



FCM REGULATIONS OF THE CLEARING HOUSE

LCH LIMITED

Transaction"	applicable messaging from the relevant FCM Trading Venue, FCM Approved Trade Source System or otherwise) as a transaction that was executed on an FCM Trading Venue.
"FDICIA"	means the Federal Deposit Insurance Corporation Improvement Act of 1991, as amended.
"First Listed Interest Rates Clearing Member"	has the meaning assigned to it in Regulation 54(c)(i).
<u>"Floating Rate Conversion Annex"</u>	<u>means, in relation to a change in the floating rate and calculation of the floating amounts under any FCM SwapClear Contract which are determined by reference to LIBOR or EONIA, any annex to the FCM Procedures identified by the Clearing House in the related Floating Rate Conversion Notice as being the "Floating Rate Conversion Annex" applicable to such change.</u>
"foreign board of trade"	means any board of trade, exchange or market located outside the United States, its territories or possessions, whether incorporated or unincorporated.
"Foreign Futures Account Class"	means the account class for foreign futures accounts (as defined in CFTC Regulation 190.01(a)(i)) for purposes of Parts 30 and 190 of the CFTC Regulations.
"Foreign Futures/Options Contract"	means the type of contract which is either (i) a contract for the purchase or sale of a commodity for future delivery made, or to be made, on or subject to the rules of a foreign board of trade, (ii) an option on any such contract or (iii) any similar type of contract, and which, in the case of any of the foregoing, requires an FCM to hold such contract (and maintain any related margin) pursuant to CFTC Rule 30.7 if cleared by an FCM for a 30.7 customer.
"Foreign Futures Product"	means a Product that constitutes a Foreign Futures/Options Contract. Such Products are: FCM Listed Interest Rates Contracts.
"ForexClear Clearing Member"	means a person who is designated as such by the Clearing House pursuant to the UK General Regulations and who is not an FCM Clearing Member.
"ForexClear Contribution"	has the meaning assigned to it in the UK General Regulations.
"ForexClear Determination Date"	has the meaning assigned to it in the UK General Regulations.
"ForexClear DMP"	has the meaning assigned to it in the ForexClear DMP

REGULATION 48B – LIBOR AND EONIA CONVERSION PROVISIONS

- (a) From time to time the Clearing House may, subject to the terms of the FCM Procedures, amend the floating rate and calculation of the floating amounts under any FCM SwapClear Contract which are determined by reference to the London Interbank Offered Rate (LIBOR) or the Euro Overnight Index Average (EONIA), regardless of any fallbacks that may otherwise apply in relation to the floating rate or calculation of the floating amount pursuant to the FCM SwapClear Contract Terms of such FCM SwapClear Contract. In furtherance of effecting such change, the Clearing House may change, modify and/or supplement the FCM SwapClear Contract Terms of any such FCM SwapClear Contracts registered with the Clearing House, as specified by the Clearing House. In connection with such change the Clearing House shall deliver, via one or more member circulars, a written notice (a **Floating Rate Conversion Notice**) to all FCM Clearing Members. If specified as applicable in such Floating Rate Conversion Notice, a Floating Rate Conversion Annex (and each document incorporated therein or supplemental thereto) shall apply to set forth the terms on which such amendment to such floating rate provisions shall take effect, including but not limited to: (i) when and how any such amendment, supplement, or modification shall take effect, (ii) the type of FCM SwapClear Contracts to which it applies, (iii) the methodology for determining any amounts payable between the Clearing House and the FCM Clearing Members as a result of the matters specified therein, (iv) if applicable, the creation and registration of any new FCM SwapClear Contracts and/or payment obligations in connection with the amendment, supplement and/or modification, and (v) any other rights and obligations of the Clearing House, the FCM Clearing Members and FCM Clients in relation to the foregoing. A Floating Rate Conversion Annex shall include any other procedures or mechanisms the Clearing House determines are required to give effect to the changes referred to above, including certain operational procedures which will include the recording of operational bookings in the FCM SwapClear Clearing Service to operationally represent the FCM SwapClear Contracts as amended pursuant to the terms of the Floating Rate Conversion Annex. These operational bookings shall not have any legal effect and are for operational purposes only. Where the Clearing House determines appropriate, the Clearing House's internal governance and booking procedures will provide that such operational bookings and any reports generated by the Clearing House in connection therewith shall be interpreted accordingly.
- (b) The Clearing House may, from time to time, amend, modify, supplement, replace, withdraw, or override the terms of a Floating Rate Conversion Notice or Floating Rate Conversion Annex through a member circular or such other method as the Clearing House shall determine is appropriate.
- (c) Following the publication of a Floating Rate Conversion Annex, each FCM Clearing Member (acting individually) hereby appoints the Clearing House, with the full and power and authority of that FCM Clearing Member, to:
- (i) act as its agent, to enter into, in the name of, and on behalf of, that FCM Clearing Member, one or more FCM SwapClear Contracts on terms determined by that Floating Rate Conversion Annex;

