



Clearing Rules

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CFTC

The U.S. Commodity Futures Trading Commission.

Chief Executive Officer

The Chief Executive Officer of ICE Clear Credit.

Client Omnibus Margin Account

Any account or accounts maintained by or on behalf of ICE Clear Credit with respect to a Participant for the purposes of holding on an omnibus basis Margin posted by a Participant in respect of Client-Related Positions (including margin of Non-Participant Parties posted to that Participant in respect of such margin requirement or property of a Participant posted in lieu thereof in accordance with these Rules).

Client-Related Initial Margin

Initial Margin ~~(other than Physical Settlement Margin)~~ with respect to Client-Related Positions.

Client-Related Position

An Open Position identified as such at the time the related Trade is submitted by an FCM Participant (in the case of a swap) or a Broker-Dealer Participant (in the case of a security-based swap) to ICE Clear Credit in accordance with Rules 301 and 302, where such related Trade, at the time established, is entered into by the Participant for a Non-Participant Party. ICE Clear Credit will rely on a Participant's designation of an Open Position as a Client-Related Position for purposes of these Rules. To the extent permitted by law, a Client-Related Position will include such an Open Position entered into by an FCM Participant or a Broker-Dealer Participant for another Person (which Person may, but need not, be an Affiliate of that Participant or of another Participant) that is itself acting for one or more Non-Participant Parties with respect to such Open Position (such Person in such case, a "**Client-Carrying Broker**").

Closing-out Process

In connection with the Default of a Participant, the process of termination of Open Positions, determination of amounts owing with respect thereto, netting of such amounts, liquidation and application of any Margin and/or Collateral and application of Default Portability Rules pursuant to Rule 20A-02, if applicable, in each case as contemplated by these Rules.

to the occurrence of a Default with respect to a Participant, ICE Clear Credit may use, invest or apply the Initial Margin of such Participant only as set forth in this Rule 402(j) or the last sentence of Rule 402(a). This Rule 402(j) shall not be deemed to limit ICE Clear Credit's rights to use or apply a Participant's Initial Margin as permitted in the Rules, under applicable law or otherwise following the occurrence of a Default of that Participant.

403. Initial Margin.

"Initial Margin" shall consist of the Margin Categories listed in this Rule (collectively, the "Initial Margin Categories"). With respect to each Initial Margin Category, ICE Clear Credit shall determine the Margin Requirement pursuant to one or more methodologies established by ICE Clear Credit from time to time in the ICE Clear Credit Procedures. To protect itself and the other Participants, ICE Clear Credit may deviate from applying the methodologies uniformly to each Participant if ICE Clear Credit determines it appropriate to do so for risk management purposes in accordance with the ICE Clear Credit Procedures. Margin Requirements with respect to an Initial Margin Category shall be expressed as a positive number or as zero, as applicable.

- (a) "Portfolio Risk Margin" means the Margin ICE Clear Credit requires related to the size and risk of a Participant's Open Positions.
- (b) "Physical Settlement Margin" means the Margin ICE Clear Credit requires to secure a Participant's obligations ~~to another Participant pursuant to a bilateral agreement relating to a Contract that has been allocated to a pair of Participants for purposes of effecting physical settlement~~ in respect of a CDS Contract that is subject to Physical Settlement.
- (c) "Super or Special Margin" means additional Margin ICE Clear Credit may require for any purpose at any time and from time to time in its sole discretion.

404. Mark-to-Market Margin.

- (a) "Mark-to-Market Margin" means the Margin required as a result of the market value of a Participant's Open Positions. Each currency in which Contracts are denominated shall be treated as a separate Margin Category (each, a "Mark-to-Market Margin Category"). With respect to a Participant, the Margin Requirement for a Mark-to-Market Margin Category shall be the sum of the value of each Open Position in such Margin Category, determined by ICE Clear Credit by the application of the Mark-to-Market Price for the relevant Contract (expressed as a positive number if owed by the Participant and a negative number if owed by ICE Clear Credit). Margin Requirements with respect to a Mark-to-Market Margin Category shall be expressed as a positive or negative number or as zero, as applicable.

5. RISK COMMITTEE

501. The Risk Committee.

ICE Clear Credit shall establish a committee that includes representatives of Participants (the “**Risk Committee**”) as provided in Rule 503. Notwithstanding anything to the contrary in these Rules, the Board shall not have any obligation to accept any proposal made by, or take any action proposed by, the Risk Committee, and any deliberation and/or decision by the Board with respect to any such proposal shall be made at the sole discretion of the Board, with no obligation whatsoever to the Risk Committee in respect of such deliberation or decision.

502. Specified Actions.

ICE Clear Credit shall not take nor permit to be taken any of the following actions without prior consultation with the Risk Committee (“**Specified Actions**”):

- (a) accept for clearing any types of transactions other than the credit default swaps published by ICE Clear Credit on its website (“**Approved Products**”) and, with respect to new Contracts (including for Approved Products) or the then-existing Contracts, establish, impose, make any change or addition to or deletion from or otherwise modify, directly or indirectly, (collectively, “**Modify**” and any such action, a “**Modification**”) the Rules, or, to the extent directly and materially relating thereto, the ICE Clear Credit Procedures or any other governing provisions, (the Rules, such ICE Clear Credit Procedures and such other governing provisions, collectively, the “**ICE Provisions**”) relating to the specific characteristics of a Contract or make the determination that a proposed Modification to the ICE Provisions relating to the specific characteristics of a Contract is not a Contract Modification (as defined in Rule 616), it being understood that adding new series or versions of an index to an existing Contract or a new coupon or tenor for an existing Contract as contemplated by the Rules governing such Contract shall not be considered a Modification;
- (b) (i) Modify the ICE Provisions that relate to Margin, including, without limitation, (A) the methodology for calculating any Margin Requirement or the components thereof, (B) the types of currency or assets that qualify as Eligible Margin or the methodology and discounts for calculating the Value thereof, (C) the methodology for determining the interest rate charged or credited for cash Margin, (D) provisions relating to the application, or the use, rehypothecation or investment, of Margin and (E) provisions relating to ~~Buyer Allocated Collateral (as defined in Rule 2204(b))~~ Physical Settlement Margin or (ii) Modify the ICE Provisions to include material obligations relating to, or otherwise materially affecting, the manner in which Participants or their Affiliates interact with their

Committee Member to serve as Chairperson of the relevant Regional CDS Committee for the remainder of the outgoing Chairperson's term. Prior service as Chairperson does not disqualify a Committee Member from subsequent terms of service as Chairperson.

- (e) Each Regional CDS Participant shall be responsible for its own costs associated with its participation as a Regional CDS Participant or as a Committee Member unless these CDS Committee Rules specifically provide otherwise.

2101-02. Role of the Regional CDS Committees.

