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 OFFICE OF THE SECRETARIAT
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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 and the EquityClear Regulations for SWX Europe set out in Regulations V1 to V8 apply only to EquityClear Contracts (SWX Europe). Save as provided in Regulation 61, the provisions of Regulation 1 to 39A shall not apply to EquityClear Contracts. Save as provided in Regulation V1, the provisions of Regulations 1 to 39A shall not apply to EquityClear Contracts (SWX Europe).

LCH EnClear OTC Regulations set out in Regulation 68 and Regulations 73A to 73D respectively apply only to and 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 EDX Regulations set out in Regulations 74 to 87 apply only to EDX Cleared Exchange Contracts which are eligible for clearing pursuant to these Regulations and the EDX Rules.

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

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

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Definitions

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

- 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 Freight Broker Scheme.
- Approved EDX 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 EDX 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 Settlement Provider (SWX Europe) ("ASP (SWX Europe)")*

 - Any provider of settlement services approved from time to time by the Clearing House for the purpose of providing settlement services in connection with the EquityClear service for SWX Europe.

- 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.

- Approved Freight Broker*

 - A person authorised by the Clearing House to participate in the Freight Broker Scheme.

- 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 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).

- 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, one EquityClear Clearing Member as buyer with Trading Platform Particulars received from, or on behalf of, another EquityClear Clearing Member as seller.

- ATP Match (SWX Europe)*

 - The matched Trading Platform Particulars (SWX Europe) (excluding any SWX Europe Excluded Transaction), resulting from the matching on the orderbook of the SWX Europe Trading Platform, in accordance with the relevant Market Rules, of Trading

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Platform Particulars (SWX Europe) received from, or on behalf of, one Relevant EquityClear Member as buyer with Trading Platform Particulars (SWX Europe) received from or on behalf of, the same or another Relevant EquityClear Member as seller.

- 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.
- Board* - The board of directors or other governing body (whether 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) a NYMEX Contract (except where specified otherwise in the relevant NYMEX 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 EDX Cleared Exchange Contract, a RepoClear Transaction, a RepoClear Contract, a RepoClear GC Transaction, a RepoClear GC Contract, an ATP Match, ATP Match (SWX Europe), Off-Orderbook Transaction

(SWX Europe), an EquityClear Contract, an EquityClear Contract (SWX Europe) or an Eligible OTC Trade or a NYMEX Contract, as the case may be.

- 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 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; and 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".
- client account* - 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.

- Co-operating Exchange* - An exchange (which may also act as a central counterparty) which is party to a co-operation agreement with EDX.
- Combined EDX Orderbook* - Means the electronic Orderbook operated by EDX and one or more Co-operating Exchanges.
- commodity* - Any kind of property, currency, documents, right or interest (including an option) which is the subject matter of an exchange contract, an LCH EnClear OTC Contract or a NYMEX Contract.
- confirmed contract* - 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.
- Contract* - 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.
- contract for differences* - A Cleared Exchange Contract, an EDX Cleared Exchange Contract, an OTC Contract, an LCH EnClear

- OTC Contract or a NYMEX Contract which is to be performed by cash settlement only.
- Contribution* - In relation to the Default Fund Rules, has the meaning assigned to it in rule 17 of the Default Fund Rules.
- cover* - 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.
- Cross-Border Transfers* - The automatic transfers of EDX 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.
- Cross-Margining Affiliate* - 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, Regulation 72 or Regulation 91, 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.
- defaulter* - The meaning attributed 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 II of schedule 21 to the Companies Act 1989 which, for the avoidance of doubt, form a part of these General Regulations.

- delivery contract*
- A Cleared Exchange Contract, NYMEX Contract or EDX 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 Procedures, or in respect of a NYMEX Contract, the meaning ascribed to it in the Procedures or NYMEX's Rules respectively, or in respect of an EDX Cleared Exchange Contract, an expiration month as defined in the EDX Rules.
- Economic Terms*
- That part of the SwapClear Contract Terms, RepoClear Contract Terms, RepoClear GC Contract Terms or LCH EnClear OTC Contract Terms, as the case may require, designated as Economic Terms by the Clearing House from time to time.
- EDX*
- EDX London Limited whose registered office is at 10 Paternoster Square, London EC4M 7LS.
- EDX Account*
- An account maintained in the name of EDX by the Clearing House pursuant to Regulation 5 in which EDX Cleared Exchange Contracts may be registered pursuant to Regulation 75, 80 or in such other circumstances as may be agreed between EDX and the

Clearing House from time to time.

