any trading platform or other undertaking the provisions of these FCM Regulations shall prevail.
- (b) The headings to these FCM Regulations are for convenience only and shall not affect their interpretation.

Regulation 23 Waiver

No failure by the Clearing House to exercise, nor any delay on its part in exercising, any of its rights (in whole or in part) under these FCM Regulations shall operate as a waiver of the Clearing House's rights or remedies upon that or any subsequent occasion, nor shall any single or partial exercise of any right or remedy prevent any further exercise thereof or any other right or remedy.

Regulation 24 Validity of FCM Regulations and Action

If at any time any provision of these FCM Regulations becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these FCM Regulations nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

Regulation 25 Governing Law and Jurisdiction

- (a) These FCM Regulations, the FCM Procedures and each FCM SwapClear Contract shall be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts of laws principles, and the laws of the United States of America, including the CEA and applicable bankruptcy and insolvency laws.
- (b) The Other Specific Regulations shall be governed by and construed in accordance with the laws of England and Wales.
- (c) The Clearing House and every FCM Clearing Member hereby irrevocably agree for the benefit of the Clearing House that (i) the courts of the State of New York, Borough of Manhattan in the United States of America, (ii) the United States District Court for the Southern District of New York, or (iii) the courts of England and Wales shall have exclusive jurisdiction to hear and determine any claim or matter arising from or in relation to any FCM SwapClear Contract, these FCM Regulations, the FCM Procedures or to the Other Specific Regulations (in the case of the Other Specific Regulations, only with respect to a claim or matter arising from or in relation to an FCM SwapClear Contract, FCM SwapClear Clearing Services or these FCM Regulations), and each FCM Clearing Member irrevocably submits to such jurisdiction and waives any objection which it might otherwise have to such courts being a convenient and appropriate forum, save that this submission to the exclusive jurisdiction of the courts of the State of New York, Borough of Manhattan in the United States of America, the United States District Court for the Southern District of New York or the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the taking of action in any other jurisdiction, whether concurrently or not.
- (d) The Clearing House and each FCM Clearing Member hereby irrevocably waives any right to a trial by jury in any litigation directly or indirectly arising out of or relating to any FCM SwapClear Contract, the FCM Procedures, the Other Specific Regulations or to these FCM Regulations.
- (e) Each FCM Clearing Member irrevocably waives, with respect to itself and its revenues and assets, all immunity on the grounds of sovereignty or other similar grounds from suit, jurisdiction of any court, relief by way of injunction, order for specific performance or for recovery of property, attachment of its assets (whether before or after judgement) and execution or enforcement of any judgement to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably agrees that it will not claim any such immunity in any proceedings.

Regulation 26 Exclusion of Liability

- (a) Neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability to an FCM Clearing Member or any other person in respect of any dispute arising from or in relation to any FCM SwapClear Contract, including but not limited to, any dispute as to the validity or otherwise of such FCM SwapClear Contract, the terms of such FCM SwapClear Contract or whether any alleged agreement or arrangement constitutes an FCM SwapClear Contract.
- (b) Without prejudice to the provisions of FCM Regulation 1 and FCM Regulation 26(d), neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any FCM Clearing Member, or to any other person in contract, tort (including without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred as a result of: any suspension of clearing services, whether for a temporary period or otherwise, a step taken by the Clearing House under FCM Regulations 13, 14 or 5(g) or any failure or malfunction of any systems, communication lines or facilities, software or technology supplied, operated or used by the Clearing House or the relevant approved agent; the occurrence of any event which is outside the control of the Clearing House; or any exercise by the Clearing House of its discretion under the FCM Regulations, or any decision by the Clearing House not to exercise any such discretion.
- (c) Without prejudice to FCM Regulation 26(b) and FCM Regulation 26(d), unless otherwise expressly provided in the FCM Regulations or in any other agreement to which the Clearing House is party, neither the Clearing House nor any other member of the LCH.Clearnet Group shall have any liability under any circumstances (including, without limitation, as a result of any negligence by the Clearing House, or any other member of the LCH.Clearnet Group Limited, or their respective officers, employees, agents or representatives) to any FCM Clearing Member or any other Executing Party for any indirect or consequential loss or damage, or loss of anticipated profit (whether direct or indirect) or loss of bargain, suffered or incurred by any such FCM Clearing Member or other Executing Party and shall not in any circumstances be liable for any loss, cost, damage or expense suffered or incurred by any person as a result of any negligence on the part of the Clearing House, or any other member of the LCH.Clearnet Group Limited, or their respective officers, employees, agents or representatives.
- (d) Nothing in this FCM Regulation 26 shall be construed as an attempt by the Clearing House to exclude any liability for any fraud, fraudulent misrepresentation or wilful default on the part of the Clearing House. The Clearing House accepts liability for any personal injury or death caused by the negligence of the Clearing House and for any fraud or wilful default on the part of the Clearing House.
- (e) Without prejudice to the provisions of FCM Regulation 1 and FCM Regulation 26(d) neither the Clearing House, nor any other member of the LCH.Clearnet Group shall have any liability whatsoever to any FCM Clearing Member or to any other person (including, without limitation, any FCM Client) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by an FCM Clearing Member or any other person, as the case may be, as a result of the failure of any systems, communication facilities or technology.

Regulation 26A Netting

- (a) If at any time the Clearing House fails to make a payment to an FCM Clearing Member, other than a defaulter, under an FCM SwapClear Contract for a period of 30 days from the date when the obligation to pay fell due, then that FCM Clearing Member may exercise its rights under paragraph (c) below.
- (b) If at any time the Clearing House commences a voluntary case or other procedure seeking or proposing liquidation, administration, receivership, voluntary arrangement or a scheme of arrangement, or other similar relief with respect to itself or to its debts under any bankruptcy, insolvency, regulatory, supervisory or similar law, or if any of the foregoing cases or procedures is commenced in relation to the Clearing House by any other person which results in liquidation or winding up of the Clearing House, or if the Clearing House takes corporate action to authorize any of the foregoing, in any such case other than for the purposes of corporate restructuring (including any consolidation, amalgamation or merger), then an FCM Clearing Member, other than a defaulter, may exercise the right given to it under paragraph (c) below.
- (c) An FCM Clearing Member entitled to exercise rights under this paragraph may, at any time while any of the circumstances referred to in paragraph (a) or (b) above giving rise to such rights continue, by notice in writing to the Clearing House, specify a Termination Date for the termination and liquidation of all FCM SwapClear Contracts to which it is a party in accordance with paragraph (d) below.
- (d) Upon the occurrence of a Termination Date:
 - (i) neither the Clearing House nor the FCM Clearing Member shall be obliged to make any further payments under any FCM SwapClear Contract between them which would, but for this FCM Regulation 26A, have fallen due for performance on or after the Termination Date, and any obligations to make further payments which would otherwise have fallen due shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Termination Amount;
 - (ii) the FCM Clearing Member shall (on, or as soon as reasonably practicable after, the Termination Date) determine (discounting if appropriate) in respect of each FCM SwapClear Contract its total loss or, as the case may be, gain, in each case expressed in the lawful currency of the United States or the currency of the relevant FCM SwapClear Contract where agreed by the Clearing House and the FCM Clearing Member (the "Base Currency"), (and, if appropriate, including any loss of bargain, cost of funding or, without duplication, loss or, as the case may be, gain as a result of the termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position), as a result of the termination, pursuant to this agreement, of each payment which would otherwise have been required to be made under such FCM SwapClear Contract; and
 - (iii) the FCM Clearing Member shall treat each loss to it, determined as above, as a positive amount and each gain by it, so determined, as a negative amount and, subject to paragraph (iv) below, shall aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Base Currency (the "Termination Amount").
 - (iv) Where an FCM Clearing Member has a Proprietary Account and one or more FCM OTC Client Segregated Depository Accounts:

- (1) the FCM Clearing Member shall determine two net amounts under paragraph (d)(iii); one net amount in respect of gains and losses arising on FCM SwapClear Contracts registered in the FCM Clearing Member's FCM OTC Client Segregated Depository Account (or in its multiple FCM OTC Client Segregated Depository Accounts as combined, if applicable) and a second net amount in respect of gains and losses arising on all other FCM SwapClear Contracts; and
- (B) the two net amounts determined under paragraph (iv)(1) shall constitute Termination Amounts.
- (v) If a Termination Amount determined pursuant to paragraph (d)(iv) above is a positive amount, the Clearing House shall pay it to the FCM Clearing Member and if any such Termination Amount is a negative amount, the FCM Clearing Member shall pay it to the Clearing House, in either case in accordance with paragraph (vi). The FCM Clearing Member shall notify the Clearing House of each such Termination Amount, and by which party it is payable, immediately after the calculation thereof.
 - (i) A Termination Amount shall, subject to FCM Regulation 26B, be paid in the Base Currency by the close of business on the Business Day following notification pursuant to paragraph (v) above (converted as required by applicable law into any other currency, any costs of such conversion to be borne by, and (if applicable) deducted from any payment to, the Clearing House). Any Termination Amount which is not paid on such day shall bear interest, at the average rate at which overnight deposits in the currency of such payment are offered by major banks in the London interbank market as of 11:00 hours (London time) (or, if no such rate is available, at such reasonable rate as the FCM Clearing Member may select) plus 1% per annum, for each day for which any such sum remains unpaid.
 - (ii) For the purposes of any calculation required to be made under this FCM Regulation 26A, the FCM Clearing Member may convert amounts denominated in any other currency into the Base Currency at such rate prevailing at the time of the calculation as it shall reasonably select.

The FCM Clearing Member's rights under this FCM Regulation 26A shall be in addition to, and not in limitation or exclusion of, any other rights which the FCM Clearing Member may have (whether by agreement, operation of law or otherwise, including its rights under FCM Regulation 6(i)).

2) Distribution of Assets

- (a) Where (after the netting and set-off provided for in FCM Regulation 26A and FCM Regulation 6(i)) the Clearing House has insufficient assets available to it to pay all Termination Amounts (determined in accordance with FCM Regulation 26A and General Regulation 39A) in full, the claims of the Clearing Members shall be met first to those Clearing Members who are FCM Clearing Members and SwapClear Clearing Members in an amount equal to the outstanding SwapClear Contributions of such FCM Clearing Members and SwapClear Clearing Members and, thereafter, pro rata to each Clearing Member's respective claim (and in respect of FCM Clearing Members and SwapClear Clearing Members who have received an amount relating to their outstanding SwapClear Contributions, their respective claims shall be reduced by such amounts so received). To the extent the Clearing House does not have sufficient assets available to it to pay each FCM Clearing Member and SwapClear Clearing Member the amount equal to its outstanding SwapClear Contribution, the Clearing House shall distribute the assets available to it to each such FCM Clearing Member and SwapClear Clearing Member in an amount equal to the proportion that the outstanding SwapClear Contribution of the relevant FCM Clearing Member or SwapClear Clearing Member bears to the sum of the outstanding SwapClear Contributions of all FCM Clearing Members and SwapClear Clearing Members.
- (b) Notwithstanding anything to the contrary in this FCM Rulebook, this FCM Regulation 26B shall be governed by and construed in accordance with the governing law provided for in paragraph (a) of General Regulation 38.

For the purposes of this FCM Regulation 26B, the term "Clearing Member" shall include FCM Clearing Members and all other Clearing Members (as defined in the General Regulations) of the Clearing House.

Regulation 27 **The reset rate for, and the net present value of, an FCM SwapClear Contract**

The Clearing House may determine the reset rate for, and the net present value of, an FCM SwapClear Contract for the purposes of these FCM Regulations and the FCM Procedures in such manner and at such times as may be prescribed in the FCM Procedures. Except as prescribed in the FCM Procedures, neither the reset rate nor the net present value determined by the Clearing House may in any circumstances be challenged.

Regulation 28 Withdrawal of the SwapClear Service by the Clearing House

- (a) If at any time the Clearing House decides to withdraw the FCM SwapClear Service it shall give not less than six months' notice in accordance with the FCM Procedures to all FCM Clearing Members of the date on which the service will be withdrawn ("the SwapClear Withdrawal Date"). The accidental omission by the Clearing House to give notice under this FCM Regulation 28 to, or the non-receipt of notice under this FCM Regulation 28 by, one or more FCM Clearing Members shall not invalidate the SwapClear Withdrawal Date.
- (b) Without prejudice to its rights under the Default Rules, the Clearing House will not, other than pursuant to action under the Default Rules or pursuant to the entering of offsetting/compressing trades in accordance with FCM Regulation 5(n), register an FCM SwapClear Contract (other than a Closing-out Contract) after notice to withdraw the service has been given under FCM Regulation 28(a).
- (c) If, at the SwapClear Withdrawal Date, an FCM Clearing Member or SwapClear Clearing Member has not closed out all open FCM SwapClear Contracts registered in its name, the Clearing House may, in its sole discretion:
 - (i) liquidate any or all of such FCM SwapClear Contracts and require such FCM SwapClear Contracts to be cash settled at a price determined by the Clearing House; or
 - (ii) postpone the SwapClear Withdrawal Date until such time as the Clearing House determines.