(a) For the relevant CDS Region, the Regional CDS Committee shall, subject to Rule 2101-02(d) and (e), be responsible for:

- (i) determining whether a Reference Entity under a CDS Contract has been the subject of a Succession Event (in the case of a 2003-Type CDS Contract) or circumstances giving rise to a Successor and a Succession Date (in the case of a 2014-Type CDS Contract) and, if so, determining the legally effective date of the Succession Event or such circumstances and the identity of the Reference Entity's Successor(s), if any, *provided* that such determination shall be made only where sufficient information is available to the Regional CDS Committee to make such determination;
- (ii) where necessary in respect of a CDS Contract to which "Standard Reference Obligation" is not applicable hereunder, determining whether a Reference Obligation no longer satisfies the applicable requirements under such CDS Contract and, if so, identifying any Substitute Reference Obligation, *provided* that such determination shall be made only where sufficient information is available to the Regional CDS Committee to make such determination;
- (iii) determining whether a Credit Event for which there is Publicly Available Information has occurred with respect to a CDS Contract on or after the Credit Event Backstop Date and on or prior to the Extension Date (with the timing of such Credit Event determined in accordance with the terms of such CDS Contracts) and, if so, determining the relevant Event Determination Date, if any, which shall be the first date on which the relevant Regional CDS Committee both has received effective notice during the relevant Notice Delivery Period or Post Dismissal Additional Period, as applicable, requesting that the Regional CDS Committee determine the matters described in this clause (iii) and is in possession of Publicly Available Information in respect of the relevant Credit Event; *provided, however*, that an Event Determination Date relating to a Relevant Restructuring Credit Event shall occur in respect of a Restructuring CDS Contract or part thereof only if a relevant party thereto

delivers a Restructuring Credit Event Notice relating thereto on or before the relevant Exercise Cut-off Date, as provided in the CDS Restructuring Rules; *provided, further*, that in circumstances where Section 4.6(d)(ii) of the Applicable Credit Derivatives Definitions would otherwise apply, the Regional CDS Committee will be responsible for determining whether the Repudiation/Moratorium Extension Condition is satisfied (and delivery of a Repudiation/Moratorium Extension Notice will be of no effect);

- (iv) if the applicable method of settlement under a CDS Contract is Physical Settlement (whether initially or due to the fact that the CDS Contract is to be settled in accordance with the Fallback Settlement Method), resolving any questions presented by one or more Committee Members with respect to such CDS Contract regarding (1) whether a particular obligation is a Deliverable Obligation, (2) whether a particular Deliverable Obligation satisfies Section 2.32(a) or 2.33(a) of the 2003 Definitions (in the case of a 2003-Type CDS Contract) or Section 3.31(a) or 3.32(a) of the 2014 Definitions (in the case of a 2014-Type CDS Contract), if applicable (a Deliverable Obligation that satisfies the relevant Section, a **“Permissible Deliverable Obligation”**), (3) the length of the Physical Settlement Period (unless such period is fixed for purposes of the relevant Delivery pursuant to the Applicable Credit Derivatives Definitions), in the case of a 2003-Type CDS Contract, (4) the Accreted Amount of any Accreting Obligation (in the case of a 2003-Type CDS Contract) or the Outstanding Principal Balance of any relevant Deliverable Obligation (in the case of a 2014-Type CDS Contract), (5) whether an Asset Package Credit Event has occurred in the case of a 2014-Type CDS Contract, the identification of any relevant Asset Package or Largest Asset Package or the methodology for determining the relevant Asset Market Value with respect to a Non-Transferable Instrument or Non-Financial Instrument (in the case of a 2014-Type CDS Contract); or (6) with respect to a Deliverable Obligation, any specific assignment, novation or other document or any other action that may be necessary, customary or desirable and reasonably requested by either party to ~~an Allocated~~ CDS Contract that is the subject of a Matched Delivery Pair for the purpose of effecting Physical Settlement and, with respect to a Deliverable Obligation that is a Loan, the documentation customarily used in the relevant market for Delivery of such Loan at that time, including any market advisory, and any amendments to such documentation to the extent necessary in order to preserve the economic equivalent, as closely as practicable, of the delivery and payment obligations of the parties under the Applicable Credit Derivatives Definitions; and
- (v) with respect to a CDS Contract, making any other determination requested of it or resolving any disputes referred to it by ICE Clear Credit

22. CDS PHYSICAL SETTLEMENT

The rules in this Chapter 22 apply to each CDS Contract for which the method of settlement is Physical Settlement for a particular Credit Event in accordance with the terms of such CDS Contract. Capitalized terms used but not otherwise defined in this Chapter 22 shall have the meanings assigned to such terms in the relevant CDS Contract.

2200. Definitions

Asset Package Delivery Notice

The notification required to be given by a protection buyer or to a protection seller pursuant to Section 8.2 of the 2014 Definitions of the detailed description of the Asset Package, if any, that it intends to Deliver to the protection seller in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable.

Matched Delivery Buyer

The Participant that is the Buyer in a Matched Delivery Pair.

Matched Delivery Buyer Contract

A CDS Contract (or part thereof) between a Matched Delivery Buyer for a Matched Delivery Pair and ICE Clear Credit having a Floating Rate Payer Calculation Amount equal to the MP Delivery Amount relating to that Matched Delivery Pair.

Matched Delivery Contract

A Matched Delivery Seller Contract or a Matched Delivery Buyer Contract.

Matched Delivery Seller

The Participant that is the Seller in a Matched Delivery Pair.

Matched Delivery Seller Contract

A CDS Contract (or part thereof) between a Matched Delivery Seller for a Matched Delivery Pair and ICE Clear Credit having a Floating Rate Payer Calculation Amount equal to the MP Delivery Amount relating to that Matched Delivery Pair.

MP Delivery Amount

An amount equal to the portion of a Floating Rate Payer Calculation Amount in respect of which ICE Clear Credit matches a Matched Delivery Pair.

2201. Notices of Physical Settlement.

- (a) If the method of settlement (including as a result of a fallback settlement method) for a particular Credit Event under a CDS Contract is Physical Settlement (a “**Physically Settled CDS Contract**”), ICE Clear Credit will match Buyers and Sellers under a particular Physically Settled CDS Contract, as provided in the ICE Clear Credit Procedures on the ICE Business Day following the date ICE Clear Credit concludes or otherwise becomes aware that Physical Settlement applies, in a manner that ICE Clear Credit determines is fair and equitable, which may include allocating Floating Rate Payer Calculation Amounts to one or more CDS Participants on the other side of the Physically Settled CDS Contract and, if there is an imbalance between Buyers and Sellers due to a pending Closing-out Process or otherwise, matching with ICE Clear Credit (each particular matched Buyer and Seller, a “**Matched Delivery Pair**”); provided that, if the relevant Credit Event is a Relevant Restructuring Credit Event, ~~covered by the CDS Restructuring Rules~~ the Matched Delivery Pair for a particular Triggered Restructuring CDS Contract that constitutes a Physically Settled CDS Contract shall be the Matched Restructuring Pair for that Triggered Restructuring CDS Contract. Except where the relevant Credit Event is a Relevant Restructuring Credit Event, ICE Clear Credit will notify the relevant Buyer and Seller of the identity of the other and provide details as to the matching ~~and the CDS Contract relating to the Matched Delivery Pair~~ (such notice, a “**Matched Delivery Pair Notice**”) and the associated MP Delivery Amount.