- EDX Cleared Exchange Contract* - A Contract entered into by the Clearing House in accordance with the EDX Regulations.
- EDX Contract Specification* - In respect of an EDX Eligible Product, the relevant contract specification set out in the EDX Rules.
- EDX Eligible Product* - A product which EDX has agreed from time to time with the Clearing House is to be cleared by the Clearing House pursuant to these Regulations.
- EDX Non-Clearing Member (EDX NCM)* - A member of EDX who is not a Member and is party to a subsisting EDX NCM-GCM Agreement.
- EDX Orderbook* - The electronic orderbook operated by EDX for the trading of EDX Eligible Products.
- EDX Orderbook Match or Orderbook Match* - A match made on the EDX Orderbook of two sets of EDX Trade Particulars submitted by or on behalf of two Members or a match made on the Combined EDX Orderbook of two sets of EDX Trade Particulars submitted by or on behalf of a Member and a Linked Member.
- EDX Regulations* - The Regulations set out in Regulations 74 to 87 inclusive.
- EDX Trade Particulars* - Means the trade particulars of an order submitted to the EDX 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 EDX Orderbook by or on behalf of a relevant Linked Member.
- EDX OTC Trade* - An OTC trade reported to EDX London in accordance with its Rules for its OTC Service.
- EDX Transactions* - An Orderbook Match, EDX OTC Trade, Reported Trade, Cross-Border Re-registration and a Cross-Border Transfer.

- Eligibility Criteria* - With regard to an EquityClear Open Offer, the conditions set out in Regulation 62 (c).
- Eligible OTC Trade* - A trade eligible for registration in the LCH EnClear OTC Energy Services.
- EquityClear Clearing Member* - A Member who is designated by the Clearing House as an EquityClear Clearing Member eligible to clear EquityClear Contracts. For the purposes of the Default Fund Rules only, references to an EquityClear Clearing Member shall include any Relevant EquityClear Member.
- EquityClear Clearing Member (SWX Europe)* - A Member who is designated by the Clearing House as an EquityClear Clearing Member eligible to clear EquityClear Contracts (SWX Europe) excluding x-clear.
- EquityClear Contract* - A Contract entered into by the Clearing House with an EquityClear Clearing Member on the EquityClear Contract Terms. For the purposes of the Default Fund Rules only, references to an EquityClear Contract shall include an EquityClear Contract (SWX Europe).
- EquityClear Contract (SWX Europe)* - A Contract entered into by the Clearing House with a Relevant EquityClear Member on the EquityClear Contract (SWX Europe) Terms.
- EquityClear Contract Terms* - The terms applicable to each EquityClear Contract as set out from time to time in the Schedule to the EquityClear Regulations or the Procedures.
- EquityClear Contract (SWX Europe) Terms* - The terms applicable to each EquityClear Contract (SWX Europe) as set out from time to time in the Schedule to the EquityClear Regulations for SWX Europe or the Procedures.
- EquityClear Eligible Securities (SWX Europe)* - Securities prescribed from time to time by the Clearing House which are eligible for the EquityClear service for SWX Europe and which appear in the list published for this purpose from time to time by the Clearing House in

accordance with the Procedures.

- EquityClear Eligible Securities* - 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 for this purpose from time to time by the Clearing House.
- EquityClear Mixed Member Match* - An ATP Match arising on the LSE of two sets of 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).
- 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 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 NCM (SWX Europe)* - A person who is not a Member but is party to an EquityClear NCM-GCM Agreement (SWX Europe) with an EquityClear Clearing Member/s (SWX Europe) and the Clearing House, and is included by the Clearing House on the Register of EquityClear NCMs as eligible to submit Trading Platform Particulars (SWX Europe) to the SWX Europe Trading Platform, and any resulting ATP Matches and Off-Orderbook Transactions (SWX Europe) to the Clearing House, on behalf of the relevant EquityClear Clearing Member (SWX Europe) pursuant