Regulation 29 Rules Relating to FCM OTC Client Segregated Accounts

- (a) Notice of Deficiency in FCM OTC Client Segregated Depository Accounts. Whenever an FCM Clearing Member knows or should know that the aggregate amount of funds on deposit in its FCM Segregated Accounts is less than the total amount of such funds required by the CEA, CFTC Regulations and the FCM Rulebook to be on deposit, the FCM Clearing Member must report such deficiency immediately by telephone notice, confirmed immediately in writing by facsimile notice, to the Clearing House and the principal office of the CFTC in Washington, DC, to the attention of the Director and the Chief Accountant of the Division of Clearing and Intermediary Oversight, and, if the FCM Clearing Member is a securities broker or dealer, to the Securities and Exchange Commission, in accordance with 17 C.F.R. § 240.17a-11.
- (b) Segregation of Funds.
- (i) All FCM Client funds shall be separately accounted for and segregated as belonging to FCM Clients and shall be part of a separate account class, treated as a Cleared OTC Derivatives Account Class, as defined in and for purposes of Part 190 of the CFTC's regulations. Such funds, when deposited with the Clearing House, any bank, trust company or another FCM shall be deposited under an account name which clearly identifies them as such and shows that they are segregated as required by the FCM Rulebook. Each FCM Clearing Member shall obtain and retain in its files for the period provided in CFTC Regulation 1.31 a written acknowledgment from such bank, trust company or FCM, that it was informed that the funds deposited in the FCM Segregated Accounts maintained by such bank, trust company or FCM for the FCM Clearing Member are those of FCM Clients and are being held in accordance with the provisions of the CEA, CFTC Regulations and the FCM Rulebook. For the avoidance of doubt, all FCM Segregated Accounts maintained by an FCM Clearing Member shall be treated as segregated accounts and shall be subject to the requirements of the CEA and CFTC Regulations applicable to segregated accounts and to this Regulation 29, regardless of the location of any such account. Without limitation of the foregoing, under no circumstances shall any portion of FCM Client funds held in FCM Segregated Accounts be obligated to the Clearing House, an FCM Clearing Member, any depository, or any other person except to purchase, margin, guarantee, secure, transfer, adjust or settle trades, contracts or transactions of FCM Clients. No person, including the Clearing House or any depository, that has received FCM Client funds for deposit in an FCM Segregated Account, as provided in this rule, may hold, dispose of, or use any such funds as belonging to any person other than the FCM Clients of the FCM Clearing Member which deposited such funds.
- (ii) All FCM Client funds received by the Clearing House from an FCM Clearing Member to purchase, margin, guarantee, secure or settle FCM SwapClear Contracts of the FCM Clearing Member's FCM Clients and all money accruing to such FCM Clients as the result of trades, contracts or transactions so carried shall be separately accounted for and segregated as belonging to such FCM Clients, and the Clearing House shall not hold, use or dispose of such FCM Client funds except as belonging to such FCM Clients. Such FCM Client funds, when deposited in a bank or trust company, shall be deposited under an account name which clearly shows that they are the FCM Client funds of FCM Clearing Members, and are segregated as required by the CEA, CFTC Regulations and the FCM Rulebook. The Clearing House shall

obtain and retain in its files for the period provided by CFTC Regulation 1.31, an acknowledgment from such bank or trust company that it was informed that the funds deposited in any LCH OTC Client Segregated Depository Accounts and any PPS Account(s) maintained by LCH are those of FCM Clients of FCM Clearing Members and are being held in accordance with the provisions of the CEA, CFTC Regulations and the FCM Rulebook.

- (iii) Each FCM Clearing Member shall treat and deal with FCM Client funds as belonging to such FCM Clients. All FCM Client funds shall be separately accounted for, and shall not be commingled with the money, securities or property of an FCM Clearing Member or of any other person, or be used to secure or guarantee the trades, contracts or transactions, or to secure or extend the credit, of any person other than the one for whom the same are held; provided, however, that FCM Client funds of an FCM Clearing Member may for convenience be commingled and deposited in the same account or accounts with any bank or trust company, with another person registered as an FCM Clearing Member, or with the Clearing House, and that such share thereof as in the normal course of business is necessary to purchase, margin, guarantee, secure, transfer, adjust, or settle the FCM SwapClear Contracts of such FCM Clients or resulting market positions, with the Clearing House or with any other person registered as an FCM Clearing Member, may be withdrawn and applied to such purposes, including the payment of commissions, brokerage, interest, taxes and other fees and charges, lawfully accruing in connection with such FCM SwapClear Contracts; provided, further, that FCM Client funds may be invested in accordance with FCM Regulation 29(g).
 - (iv) In no event may FCM Client funds be held or commingled and deposited with (A) FCM Client funds in the same account or accounts required to be separately accounted for and segregated pursuant to Section 4d of the CEA and the regulations thereunder, or (ii) money, securities or property representing the foreign futures or foreign options secured amount held in accordance with CFTC Regulation 30.7.
- (c) Care of Money and Securities Accruing to FCM Clients. All money received directly or indirectly by, and all money and securities accruing to, an FCM Clearing Member from the Clearing House or from any FCM Clearing Member or from any other person incident to or resulting from any cleared FCM SwapClear Contracts made by or through such FCM Clearing Member on behalf of any FCM Client shall be considered as accruing to such FCM Client within the meaning of the FCM Rulebook. Such money and securities shall be treated and dealt with as belonging to such FCM Client in accordance with the provisions of the CEA, CFTC Regulations and the FCM Rulebook. Money and securities accruing in connection with FCM Clients' Open Contracts need not be separately credited to individual accounts but may be treated and dealt with as belonging undivided to FCM Clients having open cleared FCM SwapClear Contracts which if closed would result in a credit to such FCM Clients.
- (d) Use of FCM Client Funds Restricted. No FCM Clearing Member shall use, or permit the use of, FCM Client funds to purchase, margin, or settle the trades, contracts or transactions of, or to secure or extend the credit of, any person other than its FCM Clients. FCM Client funds shall not be used to carry trades or positions of the same FCM Client other than in connection with FCM SwapClear Contracts or other OTC derivatives cleared through the facilities of a derivatives clearing organization that has established rules or bylaws which require cleared OTC derivatives (as that term is defined in CFTC Regulation 190.01(o)), along with the money, securities and/or

other property margining, guaranteeing or securing such derivatives, to be held in a separate account.

- (e) Interest of FCM Clearing Members in FCM Client Funds; Additions and Withdrawals. FCM Regulation 29(b), which prohibits the commingling of FCM Client funds with the funds of an FCM Clearing Member, shall not be construed to prevent an FCM Clearing Member from having a residual financial interest in FCM Client funds, segregated as required by the CEA, CFTC Regulations and the FCM Rulebook and set apart for the benefit of FCM Clients; nor shall such provisions be construed to prevent an FCM Clearing Member from adding to the segregated FCM Client funds such amount or amounts of money, from its own funds or unencumbered securities from its own inventory, of the type permitted under FCM Regulation 29(g), as it may deem necessary to ensure that its FCM Segregated Accounts hold at all times, at a minimum, an aggregate amount equal to the amount required by the CEA, CFTC Regulations and the FCM Rulebook. The books and records of an FCM Clearing Member shall at all times accurately reflect its interest in the segregated FCM Client funds. An FCM Clearing Member may draw upon such FCM Client funds to its own order, to the extent of its actual interest therein, including the withdrawal of securities held in FCM Segregated Accounts held by the Clearing House, a bank, trust company or other FCM Clearing Member, provided that any such withdrawals do not result in any such account holding less in segregated FCM Client assets than such account is required to contain at such time. Such withdrawal shall not result in FCM Client funds being used to purchase, margin or carry the trades, contracts or transactions, or extend the credit of any other FCM Client or other person.
- (f) Funds Held in FCM Segregated Accounts; Exclusions Therefrom. Money held in FCM Segregated Accounts by an FCM Clearing Member shall not include (i) money invested in obligations or stocks of any clearing organization or in memberships in or obligations of any contract market or (ii) money held by any clearing organization which it may use for any purpose other than to purchase, margin, guarantee, secure, transfer, adjust, or settle the FCM SwapClear Contracts of the FCM Clients of such FCM Clearing Member.
- (g) Investments of FCM Client Funds. An FCM Clearing Member or the Clearing House may invest FCM Client funds subject to the terms and conditions set forth in CFTC Regulation 1.25, which regulation shall apply to such funds in accordance with the provisions of the CEA and CFTC Regulations thereunder related to transactions in the Cleared OTC Derivatives Account Class.
- (h) Deposit of Instruments Purchased with FCM Client Funds.
- (i) Each FCM Clearing Member who invests FCM Client funds in instruments permitted under FCM Regulation 29(g) shall separately account for such instruments and segregate such instruments as belonging to such FCM Clients. Such instruments, when deposited with the Clearing House, a bank, trust company or another FCM Clearing Member, shall be deposited under an account name which clearly shows that they belong to FCM Clients and are segregated as required by the CEA, CFTC Regulations and the FCM Rulebook. Each FCM Clearing Member, upon opening an FCM Segregated Account, shall obtain and retain in its files an acknowledgment from such bank, trust company or other FCM Clearing Member that it was informed that the instruments belong to FCM Clients and are being held in accordance with the CEA and CFTC Regulations. Such acknowledgment shall be retained in accordance with CFTC Regulation 1.31. Such bank, trust company or other