If ICE Clear Credit has delivered a Matched Delivery Pair Notice that specified a MP Delivery Amount that is less than the outstanding Floating Rate Payer Calculation Amount applicable to the Matched Delivery Contract to which such Matched Delivery Pair Notice relates, the relevant rights and obligations of ICE Clear Credit and the relevant CDS Participant pursuant to the Matched Delivery Contract shall, with effect from the date such Matched Pair Delivery Notice is effective, be construed as if ICE Clear Credit and the relevant CDS Participant have entered into two Physically Settled CDS Contracts, one of which has a Floating Rate Payer Calculation Amount equal to the MP Delivery Amount and the other of which has a Floating Rate Payer Calculation Amount equal to the Floating Rate Payer Calculation Amount outstanding immediately prior to the delivery of such Matched Delivery Pair Notice minus the MP Delivery Amount.

- (b) A Buyer may not deliver a Notice of Physical Settlement ~~or~~ NOPS Amendment Notice or Asset Package Delivery Notice under a Physically Settled CDS Contract except with respect to a Matched Delivery Pair ~~;~~ except as otherwise provided in the ICE Clear Credit Procedures. With respect to a Matched Delivery Pair, delivery of the Notice of Physical Settlement or Asset Package Delivery Notice and any changes (including pursuant to a NOPS Amendment Notice) or corrections to the Notice of Physical Settlement, NOPS Amendment Notice, Asset Package Delivery Notice or portion thereof shall be made directly between the Buyer and Seller of the Matched Delivery Pair in accordance with the terms

of the Physically Settled CDS Contract [and these Rules and the ICE Clear Credit Procedures](#) with copies thereof delivered to ICE Clear Credit in accordance with the ICE Clear Credit Procedures in writing or in another manner permitted by ICE Clear Credit. ICE Clear Credit shall [be entitled to rely on, and shall](#) have no responsibility to any CDS Participant to verify in any manner, the contents of any Notice of Physical Settlement, NOPS Amendment Notice [or Asset Package Delivery Notice \(or correction of any of the foregoing\)](#) delivered to it.

- ~~(c) In addition to any changes or corrections permitted under the terms of the Physically Settled CDS Contract, if it is Resolved by the applicable Regional CDS Committee (or applicable Dispute Resolver) or resolved by the relevant Credit Derivatives Determinations Committee that (i) a particular obligation is not a Deliverable Obligation under the terms of the Physically Settled CDS Contract or (ii) a particular Deliverable Obligation is not a Permissible Deliverable Obligation (as defined in Rule 2101-02(a)(iv)), if applicable, a Buyer that has specified such Deliverable Obligation in its Notice of Physical Settlement or NOPS Amendment Notice for such Physically Settled CDS Contract shall have a single opportunity, within three CDS Regional Business Days after the date of the relevant actual decision to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) or the date ISDA publicly announces the resolution by the relevant Credit Derivatives Determinations Committee, as applicable, to replace such Deliverable Obligation to the extent it has not been previously Delivered.~~

2202. Disputes Relating to Deliverable Obligations.

- (a) Prior to accepting Delivery of a particular obligation, specified in a Notice of Physical Settlement or NOPS Amendment Notice [or, pursuant to an Asset Package Delivery Notice, of a particular Asset or Assets as an Asset Package in lieu of any Prior Deliverable Obligation or Package Observable Bond specified in the Notice of Physical Settlement or NOPS Amendment Notice](#), a Seller in a Matched Delivery Pair may present a dispute to the relevant Credit Derivatives Determinations Committee or, subject to Rule 2101-02(d) and unless the obligation, [Prior Deliverable Obligation or Package Observable Bond, as the case may be](#), is then listed as a Deliverable Obligation or a Permissible Deliverable Obligation, as applicable, in the relevant Final List, the relevant Regional CDS Committee as to whether the obligation, [Prior Deliverable Obligation or Package Observable Bond, as the case may be](#), is a Deliverable Obligation or a Permissible Deliverable Obligation, if applicable, [or whether the relevant Asset\(s\) constitute or are part of an Asset Package, if applicable](#), under the terms of the Physically Settled CDS Contract.
- (b) Any Seller in a Matched Delivery Pair may refuse to accept Delivery of a particular obligation [or Asset](#) specified in a Notice of Physical Settlement ~~or~~, NOPS Amendment Notice [or Asset Package Delivery Notice, as the case may](#)

be, if any Committee Member has presented a dispute to the relevant Regional CDS Committee (that the Regional CDS Committee is entitled to consider pursuant to Rule 2101-02(d)) or a question is pending before the relevant Credit Derivatives Determinations Committee as to whether the obligation or Prior Deliverable Obligation or Package Observable Bond, as the case may be, is a Deliverable Obligation or a Permissible Deliverable Obligation, if applicable, or whether the relevant Asset(s) constitute or are part of an Asset Package, if applicable, under the terms of the Physically Settled CDS Contract, until such time as it is Resolved by the applicable Regional CDS Committee (or applicable Dispute Resolver) or the date ~~ISDA publicly announces~~ the resolution by the relevant Credit Derivatives Determinations Committee is publicly announced, as applicable, that such obligation or Prior Deliverable Obligation or Package Observable Bond, as the case may be, is a Deliverable Obligation or a Permissible Deliverable Obligation, as applicable, under the terms of the Physically Settled CDS Contract or that such Asset(s) constitute or are part of an Asset Package; provided that if the obligation, Prior Deliverable Obligation or Package Observable Bond, as the case may be, is listed and remains listed as a Deliverable Obligation or, as applicable, a Permissible Deliverable Obligation in the Final List of Deliverable Obligations which is applicable to that Physically Settled CDS Contract as of the applicable Delivery Date for such Deliverable Obligation or Permissible Deliverable Obligation, no such challenge may delay the acceptance by such Seller of such obligation or Asset Package. Upon any such refusal by a Seller, ICE Clear Credit shall be entitled to similarly refuse to accept delivery of such obligation or Asset under the corresponding Matched Delivery Buyer Contract.

- (c) ICE Clear Credit shall notify all CDS Participants of any dispute presented to the relevant Regional CDS Committee as to whether an obligation or Prior Deliverable Obligation or Package Observable Bond, as the case may be, is a Deliverable Obligation or a Permissible Deliverable Obligation, if applicable, or whether an Asset constitutes or is part of an Asset Package, if applicable, under the terms of a Physically Settled CDS Contract. Any Seller proposing to refuse to accept Delivery as referred to in paragraph (b) above must give notice forthwith to ICE Clear Credit and to the relevant Matched Delivery Buyer, specifying the Matched Delivery Contracts to which the refusal relates. Delivery of such notice by the Matched Delivery Seller to the Matched Delivery Buyer shall constitute notice from ICE Clear Credit to the Matched Delivery Buyer of ICE Clear Credit's refusal to accept Delivery of the relevant obligation under the Matched Delivery Buyer Contract.
- (d) As they relate to an obligation for which a dispute has been presented to the relevant Regional CDS Committee or the relevant Credit Derivatives Determinations Committee as to whether the obligation (or, if applicable, Prior Deliverable Obligation or Package Observable Bond) is a Deliverable Obligation

or a Permissible Deliverable Obligation, if applicable, or as to whether the relevant Asset(s) constitute or are part of an Asset Package, if applicable, under the terms of the Physically Settled CDS Contract, time periods and related rights and remedies relating to Physical Settlement, for example, under Sections 9.9 and 9.10 of the 2003 Definitions (in the case of a 2003-Type CDS Contract) or Sections 9.7, 9.8 and 9.9 of the 2014 Definitions (in the case of a 2014-Type CDS Contract) and any applicable cap on settlement, shall be tolled for the period commencing on the date the dispute is first presented until the date of the relevant actual decision to Resolve (i.e., determined without regard to any Effectiveness Convention or any time of effectiveness specified in a Presented Position) or the date ~~ISDA publicly announces~~ the resolution by the relevant Credit Derivatives Determinations Committee is announced, as applicable, whether or not such obligation (or, if applicable, Prior Deliverable Obligation or Package Observable Bond) is a Deliverable Obligation or a Permissible Deliverable Obligation, as applicable, or whether or not such Asset(s) constitute or are part of an Asset Package, as applicable, under the terms of the Physically Settled CDS Contract. For the avoidance of doubt, such tolling shall apply to both the Matched Delivery Buyer Contract and Matched Delivery Seller Contract.