- to, and in accordance with, such EquityClear NCM-GCM Agreement (SWX Europe) the Market Rules (SWX Europe), the Regulations and the Procedures.
- EquityClear NCM-GCM Agreement (SWX Europe)* - An agreement in a form approved by the Clearing House from time to time between an EquityClear NCM (SWX Europe), an EquityClear Clearing Member (SWX Europe) and the Clearing House.
- EquityClear Off-Orderbook Eligibility Criteria for SWX Europe* - With regard to an Off-Orderbook Transaction (SWX Europe), the conditions set out in sub-paragraphs (i) to (ix) inclusive of paragraph (c) of Regulation V3.
- EquityClear Open Offer Eligibility Criteria for SWX Europe* - With regard to an EquityClear Open Offer for SWX Europe, the conditions set out in sub-paragraphs (i) to (ix) inclusive of paragraph (c) of Regulation V2.
- EquityClear Open Offer for SWX Europe* - The open offer made by the Clearing House in respect of an ATP Match (SWX Europe) meeting the EquityClear Open Offer Eligibility Criteria for SWX Europe.
- EquityClear Regulations for SWX Europe* - The Clearing House's Regulations, applicable to EquityClear Contracts (SWX Europe) only, from time to time in force.
- EquityClear service for SWX Europe* - The service by that name as provided by the Clearing House from time to time.
- EquityClear Open Offer* - The open offer made by the Clearing House in respect of an ATP Match meeting the EquityClear Open Offer Eligibility Criteria.
- EquityClear Participants* - EquityClear Clearing Members, Relevant EquityClear Members, EquityClear NCMs and EquityClear NCMs (SWX Europe), and "EquityClear Participant" means any of them.

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.

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.

Exchange

- An organisation (whether an exchange, association, company or otherwise the NYMEX Trading System, 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 SWX Europe, the NYMEX Trading System.

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 Market Rules (SWX Europe) and the EDX Rules, as the case may be, save where the context otherwise requires.

Excluded Securities

- Means securities notified to the Clearing House pursuant to an EquityClear NCM-GCM Agreement (SWX Europe) by or on behalf of an EquityClear Clearing Member (SWX Europe) in accordance with the Regulations which will not be cleared by the EquityClear Clearing Member (SWX Europe) under such Agreement.

expiry date or month

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

- Freight Broker Scheme* - The scheme by that name operated by the Clearing House.
- GC Trade* - A €GC Trade or a SGC Trade.
- 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.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).
- The Clearing House EDX Services -* - The services provided by the Clearing House pursuant to the EDX Regulations.
- LCH EnClear Clearing Member* - A Member who is designated by the Clearing House as an LCH EnClear 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 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 Eligible Derivative Products* - Derivative products prescribed from time to time by the Clearing House and which appear in the list published by the Clearing House from time to time and which are eligible for the LCH EnClear Service.
- LCH EnClear Participants* - LCH EnClear Clearing Members.
- LCH EnClear OTC Regulations* - The Clearing House's Regulations, applicable to LCH EnClear OTC Contracts only, from time to time in force.
- LCH EnClear Transaction* - A trade or transaction in an LCH EnClear Eligible Derivative Product meeting the requirements of the Regulations and the Procedures for registration as an LCH EnClear Contract details of which are presented to the Clearing House for registration in the name of LCH EnClear Clearing Members in accordance with the Regulations and the Procedures.
- LCH/x-clear Membership Agreement* - The Clearing Membership Agreement so designated made between the Clearing House and x-clear which governs the membership by x-clear of the Clearing House, as amended from time to time.
- LIFFE* - The London International Financial Futures and Options Exchange or any successor in title.
- LIFFE Credit Default Swap Index Contract* - A Cleared Exchange Contract entered into by the Clearing House and a Member on the LIFFE Credit Default Swap Index Contract Terms.
- LIFFE Credit Default Swap Index Contract Terms* - The terms of the LIFFE Credit Default Swap Index Contract specification provided in LIFFE Rules.
- LIFFE Rules* - The rules, practices, procedures, trading protocols and arrangements of LIFFE as may be prescribed from time to time.

- Link*
- 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:
 - (i) one or more exchange contracts;
 - (ii) one or more Participating Exchange Contracts.
- Link Agreement*
- An agreement entered into between the Clearing House and a Participating Exchange and, if applicable, an Exchange for the purposes of a Link.
- Link Clearing Agreement*
- 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.
- Linked Exchange Contract*
- An exchange contract which is the subject of a Link.
- Linked Member*
- A member of a Co-operating Exchange.
- Link Regulations*
- The Clearing House's Link Regulations from time to time in force.
- lot*
- 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
 - In relation to a contract other than an exchange contract, the standard unit or quantity prescribed by the NYMEX Trading System, or the relevant contract terms (as the case may be).
- LSE*
- The London Stock Exchange plc or any successor in title.