FCM Clearing Member shall allow inspection of the records of such assets at any reasonable time by representatives of the Clearing House.

- (ii) When it invests money belonging or accruing to FCM Clients of its FCM Clearing Members in instruments permitted under FCM Regulation 29(g), the Clearing House shall separately account for such instruments and segregate such instruments as belonging to such FCM Clients (provided that any such instruments may be held in commingled accounts, on behalf of all FCM Clients of all FCM Clearing Members, at one or more depositories). Such instruments, when deposited with a bank or trust company, shall be deposited under an account name which will clearly show that they belong to FCM Clients and are segregated as required by the CEA, CFTC Regulations and the FCM Rulebook. Upon opening any such account, the Clearing House shall obtain and retain in its files a written acknowledgment from such bank or trust company that it was informed that the instruments belong to FCM Clients of FCM Clearing Members and are being held in accordance with the provisions of the CEA and CFTC Regulations. Such acknowledgment shall be retained in accordance with CFTC Regulation 1.31. Such bank or trust company shall allow inspection of such instruments at any reasonable time by representatives of the Clearing House.

(i) Record of Investments.

- (i) Each FCM Clearing Member that invests FCM Client funds shall keep a record showing the following:
 - (A) The date on which such investments were made;
 - (B) The name of the person through whom such investments were made;
 - (C) The amount of money or current market value of securities so invested;
 - (D) A description of the instruments in which such investments were made, including the CUSIP or ISIN numbers;
 - (E) The identity of the depositories or other places where such instruments are held;
 - (F) The date on which such investments were liquidated or otherwise disposed of and the amount of money or current market value of securities received of such disposition, if any;
 - (G) The name of the person to or through whom such investments were disposed of; and
 - (H) Daily valuation for each instrument and readily available documentation supporting the daily valuation for each instrument. Such supporting documentation must be sufficient to enable auditors to verify the valuations and the accuracy of any information from external sources used in those valuations.
- (ii) When the Clearing House receives documents from its FCM Clearing Members representing or evidencing investment of FCM Client funds, the

Clearing House shall keep a record showing separately for each clearing member the following:

- (A) The date on which such documents were received from the clearing member;
 - (B) A description of such documents, including the CUSIP or ISIN numbers; and
 - (C) The date on which such documents were returned to the clearing member or the details of disposition by other means.
- (iii) Such records shall be retained in accordance with CFTC Regulation 1.31. No such investments shall be made except in instruments permitted under FCM Regulation 29(g).
- (j) Valuation of Instruments Purchased with FCM Client Funds. FCM Clearing Members who invest FCM Client funds in instruments permitted under FCM Regulation 29(g) shall include such instruments in their FCM Segregated Account records and reports at values which at no time exceed their then current market value, determined as of the close of the market on the date for which such computation is made.
- (k) Increment or Interest Resulting from Investment of FCM Client Funds. The investment of FCM Client funds in instruments permitted under FCM Regulation 29(g) shall not prevent the FCM Clearing Member or the Clearing House so investing such funds from receiving and retaining as its own any increment or interest resulting therefrom.
- (l) FCM Segregated Accounts; Daily Computation and Record.
- (i) Each FCM Clearing Member must compute as of the close of the previous Business Day:
 - (A) the aggregate amount of FCM Client funds on deposit in its FCM Segregated Accounts on behalf of FCM Clients;
 - (B) the amount of such FCM Client funds required by the CEA, CFTC Regulations and the FCM Rulebook to be on deposit in its FCM Segregated Accounts on behalf of such FCM Clients; and
 - (C) the amount of the FCM Clearing Member's residual interest in such FCM Client funds .
 - (ii) In computing the aggregate amount of funds required to be in its FCM Segregated Accounts, an FCM Clearing Member may offset any net deficit in a particular FCM Client's account against the then current market value of readily marketable securities, less applicable percentage deductions (i.e., "securities haircuts") as set forth in Rule 15c3-1(c)(2)(vi) of the Securities and Exchange Commission (17 CFR § 241.15c3-1(c)(2)(vi)), held for the same customer's account. The FCM Clearing Member must maintain a security interest in the securities, including a written authorization to liquidate the securities at the FCM Clearing Member's discretion, and must segregate the securities in a safekeeping account with the Clearing House, a bank, trust company or another FCM Clearing Member. For purposes of this section, a security will be considered readily marketable if it is traded on a "ready

market” as defined in Rule 15c3–1(c)(11)(i) of the Securities and Exchange Commission (17 CFR § 240.15c3–1(c)(11)(i)).

- (iii) The daily computations required by this FCM Regulation 29 must be completed by the FCM Clearing Member prior to noon on the next Business Day and must be kept, together with all supporting data, in accordance with the requirements of CFTC Regulation 1.31.
- (m) Classification of Positions. Each FCM Clearing Member shall maintain, as provided in CFTC Regulation 1.31, a record of all securities and property received from FCM Clients in lieu of money to margin, purchase, guarantee or settle the cleared FCM SwapClear Contracts of such FCM Clients. Such record shall show separately for each FCM Client: a description of the securities or property received; the name and address of such FCM Client; the dates when the securities or property were received; the identity of the depositories or other places where such securities or property are segregated; the dates of deposits and withdrawals from such depositories; and the dates of return of such securities or property to such FCM Client, or other disposition thereof, together with the facts and circumstances of such other disposition.
- (n) Change in Law or Regulations. The Clearing House shall enforce the rules set forth in this FCM Regulation 29 (and set forth in these FCM Regulations generally) at all times in accordance with and subject to the CEA and CFTC Regulations. In the event that a change in law or in CFTC Regulations occurs but has not yet been reflected appropriately in the FCM Rulebook, the CFTC Regulations and applicable law will prevail, the provisions of this FCM Rulebook shall be deemed to be modified accordingly and the Clearing House will enforce these FCM Regulations in accordance with CFTC Regulations and applicable law.
- (o) Notwithstanding any other provision of these FCM Regulations, any assets held in or credited to an FCM Omnibus OTC Client Account with LCH, an LCH OTC Client Segregated Depository Account or a PPS Account held by LCH shall be treated as segregated assets, to the same extent and with the same force and effect as required with respect to margin held in connection with transactions in futures contracts under the CEA and CFTC Regulations and will, without limitation, be held in trust in accordance with the CEA and CFTC Regulations.