2203. ~~Effect of Allocation~~ Matched Delivery Pairs; Notice of Deliveries.

- (a) ~~Upon the allocation by ICE Clear Credit of Buyers and Sellers to create one or more Matched Delivery Pairs, ICE Clear Credit shall have no further rights or obligations as counterparty with respect to either the portion of the Physically Settled CDS Contract with the Buyer in each Matched Delivery Pair or the portion of the Physically Settled CDS Contract with the Seller in each Matched Delivery Pair, in each case to which the allocated Floating Rate Payer Calculation Amount relates. Instead, the Buyer and Seller in the Matched Delivery Pair shall be deemed to have entered directly with each other into a CDS Contract (an "Allocated CDS Contract") having the same terms as the portion of the Physically Settled CDS Contract to which the allocated Floating Rate Payer Calculation Amount relates, but excluding any terms set forth in Chapters of these Rules prior to Chapter 20, with Seller specified as the Calculation Agent and with a form of ISDA 2002 Master Agreement, as published by ISDA, deemed entered into by the Matched Delivery Pair with a Schedule specifying New York law as the governing law, the Margin provisions of these rules as a Credit Support Document, and each party waiving rights to trial by jury. If the Buyer in a Matched Delivery Pair is not permitted to deliver a Deliverable Obligation specified in the relevant Notice of Physical Settlement or NOPS Amendment Notice to the related Seller because (i) the amount of such Deliverable Obligation is less than the relevant minimum denomination of such Deliverable Obligation or (ii) such Seller is not a permitted transferee under such Deliverable Obligation or Buyer does not obtain any requisite consent with respect to delivery of loans, it shall be treated as an illegality or impossibility outside the parties' control for the~~

~~purpose of Section 9.3 of the 2003 Definitions (in the case of a 2003-Type GDS-Contract) or Section 9.1 of the 2014 Definitions (in the case of a 2014-Type GDS-Contract), as applicable, but in the case of clause (ii), Indicative Quotations shall not be applicable. For the sake of clarity, no assets of ICE Clear Credit, including the General Guaranty Fund, shall be available to satisfy obligations of the Buyer or the Seller in respect of an Allocated GDS Contract.~~In respect of each Matched Delivery Buyer Contract which is the subject of a Matched Delivery Pair, ICE Clear Credit, pursuant to Section 9.2(c)(iv) of the 2003 Definitions or Section 11.2(c)(iv) of the 2014 Definitions, as applicable (each as may be modified in the ICE Clear Credit Procedures), as designator, shall be deemed to have designated the Matched Delivery Seller in such Matched Delivery Pair as its designee:

- (i) to receive on its behalf from the Matched Delivery Buyer in the Matched Delivery Pair Notices of Physical Settlement (and any NOPS Amendment Notices or Asset Package Delivery Notices) and any changes or corrections thereto or other notices related to physical settlement (or any fallback with respect thereto) in relation to such Matched Delivery Buyer Contract;
- (ii) to deliver on its behalf to the Matched Delivery Buyer in the Matched Delivery Pair any notices related to physical settlement (or any fallback with respect thereto) in relation to such Matched Delivery Seller Contract;
- (iii) other than in respect of the Physical Settlement Amount relating to the settlement of Non DVP Obligations, as referred to in Rule 2204, to pay, on behalf of ICE Clear Credit, the applicable Physical Settlement Amount (or relevant portion thereof) in respect of the Matched Delivery Buyer Contract;
- (iv) to pay to the Matched Delivery Buyer and receive from the Matched Delivery Buyer, in either case on behalf of ICE Clear Credit, any amounts in respect of the costs and expenses of settlement due under the Matched Delivery Buyer Contract; and
- (v) to take Delivery, on behalf of ICE Clear Credit, of Deliverable Obligations (or, if applicable, Asset Packages) from the Matched Delivery Buyer in respect of the Matched Delivery Buyer Contract,

and the Matched Delivery Seller in each such Matched Delivery Pair is hereby notified of the same accordingly. The Matched Delivery Seller in the Matched Delivery Pair shall assume such obligations as designee upon delivery of a Matched Delivery Pair Notice.

(b) ~~The parties to a Matched Delivery Pair shall notify ICE Clear Credit in accordance with the procedures it establishes for this purpose of the completion of any delivery under an Allocated CDS Contract or if they have otherwise settled all or part of such Allocated CDS Contract, identifying the relevant amount, Deliverable Obligation and~~In respect of each Matched Delivery Seller Contract which is the subject of a Matched Delivery Pair, ICE Clear Credit, pursuant to Section 9.2(c)(iv) of the 2003 Definitions or Section 11.2(c)(iv) of the 2014 Definitions, as applicable (each as may be modified in the ICE Clear Credit Procedures), as designator, shall be deemed to have designated the Matched Delivery Buyer in such Matched Delivery Pair, as its designee:

(i) to receive on its behalf from the Matched Delivery Seller in the Matched Delivery Pair any notices related to physical settlement (or any fallback with respect thereto) in relation to such Matched Delivery Seller Contract.

(ii) to deliver on its behalf to the Matched Delivery Seller in the Matched Delivery Pair Notices of Physical Settlement (and any NOPS Amendment Notices or Asset Package Delivery Notices) and any changes or corrections thereto or other notices related to physical settlement (or any fallback with respect thereto) in relation to such Matched Delivery Seller Contract;

(iii) other than in respect of the Physical Settlement Amount relating to the settlement of Non DVP Obligations, as referred to in Rule 2204, to receive payment, on behalf of ICE Clear Credit, of the applicable Physical Settlement Amount (or relevant portion thereof) from the Matched Delivery Seller in respect of the Matched Delivery Seller Contract;

(iv) to pay to the Matched Delivery Seller and receive from the Matched Delivery Seller, in either case on behalf of ICE Clear Credit, any amounts in respect of the costs and expenses of settlement due under the Matched Delivery Seller Contract; and

(v) to Deliver, on behalf of ICE Clear Credit, the relevant Deliverable Obligations (or, if applicable Asset Packages) to the Seller in respect of the Matched Delivery Seller Contract.

and the Matched Delivery Buyer in each such Matched Delivery Pair is hereby notified of the same accordingly. The Matched Delivery Buyer in the Matched Delivery Pair shall assume such obligations as designee upon delivery of a Matched Delivery Pair Notice.