(ii) in reliance on the deemed instructions that FCM Clearing Member provides on behalf of it and its FCM Clients pursuant to the terms of the Floating Rate Conversion Annex, to register any FCM SwapClear Contracts so entered into under this Regulation and the Floating Rate Conversion Annex in the Proprietary Account and/or the applicable FCM Client Sub-Account held in that FCM Clearing Member's name for the relevant FCM Client (as applicable); and

(iii) (A) execute in the FCM Clearing Member's name and on the FCM Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing House determines (acting reasonably) to be lawfully necessary to give effect to the FCM SwapClear Contracts entered into pursuant to the foregoing,

provided however that, in all cases the terms of each FCM SwapClear Contract amended and/or entered into and registered pursuant to the foregoing provisions and the accounts in which such FCM SwapClear Contracts are or shall be registered shall be determined pursuant to the methodology set out in the relevant Floating Rate Conversion Annex pursuant to which such powers are exercised.

(d) Each FCM Clearing Member agrees and acknowledges that, notwithstanding anything to the contrary in these FCM Regulations or any FCM Procedures, the terms of any Floating Rate Conversion Annex and/or any Floating Rate Conversion Notice may amend, supplement, and/or modify the terms of any FCM SwapClear Contract to which such Floating Rate Conversion Annex and/or any Floating Rate Conversion Notice relates, and following the publication of a Floating Rate Conversion Annex or delivery of a Floating Rate Conversion Notice (or any subsequent date specified for such purpose by the Clearing House), the rights and obligations of the Clearing House and each FCM Clearing Member under each such FCM SwapClear Contract shall be performed in accordance with the FCM SwapClear Contract Terms, as amended, supplemented and/or modified by the terms of that Floating Rate Conversion Annex and/or Floating Rate Conversion Notice.

(e) Any FCM SwapClear Contract entered into pursuant to paragraph (c) above shall be deemed to satisfy any registration requirements under these FCM Regulations.

(f) Upon the publication of a Floating Rate Conversion Annex there shall arise a standing instruction to the Clearing House for itself and on behalf of the FCM Clearing Members authorising the Clearing House to take the steps and make the changes, including without limitation the amendments to the FCM SwapClear Contracts set-out in that Floating Rate Conversion Annex, and, if applicable under the terms of that Floating Rate Conversion Annex, to enter into and register certain FCM SwapClear Contracts on behalf of certain SwapClear Members and/or FCM Clients pursuant to paragraph (b) above and such Floating Rate Conversion Annex.

(g) A Floating Rate Conversion Annex may give rise to one or more payment obligations being owed by the Clearing House to an FCM Clearing Member or by an FCM Clearing Member to the Clearing House (each, a **Conversion Payment**). The calculation of each Conversion Payment and the due date for payment of the Conversion Payment in each case shall be on the terms set out in the relevant Floating Rate Conversion Annex. Each FCM Clearing Member and each FCM Client shall be

bound by the terms of the Floating Rate Conversion Annex, including, without limitation, each FCM SwapClear Contract registered or recorded to its Proprietary Account or FCM Client Sub-Account, as applicable, pursuant to each Floating Rate Conversion Annex. Each FCM Clearing Member agrees and acknowledges that (i) the terms of each Floating Rate Conversion Annex shall be binding as between it and each of its FCM Clients, (ii) the amendments made to each FCM SwapClear Contract in a Client Account made pursuant to each Floating Rate Conversion Annex shall result in an identical amendment to the back-to-back rights and obligations between the FCM Clearing Member and the relevant FCM Client on whose behalf the account or FCM Client Sub-Account referred to above is held, (iii) any new FCM SwapClear Contract registered in a Client Account pursuant to a Floating Rate Conversion Annex shall be replicated by back-to-back rights and obligations between the FCM Clearing Member and the relevant FCM Client on whose behalf the account or FCM Client Sub-Account referred to above is held, and (iv) the terms of each Floating Rate Conversion Annex shall be "Mandatory CCP Provisions" for the purposes of the Clearing Agreements between it and each of its FCM Clients.