Regulation 30 Acknowledgements and Agreements of FCM Clients and Affiliates

Each FCM Client and Affiliate, by participating in FCM SwapClear Transactions and entering FCM SwapClear Contracts through its respective FCM Clearing Member(s), shall be deemed to understand, acknowledge and agree that:

- (a) the services provided by the Clearing House with regard to the FCM SwapClear Clearing Services will be subject to and governed by the FCM Rulebook between the Clearing House and the FCM Clearing Member;
- (b) the FCM Regulations shall govern the registration of FCM SwapClear Contracts and all transactions between an FCM Client or Affiliate and its FCM Clearing Member resulting in the registration of FCM SwapClear Contracts, and at the time of registration of an FCM SwapClear Contract the FCM Client or Affiliate on whose behalf it was registered will be deemed to be bound by the relevant FCM SwapClear Contract on the terms entered into between the FCM Clearing Member and the Clearing House (including, without limitation, all applicable terms of the FCM Regulations and Schedule A thereto) automatically and without any further action by such FCM Client or Affiliate or by its FCM Clearing Member, and such FCM Client or Affiliate agrees to be bound by the applicable provisions of the FCM Regulations and by the terms of the applicable FCM SwapClear Contracts in all respects;
- (c) the provisions of FCM Regulation 26 (Exclusion of Liability) shall apply to each FCM Client and Affiliate *mutatis mutandis* as though entered into by each FCM Client and Affiliate directly with the Clearing House;
- (d) the Clearing House shall be under no obligation to deal directly with any FCM Client or Affiliate, and the Clearing House may deal exclusively with the FCM Clearing Members;
- (e) upon the default of an FCM Client's or Affiliate's FCM Clearing Member, if the Clearing House is required to do so by any Regulatory Body or applicable laws or regulations or determines in its discretion that it is necessary for its protection, the Clearing House may close out and terminate the FCM Client's or Affiliate's FCM SwapClear Contracts entered into by such FCM Clearing Member, subject to applicable law, regardless of whether such FCM Client or Affiliate had itself defaulted, and in certain circumstances the Clearing House will not transfer or otherwise re-establish such positions;
- (f) the Clearing House will not hold any assets transferred to it on behalf of any individual FCM Client or an Affiliate
- (g) where an FCM Clearing Member provides an FCM Client's or Affiliate's securities or other assets to the Clearing House as collateral, such securities and other assets shall be held by the Clearing House in accordance with the FCM Rulebook and applicable law, and FCM Clients and Affiliates shall not be entitled to assert any equitable or other claim to any such securities or assets in circumstances where the assertion of such a claim would delay or inhibit (x) the disposal by the Clearing House of such securities or assets and/or (y) the application of the proceeds of sale of such securities or assets, in each case in accordance with the provisions of the FCM Rulebook and applicable law; and
- (h) each FCM Client and Affiliate provides its respective FCM Clearing Member(s) with its unconditional consent for such FCM Clearing Member(s) to furnish or deposit to or with the Clearing House any securities or other assets of such FCM Client or Affiliate

in the FCM Clearing Member's possession, and to repledge such property to the Clearing House, as cover for the purposes of clearing FCM SwapClear Contracts entered on behalf of the FCM Client or Affiliate.

SCHEDULE A TO THE FCM REGULATIONS**Part A****FCM SwapClear Contract Terms**

The terms of a registered FCM SwapClear Contract shall include these FCM SwapClear Contract Terms which shall comprise:

- (1) Interpretation; and
- (2) Economic Terms; and
- (3) Standard Terms.

In the event of any inconsistency between the Economic Terms and the Standard Terms, the Standard Terms will prevail.

Subject to the FCM Regulations and the FCM Procedures, the Clearing House will use the FCM SwapClear Contract Terms applicable to an FCM SwapClear Contract to calculate the amounts due under the FCM SwapClear Contract to, or from, the Clearing House in accordance with the FCM Procedures.

1. Interpretation

- 1.1. "ISDA 2000 Definitions" means the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and the same are incorporated by reference herein and "ISDA 2006 Definitions" means the 2006 ISDA Definitions as published by ISDA, and the same are incorporated by reference herein.
- 1.2. Words and expressions used in these FCM SwapClear Contract Terms which are not defined in the FCM Regulations and the FCM Procedures but which are defined in the "ISDA 2000 Definitions" or the "ISDA 2006 Definitions" shall have the same meaning herein as in the ISDA 2000 Definitions or the ISDA 2006 Definitions as the case may be, unless expressly provided otherwise. For the avoidance of doubt where the FCM SwapClear Contract identifies the ISDA 2000 Definitions as being applicable to that FCM SwapClear Contract then those definitions will apply and where the FCM SwapClear Contract identifies the ISDA 2006 Definitions as being applicable to that FCM SwapClear Contract then those definitions will apply
- 1.3. In the event of an inconsistency between the FCM Regulations and the FCM Procedures and either the ISDA 2000 Definitions or the ISDA 2006 Definitions, the FCM Regulations and FCM Procedures will prevail.
- 1.4. References in the ISDA 2000 Definitions and the ISDA 2006 Definitions to a "Swap Transaction" shall be deemed to be references to an "FCM SwapClear Transaction" for the purposes of SwapClear.
- 1.5. Except where expressly stated otherwise, all reference to "Articles" means Articles in the ISDA 2000 Definitions or the ISDA 2006 Definitions as the case may be as published by ISDA:
 - (a) in relation to any amendments to either the ISDA 2000 Definitions and the ISDA 2006 Definitions, the Clearing House may from time to time, by notice

delivered to the FCM Clearing Members and the SwapClear Clearing Members, give directions as to whether such amendment shall apply to FCM SwapClear Contracts with immediate effect or with such deferred effect as the Clearing House shall determine;

- (b) any such notice may provide that the amendment to the ISDA 2000 Definitions and the ISDA 2006 Definitions may take effect so as to apply to FCM SwapClear Contracts registered in an FCM Clearing Member's name at the time such amendment comes into effect if the Clearing House so determines;
- (c) the accidental omission to give notice under this provision to, or the non-receipt of notice under this provision by, an FCM Clearing Member or a SwapClear Clearing Member shall not invalidate the amendment with which the notice is concerned.