- margin* - Initial margin and/or variation margin.
- market* - A futures, options, forward, stock or other market, administered by an Exchange, an Approved LCH EnClear Trading System, an OTC market, or a NYMEX Trading System, in respect of which the Clearing House has agreed with such Exchange, or NYMEX Trading System, 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.
- market day* - In respect of a commodity, a day on which the market on which that commodity is dealt in is open for trading.
- Market Rules (SWX Europe)* - The rules, practices, procedures and arrangements, as may be prescribed from time to time by SWX Europe, relating to transactions made through the SWX Europe Trading Platform, in respect of which the Clearing House provides clearing services under the EquityClear for SWX Europe service.
- Member or Clearing Member* - 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.
- Member Link Agreement* - A Link Clearing Agreement or a Trade Allocation Agreement.

- Nodal - Nodal Exchange, LLC of 8065 Leesburg Pike, Suite 700, Vienna, VA 22182, United States of America.
- Nodal Contract - A Contract entered into by the Clearing House with a Nodal Service Clearing Member pursuant to the Nodal Regulations.
- Nodal Contract Terms - The terms of a Nodal Contract as set out in the Nodal contract specification provided in Nodal's Rules.
- Nodal Eligible Derivative Product - A derivative product prescribed from time to time by the Clearing House as eligible for the Nodal Service.
- Nodal Non-Clearing Participant - 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.
- Nodal Participants - Nodal Service Clearing Members and Nodal Non-Clearing Participants.
- Nodal Reference Price - A Reference Price in respect of a Nodal Contract.
- Nodal Regulations - The Clearing House's Regulations applicable to Nodal Contracts from time to time in force.
- Nodal's Rules - 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.
- Nodal Service - The service provided by the Clearing House under the Nodal Regulations.
- Nodal Service Clearing Member - A Member who is designated by the Clearing House as eligible to clear Nodal Contracts.

- Nodal Trading Facility - The facility, trading system or systems operated directly or indirectly by Nodal on which Nodal Eligible Derivative Products may be traded.
- Nodal Transaction - 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.
- NYMEX** - The New York Mercantile Exchange, Inc. of World Financial Center, One North End Avenue, New York 10282-1101, United States of America, and such of its affiliates as may operate the NYMEX Trading System from time to time.
- NYMEX Contract** - A Contract entered into by the Clearing House with a NYMEX Service Clearing Member pursuant to the NYMEX Regulations.
- NYMEX Contract Terms** - The terms of a NYMEX Contract as set out in the NYMEX contract specification provided in NYMEX's Rules.
- NYMEX ECM** - The exempt commercial market operated by NYMEX on which NYMEX Eligible Derivative Products may be traded.
- NYMEX Eligible Derivative Product** - A derivative product prescribed from time to time by the Clearing House as eligible for the NYMEX Service.
- NYMEX MTF** - The multilateral trading facility operated by NYMEX on which NYMEX Eligible Derivative Products may be traded.
- NYMEX Non-Clearing Participant** - A person other than a NYMEX Service Clearing Member who is party to an agreement with NYMEX allowing such person to be a participant in the NYMEX Trading System and subjecting such person to the provisions of NYMEX's Rules.

- NYMEX Participants* - NYMEX Service Clearing Members and NYMEX Non-Clearing Participants.
- NYMEX Reference Price* - A Reference Price in respect of a NYMEX Contract.
- NYMEX Regulations* - The Clearing House's Regulations applicable to NYMEX Contracts from time to time in force.
- NYMEX's Rules* - The rules, practices, procedures, trading protocols and arrangements of the NYMEX Trading System as may be prescribed from time to time relating to NYMEX Eligible Derivative Products.
- NYMEX Service* - The service provided by the Clearing House under the NYMEX Regulations.
- NYMEX Service Clearing Member* - A Member who is designated by the Clearing House as eligible to clear NYMEX Contracts.
- NYMEX Trading System* - The NYMEX ECM and/or the NYMEX MTF.
- NYMEX Transaction* - A contract in a NYMEX Eligible Derivative Product between NYMEX Service Clearing Members arising or registered on a NYMEX Trading System meeting the requirements of the Regulations and the Procedures.
- official quotation* - A price determined by the Clearing House under Regulation 14.
- Off-Orderbook Transaction (SWX Europe)* - The matched particulars representing a transaction (excluding any SWX Europe Excluded Transaction) concluded other than through the orderbook of the SWX Europe Trading Platform which is capable of being cleared in accordance with the Market Rules (SWX Europe) and the Regulations and is submitted for registration by, or on behalf of, one Relevant EquityClear Member identified as, or as acting as clearing member for, the buyer and the same or another Relevant EquityClear Member identified as, or as acting