(c) With respect to any rights exercised in relation to any Matched Delivery Pair (except as otherwise expressly provided herein):

- (i) the exercise of any rights by the Matched Delivery Buyer against ICE Clear Credit under a Matched Delivery Buyer Contract shall be deemed to constitute the exercise of equal and simultaneous rights by ICE Clear Credit against the Matched Delivery Seller under the Matched Delivery Seller Contract in the relevant Matched Delivery Pair;
 - (ii) the exercise of any rights by the Matched Delivery Seller against ICE Clear Credit under a Matched Delivery Seller Contract shall be deemed to constitute the exercise of equal and simultaneous rights by ICE Clear Credit against the Matched Delivery Buyer under the Matched Delivery Buyer Contract in the relevant Matched Delivery Pair;
 - (iii) where the Matched Delivery Buyer validly delivers or serves any notice to or on the Matched Delivery Seller in accordance with the terms of the relevant CDS Contract, such notice shall be effective with respect to both the Matched Delivery Buyer Contract and the Matched Delivery Seller Contract; and
 - (iv) where the Matched Delivery Seller validly delivers or serves any notice to or on the Matched Delivery Buyer in accordance with the terms of the relevant CDS Contract, such notice shall be effective with respect to both the Matched Delivery Seller Contract and the Matched Delivery Buyer Contract.
- (d) The parties to a Matched Delivery Pair shall notify ICE Clear Credit in accordance with the procedures it establishes for this purpose of the completion of any Delivery under a CDS Contract that is the subject of a Matched Delivery Pair or if they have otherwise settled all or part of such CDS Contract, identifying the relevant amount, Deliverable Obligation (or, if applicable, Asset Package) and Matched Delivery Pair. Any such notice shall constitute a representation by the Participant delivering the notice that, so far as it is aware, physical settlement has occurred successfully and that there are no outstanding claims known to it in respect of the Matched Delivery Contract (except as may be disclosed in such notice), but is otherwise without prejudice to the rights of any party to a Matched Delivery Contract in respect of settlement.
- (e) Following delivery by a Matched Delivery Buyer or Matched Delivery Seller of any notice of a nature referred to in this Rule 2203(b), (c) or (d) (any such notice, an **MP Delivery Notice**), the CDS Participant that delivered such MP Delivery Notice shall, at the times and in the circumstances specified by ICE Clear Credit, deliver a written copy of such MP Delivery Notice to ICE Clear Credit. Any CDS Participant in a Matched Delivery Pair which disputes any MP Delivery Notice must inform ICE Clear Credit. Unless ICE Clear Credit receives a notice disputing an MP Delivery Notice, ICE Clear Credit will update its records and act in reliance on such MP Delivery Notice. ICE Clear Credit shall not be obliged to

act upon any disputed MP Delivery Notice until the relevant dispute has been resolved.

- (f) The Matched Delivery Buyer and Matched Delivery Seller in each Matched Delivery Pair shall each make such payments and deliveries and deliver such notices in relation to settlement to one another and to ICE Clear Credit as are required pursuant to a Matched Delivery Contract, these Rules, the ICE Clear Credit Procedures or applicable law; provided that if Asset Package Delivery is applicable in respect of a Prior Deliverable Obligation or Package Observable Bond specified in the relevant Notice of Physical Settlement or NOPS Amendment Notice (as the case may be) and the Matched Deliver Buyer has complied with its obligations to give an Asset Package Delivery Notice, then in circumstances where the Asset Package is deemed to be zero, settlement shall be deemed to occur on a delivery-versus-payment basis in accordance with the timetable set out in Section 8.12(b)(iii) of the 2014 Definitions.
- (g) If ICE Clear Credit incurs actual costs or expenses of settlement in respect of a Matched Delivery Contract, the Matched Delivery Seller or the Matched Delivery Buyer in the Matched Pair (as applicable, being in any case the person in the Matched Pair that would incur or be liable for such costs or expenses were the Matched Pair to have been a CDS transaction between the Matched Delivery Seller and the Matched Delivery Buyer) shall be liable to reimburse ICE Clear Credit in respect of such costs or expenses.

2204. ~~Role of ICE Clear Credit in respect of Allocated CDS Contracts.~~Physical Settlement of Non DVP Obligations under CDS Contracts with respect to Matched Delivery Pairs.

- ~~(a) ICE Clear Credit shall act as collateral agent for the Buyer in a Matched Delivery Pair, holding the related Buyer Allocated Collateral (as defined below) on Buyer's behalf to secure Seller's obligations under each related Allocated CDS Contract.~~

In respect of any Matched Delivery Pair, if any Deliverable Obligations or Asset Packages to be Delivered by the Matched Delivery Buyer to the Matched Delivery Seller are reasonably believed by such Buyer not to settle in the ordinary course on a delivery-versus-payment basis (or are not deemed to settle on such basis pursuant to Rule 2203(f)) (such Deliverable Obligations or Asset Package, "**Non DVP Obligations**") (as notified by such Matched Delivery Buyer to both the Matched Delivery Seller and ICE Clear Credit upon delivering any Notice of Physical Settlement, NOPS Amendment Notice or Asset Package Delivery Notice), Delivery of such Non DVP Obligations and payment of the related Physical Settlement Amount or portion thereof (the "**Non DVP MP Amount**"), each relating to the relevant portion of the MP Delivery Amount thereunder shall take place as follows and in accordance with the procedures ICE Clear Credit establishes for this purpose:

- (i) the Matched Delivery Buyer shall notify ICE Clear Credit that it is ready to Deliver to the Matched Delivery Seller the Non DVP Obligations and the outstanding principal balance (or, if applicable, Due and Payable Amount) thereof to be Delivered in respect of such Non DVP MP Amount;
- (ii) following receipt of a valid notification pursuant to Rule 2204(i), ICE Clear Credit shall request that the Matched Delivery Seller pay the Non DVP MP Amount relating to such Non DVP Obligations to ICE Clear Credit;
- (iii) following receipt of a request under Rule 2204(ii), the Matched Delivery Seller shall transfer the Non DVP MP Amount relating to such Non DVP Obligations to ICE Clear Credit;
- (iv) following receipt of such Non DVP MP Amount in immediately available funds, ICE Clear Credit shall notify the Matched Delivery Buyer that it is holding the Non DVP MP Amount relating to such Non DVP Obligations from the Matched Delivery Seller in the Matched Delivery Pair;
- (v) following receipt of the notice under Rule 2204(iv), Matched Delivery Buyer shall Deliver the relevant Non DVP Obligations to the Matched Delivery Seller;
- (vi) following its receipt of Delivery of the relevant Non DVP Obligations, the Matched Delivery Seller shall deliver a notice to ICE Clear Credit in the form required by ICE Clear Credit from time to time specifying that the Delivery has occurred, in full or, if in part, the percentage of the Non DVP MP Amount (the “**Delivered Percentage**”) in respect of which Delivery has occurred;
- (vii) following its receipt of a valid notice under Rule 2204 (vi), ICE Clear Credit shall pay an amount equal to the Non DVP MP amount (or, where the Matched Delivery Seller notified ICE Clear Credit of Delivery in part only, an amount equal to the Delivered Percentage of the Non DVP MP Amount) received from the Matched Delivery Seller to the Matched Delivery Buyer;
- (viii) if the Matched Delivery Buyer does not Deliver the Non DVP Obligations in an amount at least equal to the relevant Non DVP MP Amount to the Matched Delivery Seller within the required period specified by ICE Clear Credit in its procedures for compliance with Rule 2204(v) (“**Delivery Period**”), the Matched Delivery Seller may request that ICE Clear Credit repay to the Matched Delivery Seller the Non DVP MP Amount, less the Delivered Percentage of the Non DVP MP Amount; and