2. Economic Terms

- 2.1. The Economic Terms of an FCM SwapClear Contract shall be derived from the information presented to the Clearing House by the parties to the corresponding FCM SwapClear Transaction in respect of the terms designated as Economic Terms in this Schedule.
- 2.2. It is part of the eligibility criteria for registration as an FCM SwapClear Contract that the particulars of an FCM SwapClear Transaction presented to the Clearing House must include matched information in respect of such designated Economic Terms, except that information in respect of (i), (viii) or (ix) (not both) for vanilla interest rate swaps with constant notional principal and variable notional swaps must be provided.
- 2.3. The Economic Terms for vanilla interest rate swaps with constant notional principal and variable notional swaps comprise:
 - (a) Notional Amount (see Article 4.7 of the ISDA 2000 Definitions and Article 4.7 of the ISDA 2006 Definitions for definition) (for variable notional swaps, the Notional Amount can be set out in a Notional Amount Schedule¹;
 - (b) Currency (see Article 1.7 of the ISDA 2000 Definitions and Article 1.7 of the ISDA 2006 Definitions for definition);
 - (c) Trade Date (see Article 3.7 of the ISDA 2000 Definitions and Article 3.7 of the ISDA 2006 Definitions for definition);
 - (d) Effective Date (see Article 3.2 of the ISDA 2000 Definitions and Article 3.2 of the ISDA 2006 Definitions for definition);
 - (e) Termination Date (see Article 3.3 of the ISDA 2000 Definitions and Article 3.3 of the ISDA 2006 Definitions for definition);

¹ SwapClear will accept IRS, Basis or zero coupon swaps with a Notional Amount which for each payment calculation period may remain unchanged, increase or decrease relative to its previous value. The changes in notional can only take place at the calculation period start dates and must be pre-determined at the point of registration. The notional schedule will be applied at the start of the corresponding calculation period, adjusted (or unadjusted) with the calculation period calendar specified in the trade. Notional schedules need not be identical for the two legs of the trade.

- (f) Additional Payments/Fees:
 - (i) the Payer of the Additional Payments/Fees (if any);
 - (ii) the amount of the Additional Payments/Fees (specify zero if none).
- (g) Business Days (see Article 1.4 of the ISDA 2000 Definitions and Article 1.4 of the ISDA 2006 Definitions for definition);
- (h) Business Day Convention (see Article 4.12 of the ISDA 2000 Definitions and Article 4.12 of the ISDA 2006 Definitions for definition);
- (i) Where Fixed Rate – Floating Rate Swap:
 - (i) Fixed Rate Payer (see Article 2.1 of the ISDA 2000 Definitions and Article 2.1 of the ISDA 2006 Definitions for definition);
 - (ii) Fixed Rate Payer Payment Dates;
 - (iii) Fixed Amount (see Article 4.4 of the ISDA 2000 Definitions and Article 4.4 of the ISDA 2006 Definitions for definition) [or Fixed Rate and Fixed Rate Day Count Fraction] [or Fixed Rate Payer Schedule]²;
 - (iv) Floating Rate Payer (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition);
 - (v) Floating Rate Payer Payment Dates;
 - (vi) Floating Rate Payer compounding dates (if applicable);
 - (vii) Floating Amount (see Article 4.5 of the ISDA 2000 Definitions and Article 4.5 of the ISDA 2006 Definitions for definition);
 - (viii) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition);
(Note: The details of each such option are as provided in the Procedures).
 - (ix) Designated Maturity (see Article 7.3(b) and Article 7.3 (b) of the ISDA 2006 Definitions of the “Annex to the 2000 ISDA Definitions (June 2000 Version)” for definition);
 - (x) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition)³;
 - (xi) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);

² SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a Fixed Rate on the fixed leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The Fixed Rate must be greater than or equal to 0%.

³ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

- (xii) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition).

- (j) Where Floating Rate – Floating Rate Swap (“basis” swap):
 - (i) Floating Rate Payer 1 (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition):
 - (a) Floating Rate Payer Payment Dates;
 - (b) Floating Rate Payer compounding dates (if applicable);
 - (c) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition);

(Note: the details of each such option are as provided in the Procedures)
 - (ii) Designated Maturity (see Article 7.3(b) of the “Annex to the 2000 ISDA Definitions (June 2000 version)” and Article 7.3 (b) of the ISDA 2006 Definitions for definition);
 - (iii) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition)⁴;
 - (iv) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);
 - (v) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition);
 - (vi) Floating Rate Payer 2 (see Article 2.2 of the ISDA 2000 Definitions and Article 2.2 of the ISDA 2006 Definitions for definition):
 - (a) Floating Rate Payer Payment Dates;
 - (b) Floating Rate Payer compounding dates (if applicable);
 - (c) Floating Rate Option (see Article 6.2(i) of the ISDA 2000 Definitions and Article 6.2(h) of the ISDA 2006 Definitions for definition)

(Note: The details of each such option are as provided in the Procedures)
 - (vii) Designated Maturity (see Article 7.3(b) of the “Annex to the 2000 ISDA Definitions (June 2000 version)” and Article 7.3 (b) of the ISDA 2006 Definitions for definition);

⁴ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

- (viii) Spread (see Article 6.2(f) of the ISDA 2000 Definitions and Article 6.2 (e) of the ISDA 2006 Definitions for definition)⁵;
- (ix) Reset Dates (see Article 6.2(b) of the ISDA 2000 Definitions and Article 6.2 (b) of the ISDA 2006 Definitions for definition);
- (x) Floating Rate Day Count Fraction (see Article 6.2(g) of the ISDA 2000 Definitions and Article 6.2 (f) of the ISDA 2006 Definitions for definition)

2.4. Financial Centers

Detail of the relevant financial center/s must be provided using the appropriate Marketwire/FpML code as set out below:

Financial Center	Marketwire/FpML
Sydney	AUSY
Brussels	BEBR
Montreal	CAMO
Toronto	CATO
Geneva	CHGE
Zurich	CHZU
Prague	CZPR
Frankfurt	DEFR
Copenhagen	DKCO
Madrid	ESMA
Helsinki	FIHE
Paris	FRPA
London	GBLO
Hong Kong	HKHK
Budapest	HUBU
Milan	ITMI
Rome	ITRO

⁵ SwapClear will accept IRS, Basis or zero coupon variable notional swaps with a floating rate spread on the floating leg which for each calculation and/or compounding period may remain unchanged, increase or decrease relative to its previous value. The spread can be negative. Where such spread is variable it can be set out in a Spread schedule.

Financial Center	Marketwire/FpML
Tokyo	JPTO
Luxemburg	LULU
Amsterdam	NLAM
Oslo	NOOS
Auckland	NZAU
Wellington	NZWE
Stockholm	SEST
Chicago	USCH
Los Angeles	USLA
New York	USNY
Target/Euro	EUTA
Warsaw	PLWA
Singapore	SGSI
Johannesburg	ZAJO

3. Standard Terms

The following terms are designated as Standard Terms of a registered FCM SwapClear Contract:

3.1. Business Days

In addition to the Business Days for the financial centers specified in the Economic Terms, (such Business Days to be determined in accordance with the SwapsMonitor Financial Calendar) the Business Days specified in the calendar published by the Clearing House, from time to time, will apply to an FCM SwapClear Contract.

3.2. Negative Interest Rates

The “Negative Interest Rate Method” as set out in Article 6.4(b) of the ISDA Definitions, will apply to an FCM SwapClear Contract.

3.3. Withholding Tax Provisions

All payments due under an FCM SwapClear Contract shall be made by the FCM Clearing Member free and clear and without deduction or withholding for or on account of any tax. Payments in respect of which such deduction or withholding is required to be made, by the FCM Clearing Member, shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Clearing House receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received

and so retained had no such deduction or withholding been made or required to be made.

The Clearing House shall make any payments due to an FCM Clearing Member net of any deduction or withholding for or on account of any tax it is required to make from such payments.

3.4. Payment of Stamp Tax

Each FCM Clearing Member will pay any stamp tax or duty levied or imposed upon it in respect of any FCM SwapClear Contract to which it is a party by a jurisdiction in which it is incorporated, organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting is located or by any other jurisdiction, and will indemnify the Clearing House against any stamp tax or duty levied or imposed upon the Clearing House by any such jurisdiction in respect of any FCM SwapClear Contract registered by the Clearing House and to which that FCM Clearing Member is a party.

3.5. Payments under an FCM SwapClear Contract

Payments under, and in respect of, an FCM SwapClear Contract shall be calculated by the Clearing House and shall be made by, or to, the FCM Clearing Member in accordance with the provisions of the FCM Procedures.

3.6. FCM Regulations

An FCM SwapClear Contract shall be subject to the FCM Regulations and the FCM Procedures, which shall form a part of its terms. In the event of any inconsistency between these FCM SwapClear Contract Terms and the FCM Regulations and the FCM Procedures, the FCM Regulations and the FCM Procedures will prevail.

3.7. Governing Law

Each FCM SwapClear Contract shall be governed by and construed in accordance with the laws of the State of New York in the United States of America without regard to principles of conflicts of law and the parties hereby irrevocably agree for the benefit of the Clearing House that (i) the courts of the State of New York, Borough of Manhattan in the United States of America, (ii) the United States District Court for the Southern District of New York, or (iii) the courts of England and Wales shall have exclusive jurisdiction to hear and determine any action or dispute which may arise herefrom. The FCM Clearing Member party hereto irrevocably submits to such jurisdiction and agrees to waive any objection it might otherwise have to such jurisdiction, save that this submission to the exclusive jurisdiction of the courts of the State of New York, Borough of Manhattan in the United States of America, the United States District Court for the Southern District of New York or the courts of England and Wales shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the Clearing House from taking action in any other jurisdiction, whether concurrently or not.

3.8. Third Party Rights

A person who is not a party to this FCM SwapClear Contract shall have no rights under or in respect of it. Rights of third parties to enforce any terms of this FCM SwapClear Contract are expressly excluded.

Part B

Product Eligibility Criteria for Registration of an FCM SwapClear Contract

1. FCM SwapClear Transaction

Without prejudice to the FCM Regulations and the FCM Procedures, the Clearing House will only register an FCM SwapClear Contract pursuant to receipt of particulars of a transaction where at the time of the particulars being presented:

- (a) the transaction meets the eligibility criteria, set out in paragraph 1.2(A), (B) and 1.3, below for an FCM SwapClear Transaction; and
- (b) each party to the transaction is an Executing Party;

and the requirements of (a) and (b) continue to be satisfied at Registration Time.

1.2. Product eligibility criteria for an FCM SwapClear Transaction

- (a) Vanilla interest rate swaps with constant notional principal having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Indices¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
Vanilla interest rate swaps with constant notional principal	Sterling (GBP)	GBP-LIBOR-BBA	Fixed	Single currency	18,275 days	0.01-
			vs. Floating	Single currency	736 days	
	US Dollar (USD)	USD-LIBOR-BBA	Fixed	Single currency	18,275 days	0.01-
			vs. Floating	Single currency	18,275 days	
		See Article 7.1w (vii) for definition	Floating vs. Floating		99,999,999,999.99	
		See Article 7.1(ab) (xxii) for definition	Floating vs. Floating		99,999,999,999.99	

¹ References in this column are to the 2006 ISDA Definitions

Instrument	Acceptable Currencies	Acceptable Indices ¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		USD-Federal Funds H.15-OIS-COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See article 7.1(ab)(xxxix) for definition				
	Euro (EUR)	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	18,275 days	0.01-
		See Article 7.1(f)(vii) for definition	Floating vs. Floating			99,999,999,999.99
		EUR-EURIBOR-Telerate				
		See article 7.1 (f)(ii) for definition				
		EUR-EONIA-OIS-COMPOUND	Fixed vs. Floating	736 days		
		See Article 7.1(f) (viii) for definition				
	Australian Dollar (AUD)	AUD-BBR-BBSW	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(a) (iv) for definition	Floating vs. Floating			

Instrument	Acceptable Currencies	Acceptable Indices ¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
Vanilla interest rate swaps with constant notional principal	Canadian Dollar (CAD)	AUD-LIBOR-BBA	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(a) (viii) for definition	Floating vs. Floating			
	Czech Koruna (CZK)	CAD-LIBOR-BBA	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(b) (ii) for definition	FLOAT vs. FLOAT			
	Danish Krone (DKK)	See Article 7.1(b) (viii) for definition	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1r(i) for definition	Floating vs. Floating			
		DKK-CIBOR2-				

Instrument	Acceptable Currencies	Acceptable Indices ¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		DKNA13				
		See Article 7.1(e) (ii) for definition				
	Hong Kong Dollar (HKD)	HKD-HIBOR-HIBOR=	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(g) (ii) for definition	Floating vs. Floating			
		HKD-HIBOR-HKAB				
		See Article 7.1(g) (iii) for definition				
		HKD-HIBOR-ISDC				
		See Article 7.1(g) (i) for definition				
	Hungarian Forint (HUF)	HUF-BUBOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	1-10,000,000,000,000
		See Article 7.1r(i) for definition	FLOAT vs. FLOAT			
	Japanese Yen (JPY)	JPY-LIBOR-BBA	Fixed vs. Floating	Single currency	10970 days	1-10,000,000,000,000
		See Article 7.1(l) (iv) for definition	Floating vs. Floating			

Instrument	Acceptable Currencies	Acceptable Indices¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
	New Zealand Dollar (NZD)	NZD-BBR-Telerate	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(l) (iii) for definition	Floating vs. Floating			
	New Zealand Dollar (NZD)	NZD-BBR-FRA	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(p) (iii) for definition	Floating vs. Floating			
	Norwegian Krone (NOK)	NOK-NIBOR-NIBR	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(q) (i) for definition	Floating vs. Floating			
	Singapore Dollar (SGD)	SGD-SOR-Reuters	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(q) (i) for definition	Floating vs. Floating			
	Swedish Krona (SEK)	SEK-STIBOR-SIDE	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99
		See Article 7.1(x) (i) for definition	Floating vs. Floating			
	Swiss Franc (CHF)	CHF-LIBOR-BBA	Fixed vs. Floating	Single currency	10,970 days	0.01-99,999,999,999.99

Instrument	Acceptable Currencies	Acceptable Indices ¹	Types		Maximum Residual Term	Notional Amount (Min-Max of the relevant currency unit)
		See Article 7.1(y) (ii) for definition				
		CHF-TOIS_OIS_COMPOUND	Fixed vs. Floating	Single currency	736 days	
		See Article 7.1(y) (iv) for definition	Floating vs. Floating			
	Polish Zloty(PLN)	PLN	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		WIBOR-WIBO				
		See Article 7.1r (i) for definition	FLOAT vs. FLOAT			
	South African Rand (ZAR)	ZAR	FIXED vs. FLOAT	Single currency	3670 days	0.01-99,999,999,999.99
		JIBAR-SAFEX				
		See Article 7.1v (i) for definition	FLOAT vs. FLOAT			