- (b) ~~The Physical Settlement Margin held by ICE Clear Credit on behalf of a particular Buyer in respect of all Allocated CDS Contracts with a particular Seller shall be determined from time to time as follows: Each ICE Business Day, ICE Clear Credit shall allocate the Physical Settlement Margin for a particular Seller to particular Buyers in Matched Pairs with the relevant Seller on a proportionate basis, based on the remaining obligations of the relevant Seller to each such Buyer under Allocated CDS Contracts (in respect of a particular Buyer and the relevant Seller, and including all proceeds thereof, the “Buyer Allocated Collateral”). ICE Clear Credit shall determine the remaining obligations under Allocated CDS Contracts consistent with its procedures for determining appropriate Physical Settlement Margin, taking into account its determination of the value of any relevant Deliverable Obligation at the relevant time.~~ix) ICE Clear Credit shall pay to the Matched Delivery Seller interest accrued on the Non DVP MP Amount related to the Non DVP Obligations for the period it has been held by ICE Clear Credit calculated by reference to ICE Clear Credit’s rate for overnight deposits, if any, in the relevant currency.
- (c) ~~In the event that an Early Termination Date in respect of an Allocated CDS Contract occurs or is designated and the Buyer thereunder determines that the Seller thereunder is obligated to make a payment to the Buyer in respect of such Early Termination Date, the Buyer may provide ICE Clear Credit a certificate (an “Allocated CDS Default Certificate”) signed by a Managing Director (or other substantively equivalent title) of the Buyer, indicating that an Early Termination Date has occurred, identifying the relevant Seller and Allocated CDS Contract(s), and the amount of the payment the Seller is obligated to make to the Buyer in respect of such Early Termination Date. Upon receipt of such a certificate, ICE Clear Credit, on behalf of Buyer, may exercise any and all rights and remedies of a secured party under applicable law and under these Rules in respect of the Buyer Allocated Collateral and pay any Buyer Allocated Collateral or proceeds thereof, after deduction for any costs or expenses incurred in connection therewith, to the Buyer up to the amount indicated in the Buyer’s Allocated CDS Default Certificate. To the extent that the Buyer Allocated Collateral is inadequate to satisfy any amounts owing from the Seller to the Buyer in respect of such Early Termination Date, the Buyer acknowledges and agrees that its sole recourse for any deficiency shall be to the Seller.~~
- (d) ~~ICE Clear Credit shall be entitled to rely upon any Allocated CDS Default Certificate believed by it in good faith to be genuine and to be signed by an authorized person of the Buyer and shall not be required to investigate the truth or accuracy of any statement contained in any such certificate. In addition, the Seller, the Buyer and each other CDS Participant waives any and all claims against ICE Clear Credit or any person acting on its behalf arising out of or relating to any Allocated CDS Default Certificate believed in good faith by ICE~~

~~Clear Credit to be genuine and to be signed by an authorized person of the Buyer. For the sake of clarity, the foregoing shall not limit any claims of the Seller against the Buyer that any Allocated CDS Default Certificate provided or purported to be provided on behalf of the Buyer or any information contained therein was inaccurate, inappropriate or otherwise deficient.~~

- ~~(e) ICE Clear Credit will exercise reasonable care to assure the safe custody of all Buyer Allocated Collateral to the extent required by applicable law, and in any event ICE Clear Credit will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, ICE Clear Credit will have no duty with respect to Buyer Allocated Collateral, including, without limitation, any duty to collect any distributions thereon, or enforce or preserve any rights pertaining thereto. Without limiting the foregoing, ICE Clear Credit will not be liable or responsible for any loss or damage to the Buyer Allocated Collateral, or for any diminution in the value thereof, by reason of any act or omission of any sub-agent or bailee selected by ICE Clear Credit in good faith. In addition and without limiting any other waivers contained in this Chapter 22, the Seller, the Buyer and each other CDS Participant waives any and all claims against ICE Clear Credit or any person acting on its behalf arising out of or relating to (i) any act or omission by ICE Clear Credit pursuant to instructions from the relevant Buyer, (ii) ICE Clear Credit's calculations, determinations and allocations to determine Physical Settlement Margin or Buyer Allocated Collateral and (iii) any other acts or omissions with respect to the Physical Settlement Margin or Buyer Allocated Collateral, in each case except to the extent that such liability arises from ICE Clear Credit's bad faith, gross negligence or willful misconduct.~~
- ~~(f) Failure by a Seller to perform its obligations under an Allocated CDS Contract may result in the suspension of such Seller's clearing privileges at ICE Clear Credit or such other penalty (including, but not limited to assessment of fines and charges) as ICE Clear Credit may deem appropriate based on the applicable circumstances.~~

~~The process set out in this Rule 2204 may, subject to the terms of the relevant CDS Contract, be repeated in relation to any Non DVP Obligations not in fact delivered during a relevant Delivery Period.~~

2205. Failure to Pay Physical Settlement Amount; Cash Settlement; Failure to Deliver

- ~~(a) If, in relation to any Matched Delivery Pair, a Matched Delivery Seller fails to pay all or part of the Physical Settlement Amount either to the Buyer or (where Rule 2204 applies) to ICE Clear Credit when, in accordance with the terms of the relevant CDS Contract, it was obliged to pay such amount (a "Physical~~

Settlement Amount Failure, and the amount not being paid being the **Failed Amount**):

- (i) the Matched Delivery Buyer may and the Matched Delivery Seller shall, as soon as practicable, give notice in writing to ICE Clear Credit, giving all material details of the relevant CDS Contracts involved, of the failure to pay and the Failed Amount and any material details of the amount of a Physical Settlement Amount paid in part;
- (ii) such failure to pay shall not constitute or be deemed to constitute an ICE Clear Credit Default under these Rules or the applicable terms of any relevant CDS Contract;
- (iii) the Matched Delivery Seller will be deemed to have failed to pay an amount equal to the Failed Amount to ICE Clear Credit under the terms of the relevant CDS Contract;
- (iv) "Cash Settlement" between such Matched Delivery Buyer and ICE Clear Credit pursuant to the Partial Cash Settlement Terms (set out in Section 9.8 of the 2003 Definitions or Section 9.6 of the 2014 Definitions, as applicable, each as amended by these Rules) shall be deemed to apply to the Matched Delivery Buyer Contract with respect to the Deliverable Obligations corresponding to the Failed Amount as though:
 - (A) the Deliverable Obligations not Delivered were Undeliverable Obligations;
 - (B) the Latest Permissible Physical Settlement Date were the date on which the Matched Delivery Buyer gave notice to ICE Clear Credit of the failure to pay by the Matched Delivery Seller;
 - (C) Indicative Quotations were not applicable; and
 - (D) the Matched Delivery Buyer were the Calculation Agent,

and ICE Clear Credit and the Buyer in the Matched Delivery Pair will settle the relevant CDS Contract accordingly and Rule 2203 will not apply.