(b) Variable notional swaps having the characteristics set out in the table below;

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Article 7.1 of the 2000 ISDA Definitions and Article 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
Variable Notional Swap	USD	USD-LIBOR-BBA	Interest Rate Swap	Single currency	18,275 Days	
Variable Notional Swap	USD	USD-LIBOR-BBA	Basis Swap	Single currency	18,275 Days	
Variable Notional Swap	USD	USD-LIBOR-BBA	Zero Coupon Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Interest Rate Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Basis Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-LIBOR-BBA	Zero Coupon Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Interest Rate Swap	Single currency	18,275 Days	
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Basis Swap	Single currency	18,275 Days	

Instrument	Acceptable Currencies	Acceptable Rate Options (as further set out in Article 7.1 of the 2000 ISDA Definitions and Article 7.1 of the 2006 ISDA Definitions)	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
Variable Notional Swap	EUR	EUR-EURIBOR-REUTERS	Zero Coupon Swap	Single currency	18,275 Days	
Variable Notional Swap	GBP	GBP-LIBOR-BBA	Interest Rate Swap	Single currency	18,275 Days	
Variable Notional Swap	GBP	GBP-LIBOR-BBA	Basis Swap	Single currency	18,275 Days	
Variable Notional Swap	GBP	GBP-LIBOR-BBA	Zero Coupon Swap	Single currency	18,275 Days	

2. [*Intentionally Omitted*]

3. Additional Criteria for an FCM SwapClear Transaction

3.1. A contract must also meet the following additional criteria to be eligible as an FCM SwapClear Transaction:

(a) Day Count Fractions

(See Article 4.16 of the "Annex to 2000 ISDA Definitions (June 2000 Version)", and Article 4.16 of the ISDA 2006 Definitions for definition)

- (i) The Clearing House will only accept the following day count fractions for vanilla interest rate swaps with constant notional principal and variable notional swaps. Day Count Fractions are applied to each deal leg independently, as communicated via the affirmed MarkitWire trade detail:

Day Count Fractions using the ISDA 2000 Definitions

Day Count Fraction	MarkitWire/FpML Code
30/360 (or Bond Basis)	30/360
30E/360 (or Eurobond Basis)	30E/360
Actual/360	ACT/360
Actual/365 (Fixed)	ACT/365.FIXED
Actual/365 (or Actual/Actual)	ACT/365.ISDA
Actual/Actual (ISMA)	ACT/ACT.ISMA

Day Count Fractions using the ISDA 2006 Definitions:

Day Count Fraction	MarkitWire/FpML Code
30/360 (or Bond Basis)	30/360
30E/360 (or Eurobond Basis)	30E/360
Actual/360	ACT/360
Actual/365 (Fixed)	ACT/365.FIXED
Actual/Actual	ACT/ACT.ISDA
30E/360 (ISDA)	30E/360.ISDA
Actual/Actual (ICMA)	ACT/ACT.ICMA

Fraction	SWIFT Code
Actual/365, Actual/Actual <i>(See Article 4.16(b) for definition)</i>	ACT/365
Actual/365 (Fixed) <i>(See Article 4.16(c) for definition)</i>	AFI/365
Actual/360 <i>(See Article 4.16(d) for definition)</i>	ACT/360
30/360, 360/360, Bond Basis <i>(See Article 4.16(e) for definition)</i>	360/360
30E/360 <i>(See Article 4.16(f) for definition)</i>	30E/360

(b) **Business Day Conventions**

The Business Day Convention specified in the Economic Terms must be one of the following:

Following (see Article 4.12 (i) of the ISDA 2000 Definitions and Article 4.12 (i) of the ISDA 2006 Definitions for definition)

Modified Following (see Article 4.12 (ii) of the ISDA 2000 Definitions and Article 4.12(ii) of the ISDA 2006 Definitions for definition)

Preceding (see Article 4.12 (iii) of the ISDA 2000 Definitions and Article 4.12 (iii) of the ISDA 2006 Definitions for definition)

For vanilla interest rate swaps with constant notional principal SwapClear does not support trades where a different business day convention is used for:

- (i) fixed period end dates and the termination date
 - (ii) float period end dates and the termination date
- (c) Minimum and Maximum Residual Term of the Trade (Termination date – Today)

Trades in respect of vanilla interest rate swaps with constant notional principal and variable notional swaps are subject to a minimum and maximum Residual Term on the day they are received by SwapClear.

Minimum Residual Term of trade:

Termination date - Today \geq 1 + currency settlement lag

where currency settlement lag is:

1 day for EUR, USD, GBP and CAD denominated trades

2 days for JPY, CHF, AUD, DKK, HKD, NZD, SEK, NOK, PLN, ZAR, SAD, HUF & CZK denominated trades

- (d) Designated Maturity

The Designated Maturity must be no less than one month and no more than twelve months. The Clearing House will, excepting stub periods, only accept a Designated Maturity that is a whole calendar month.

- (e) Calculation Periods

(See Article 4.13 of the ISDA 2000 Definitions and Article 4.13 of the ISDA 2006 Definitions for definition.)

For vanilla interest rate swaps with constant notional principal and variable notional swaps the Clearing House will only accept non-standard Calculation Periods (“stub periods”) at either the start or end of the contract. Transactions with stub periods at both the start and end of the transaction will not be eligible as FCM SwapClear Transactions.

For variable notional swaps the stub rate should be detailed either as a percentage (i.e. 5.5%), an interpolation (i.e. 1 month/3months) or as a designated maturity (i.e. 1 month). Stub Rates within the Final Stub are calculated via interpolation or as a designated maturity.

For interpolated coupons, payment dates must fall between the rolled dates, according to the Modified Following business day convention, of the specified designated maturities. Where this does not occur and extrapolation would be required, SwapClear will reject the trade.

The minimum stub period of a variable notional swap accepted by SwapClear is 1 + Currency Settlement Lag. The minimum stub rate tenor must be ≥ 1 week for IRS and basis swap and ≥ 1 month for zero coupon swaps.

SwapClear also calculates floating periods subject to 'IMM settlement dates as per ISDA definitions.

Exhibit B

See Attached

AMENDED RULES SELF CERTIFICATION

LCH.Clearnet Limited ("LCH.Clearnet") hereby certifies to the Commodity Futures Trading Commission ("CFTC"), pursuant to the procedures set forth in the Commission Regulations 40.6, that the following:

- Amendments to the rules in LCH.Clearnet's General Regulations, Section 2C of the SwapClear Procedures and FCM Regulations to harmonise the SCM model with the FCM model by extending key functionalities in the SCM model, comply with the Commodity Exchange Act, as amended, and the regulations promulgated thereunder.

Signed as of October 4, 2012

By:  _____

Name: Jay Iyer

Title: Chief Compliance Officer

LCH.Clearnet Limited