(b) Without limiting ICE Clear Credit's rights under Rule 20-605 or otherwise under these Rules, in the event of a Physical Settlement Amount Failure with respect to a Matched Delivery Seller Contract, ICE Clear Credit shall be entitled to terminate the Matched Delivery Seller Contract by notice to the Matched Delivery Seller, in which case (i) the Matched Delivery Seller shall be obligated to pay to ICE Clear Credit in respect of such termination an amount equal to any Cash Settlement Amount payable by ICE Clear Credit to the Matched Delivery

Buyer pursuant to paragraph (a)(iv) above together with any other losses, costs and expenses incurred by ICE Clear Credit as a result of such Physical Settlement Amount Failure, (ii) ICE Clear Credit will be entitled to apply Physical Settlement Margin (together with other available Margin) provided by such Matched Delivery Seller to the payment of such amounts and (iii) ICE Clear Credit shall have no further obligations in respect of such Matched Delivery Seller Contract, including any obligation to deliver any Deliverable Obligations.

(c) For the avoidance of doubt, and in furtherance of Section 9.2(c)(ii) of the 2003 Definitions or Section 11.2(c)(ii) of the 2014 Definitions, as applicable, the failure of ICE Clear Credit to deliver any Deliverable Obligations under a Matched Delivery Seller Contract (including without limitation as a result of a failure by the Matched Delivery Buyer to Deliver Deliverable Obligations to the Matched Delivery Seller as set forth in Rule 2203) shall not constitute an ICE Clear Credit Default, and the Matched Delivery Seller's sole remedy as against ICE Clear Credit in respect of such failure shall be as provided under the Matched Delivery Seller Contract and these Rules. ICE Clear Credit shall have no obligation to purchase or acquire any Deliverable Obligation (other than in settlement of the Matched Delivery Buyer Contract) in order to settle the Matched Delivery Seller Contract. If any such failure by ICE Clear Credit results from a failure by the Matched Delivery Buyer to Deliver the relevant Deliverable Obligations under the Matched Delivery Buyer Contract, then without limiting ICE Clear Credit's other rights and remedies under the Rules, such Matched Delivery Buyer shall be obligated to pay to ICE Clear Credit (without duplication of other amounts owed) all losses, costs and expenses incurred by ICE Clear Credit in settling the Matched Delivery Seller Contract.

2206. Fallback in Respect of Non-Deliverable Obligations; Cash Settlement

- (a) If the Matched Delivery Buyer is not permitted to deliver a Deliverable Obligation or Asset Package (other than a Non-Transferable Instrument or Non-Financial Instrument) (such Deliverable Obligations or Asset Package, the "Non-Deliverable Obligations") specified in the relevant Notice of Physical Settlement, NOPS Amendment Notice or Asset Package Delivery Notice, as applicable, to the related Matched Delivery Seller because (i) the amount of such Deliverable Obligation is less than the relevant minimum denomination of such Deliverable Obligation or (ii) the Seller in the Matched Delivery Pair is not a permitted transferee under such Deliverable Obligation, in any case on the relevant Physical Settlement Date, it shall be treated as an illegality or impossibility outside the parties' control for the purpose of Section 9.3 of the 2003 Definitions or Section 9.1 of the 2014 Definitions, as applicable.
- (b) Upon notice being given to ICE Clear Credit by the Buyer in the Matched Delivery Pair of the deemed illegality or impossibility with respect to the Seller in the Matched Delivery Pair pursuant to Rule 2206(a), "Cash Settlement" pursuant

to the Partial Cash Settlement Terms (set out in Section 9.8 of the 2003 Definitions or Section 9.6 of the 2014 Definitions, as applicable, each as amended by these Rules) shall be deemed to apply to both Matched Delivery Contracts subject to the Matched Delivery Pair with respect to the Non-Deliverable Obligations as though:

- (i) the Non-Deliverable Obligations were Undeliverable Obligations;
- (ii) the Latest Permissible Physical Settlement Date were the date that is 30 calendar days after the Physical Settlement Date ;
- (iii) in the case of Rule 2206(a)(ii) above, Indicative Quotations were not applicable; and
- (iv) the Buyer in the Matched Delivery Pair were the Calculation Agent.

(c) Except as otherwise provided herein, in circumstances where a Cash Settlement fallback applies to both Matched Delivery Contracts, (i) the same Cash Settlement Amount shall apply to both such Matched Delivery Contracts and (ii) ICE Clear Credit and the Matched Delivery Buyer will settle the relevant Matched Delivery Buyer Contract as between the two of them, and ICE Clear Credit and the Matched Delivery Seller will settle the relevant Matched Delivery Seller Contract as between the two of them, accordingly as though references to the Physical Settlement Amount in Rule 2203(a) and (b) were references to the Cash Settlement Amount. Where Section 9.9 of the 2003 Definitions or Section 9.7 of the 2014 Definitions, as applicable, applies to both Matched Delivery Contracts and a Buy-In Price is determined by the Matched Delivery Seller (or on its behalf) in accordance with the terms of the CDS Contract, the same Buy-In Price will apply to both Matched Delivery Contracts.

(d) With respect to a Matched Delivery Buyer Contract for which the Matched Delivery Buyer is acting for a Non-Participant Party, if (i) circumstances exist such that if there were a bilateral CDS Contract between such Non-Participant Party and Matched Delivery Buyer on terms equivalent to such Matched Delivery Buyer Contract, a fallback to Cash Settlement under such bilateral contract would apply pursuant to Article 9 of the Applicable Credit Derivatives Definitions or subparagraph (a) above, and (ii) Matched Delivery Buyer provides a certification to ICE Clear Credit and the Matched Delivery Seller to that effect with reasonable detail as to the circumstances thereof, then Matched Delivery Buyer may elect that such Cash Settlement fallback will apply to both the Matched Delivery Buyer Contract and Matched Delivery Seller Contract as otherwise set forth in these Rules and the terms of the CDS Contract.

(e) If Cash Settlement applies to a Matched Delivery Contract, the party entitled to determine the Cash Settlement Amount under the terms thereof shall notify the

other party or parties in the Matched Delivery Pair and ICE Clear Credit promptly following its determination of such amount. The Cash Settlement Date shall be the third ICE Business Day after the date such notice is delivered (or if such third ICE Business Day is not a banking day for the relevant currency, the first succeeding ICE Business Day that is a banking day for such currency).

2207. Amendment of the Applicable Credit Derivatives Definitions

(a) For the purposes of Rule 2203 and 2204 and without prejudice to the representations given by ICE Clear Credit and Participants to one another pursuant to the terms of the CDS Contract and the Rules, Section 9.2(a), 9.2(b), 9.2(c)(i) and 9.2(c)(iv) of the 2003 Definitions, or Section 11.2(a), 11.2(b), 11.2(c)(i) and 11.2(c)(iv), as applicable, shall apply as between the Matched Delivery Buyer and Matched Delivery Seller in respect of a Matched Delivery Pair as though they were the Buyer and Seller under a CDS Contract respectively, and Section 9.2(c)(iv) of the 2003 Definitions or Section 11.2(c)(iv) of the 2014 Definitions, as applicable, as incorporated in any CDS Contract shall be amended such that:

(i) where ICE Clear Credit is the designator, it is permitted to designate any Participant specified in Rule 2203 and 2204 as its designee, notwithstanding that it is not an Affiliate;

(ii) the phrase "deliver or receive any Notice of Physical Settlement (or NOPS Amendment Notice or Asset Package Delivery Notice) or Deliver or take Delivery or pay or receive payment of the Physical Settlement Amount" were written in place of the phrase "Deliver or take Delivery"; and

(iii) the phrase "such delivery, receipt, Delivery or payment" were written in place of the phrase "such Delivery".

(b) Solely for purposes of Rules 2205 and 2206(b), Section 9.8(k) of the 2003 Definitions or Section 9.6(k) of the 2014 Definitions, as applicable, is amended by inserting the following new clause (i) at the beginning thereof and renumbering the following clauses:

"(i) For the purposes hereof, in addition to the requirements of Section 7.10, each firm Quotation shall:

(A) be for a transaction with the Matched Delivery Buyer (or its designee) (the "**Relevant Buyer**") in which, the Relevant Buyer agrees to Deliver the Deliverable Obligations to the Dealer submitting the firm quotation (the "**Quoting Dealer**"), which transaction shall be governed by documentation that is consistent with market practice applicable to the sale and purchase of

Deliverable Obligations (or, if applicable, Asset Package) on the Valuation Date (which may be determined by the Determining Body), including without limitation a representation that the Quoting Dealer has completed all "know your customer" or similar requirements under all applicable laws, regulations and internal compliance procedures relating to a transaction with the Relevant Buyer and on the Reference Entity;

- (B) be capable of acceptance by the Relevant Buyer (for such purposes, each firm Quotation must, inter alia, be obtained from a Dealer with whom the Relevant Buyer in its sole and absolute discretion determines that it is able in accordance with all its internal compliance and policy requirements to transact and to Deliver the Deliverable Obligations (or, if applicable, Asset Package)) and be open for acceptance to the relevant party for at least 30 minutes; and
- (C) be obtained on the basis that if the Relevant Buyer agrees to Deliver the Deliverable Obligations (or, if applicable, Asset Package) to such Quoting Dealer on the terms set forth herein, such Quoting Dealer agrees to pay the settlement amount (calculated and payable for this purpose in accordance with the relevant market standard documentation and based on the price so quoted) that would be payable for such Deliverable Obligations (or, if applicable, Asset Package) to the Relevant Buyer,

provided that:-

- (D) if Rule 2205 applies: (I) on the same Business Day that the Matched Delivery Buyer (as if it were Calculation Agent) has attempted to obtain all Quotations that the Calculation Agent is required to attempt to obtain in accordance with this subsection (k), the Matched Delivery Buyer shall offer ICE Clear Credit the opportunity to provide a Quotation as if ICE Clear Credit were a Dealer in accordance with this subsection (k); and (II) if the Quotation provided by ICE Clear Credit is higher than any Quotation obtained by the Matched Delivery Buyer (as if it were Calculation Agent) from the Dealers in accordance with this subsection (k) (including, for the avoidance of doubt any Weighted Average Quotation) such Quotation shall be deemed be the Highest Quotation and the Matched Delivery Buyer (as if it were Calculation Agent) shall use such Quotation to determine the Final Price; and

(E) if Rule 2206(a)(ii) applies: (I) on the same Business Day that the Matched Delivery Buyer (as if it were Calculation Agent) has attempted to obtain all Quotations that the Calculation Agent is required to attempt to obtain in accordance with this subsection (k), the Matched Delivery Buyer shall offer ICE Clear Credit the opportunity to provide a Quotation as if ICE Clear Credit were a Dealer in accordance with this subsection (k); and (II) if the Quotation provided by ICE Clear Credit is higher than any Quotation obtained by the Matched Delivery Buyer (as if it were Calculation Agent) from the Dealers in accordance with this subsection (k) (including, for the avoidance of doubt any Weighted Average Quotation) such Quotation shall be deemed be the Highest Quotation and the Matched Delivery Buyer (as if it were Calculation Agent) shall use such Quotation to determine the Final Price.

In the case of (D) or (E), subsection (k)(iii) will not apply. If the Matched Delivery Buyer (as if it were Calculation Agent) is unable to obtain two or more Full Quotations (or a Quotation from ICE Clear Credit as provided above) or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.”

2208. CDS Alternative Delivery or Settlement Procedure

(a) The Matched Delivery Buyer and Matched Delivery Seller in any Matched Delivery Pair may, in accordance with the ICE Clear Credit Procedures, elect to settle their rights and obligations in relation to such Matched Delivery Pair, in whole but not in part, as between each other (or any Non-Participant Parties for which they act) outside of ICE Clear Credit and other than pursuant to this Chapter 22 (a “CADP”). For a CADP to be effective, the Matched Delivery Buyer and Matched Delivery Seller must jointly provide ICE Clear Credit with a CADP Notice specifying the Matched Delivery Contracts subject to the CADP, and obtain the consent of ICE Clear Credit to such CADP, which consent shall not be unreasonably withheld or delayed. ICE Clear Credit shall respond to any CADP

Notice (including its consent to CADP or otherwise) within one ICE Clear Credit Business Day of receipt thereof.

- (b) With effect from the time that ICE Clear Credit grants its consent to a CADP, the relevant Matched Delivery Contracts will be deemed terminated. In such circumstances, Rules 2203-2207 shall not apply to such Matched Delivery Contracts, and the Matched Delivery Buyer and Matched Delivery Seller shall be liable to satisfy their obligations to each other in respect of such CADP bilaterally pursuant to such arrangements or agreements as they may establish or agree between them. For the avoidance of doubt, ICE Clear Credit shall have no liability or responsibility for performance of such obligations in respect of a CADP or the Matched Delivery Contracts terminated in connection with a CADP.

2209. Margin For Physically Settled CDS Contracts

- (a) Initial Margin, Mark-to-Market Margin and Physical Settlement Margin, as determined by ICE Clear Credit in accordance with these Rules, shall continue to be called and payable in relation to any Physically Settled CDS Contract except to the extent that: (i) the Physical Settlement Amount has been paid to ICE Clear Credit in immediately available funds and not returned to the Matched Delivery Seller as referred to in Rule 2204; or (ii) the Physical Settlement Amount has been paid to the relevant Matched Delivery Buyer as designee of ICE Clear Credit pursuant to Rule 2203 and such designee has notified ICE Clear Credit that physical settlement is complete in accordance with Rule 2203(e).
- (b) Where any Physical Settlement Amount is payable to ICE Clear Credit under Rule 2204 by a Matched Delivery Seller, ICE Clear Credit acknowledges and agrees that it will apply any Physical Settlement Margin or other available funds on account in order to satisfy the obligation to pay the Physical Settlement Amount and shall only call the Matched Delivery Seller for additional cash to the extent that relevant Physical Settlement Margin is less than the Physical Settlement Amount.
- (c) Margin transferred to ICE Clear Credit by a Participant in respect of a Matched Delivery Contract shall be released by ICE Clear Credit after the time at which both the Matched Delivery Buyer and Matched Delivery Seller have notified ICE Clear Credit of the completion of settlement in accordance with Rule 2203(e).