as clearing member for, the seller.

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 or a NYMEX Contract made with a Member on the terms (unless otherwise provided in the Regulations) of an original exchange contract or NYMEX 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 EDX

- 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
- In relation to a NYMEX Contract, a contract for an option on the terms prescribed by the NYMEX Trading System.

- original contract* - An original exchange contract, Off-Orderbook Transaction (SWX Europe, NYMEX 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 nor shall it include any trade or transaction executed through an Approved LCH EnClear Trading System or the NYMEX Trading System.

- 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.
- 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.
- 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.

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 or EquityClear Contract (SWX Europe), the consideration to be paid by the buyer in cash in the currency as set out in the ATP Match or ATP Match (SWX Europe) information received by the Clearing House or its relevant approved agent; or
- (iv) an LCH EnClear OTC Contract or a NYMEX 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 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; and
 - (iii) application for admission to the Register of EquityClear NCMs.

prompt date

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

Protest

- Has the meaning given to it in Exchange Rules.

- Reference Price* - 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, including, without limitation, a NYMEX Reference Price.
- Register of EquityClear NCMs* - The register which lists EquityClear NCMs and EquityClear NCMs (SWX Europe).
- Register of RepoClear Dealers* - 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.
- Register of SwapClear Dealers* - 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.
- Registration Time* - In respect of SwapClear Contracts shall have the meaning given in Regulation 47(d) or Regulation 48(d) as applicable; 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, and in respect of NYMEX Contracts, shall have the meaning given in Regulation 89(b).

- Regulations* - 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.
- Regulatory Body* - 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 EquityClear Member* - x-clear and any other EquityClear Clearing Member (SWX Europe).
- 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 Contract Terms* - The Terms set out or referred to in Parts E and F of the Schedule to the RepoClear Regulations.
- 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 an EDX 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 EDX and a Co-operating

Exchange.

- 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.
- 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 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, an EDX Cleared Exchange Contract, a RepoClear Transaction, a RepoClear SGC Transaction, a RepoClear Contract, a RepoClear SGC Contract, an ATP Match, ATP Match (SWX Europe), Off-Orderbook Transaction (SWX Europe), an EquityClear Contract, an EquityClear Contract (SWX Europe), or an LCH EnClear OTC Contract or a NYMEX Contract, as the case may be.
- settlement contract*
- A contract between the Clearing House and a Member arising pursuant to Regulation 15(b), Regulation 72(b) or Regulation 91(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 or the LCH EnClear OTC Contract Terms or NYMEX 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, or NYMEX's Rules (as the case may be) these Regulations and the Procedures.

SwapClear Clearing Member (SCM)

- A Member who is designated by the Clearing House as a SwapClear Clearing Member eligible to clear SwapClear Contracts.

SwapClear Contract

- A Contract entered into by the Clearing House with a SwapClear Clearing Member on the SwapClear Contract Terms.

- SwapClear Contract Terms* - The terms applicable to each SwapClear Contract as set out from time to time in the Schedule to the SwapClear Regulations or the Procedures.
- SwapClear Dealer (SD)* - A person admitted by the Clearing House to the Register of SwapClear Dealers and who has not been removed from the Register.
- SwapClear Dealer Clearing Agreement* - 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.
- SwapClear Participants* - *SwapClear Clearing Members, SCM Branches and SwapClear Dealers, and "SwapClear Participant"* means any of them.
- SwapClear Regulations* - The Regulations entitled as such, applicable to SwapClear Contracts only, from time to time in force.
- SwapClear Transaction* - A contract, meeting the eligibility criteria for registration as a SwapClear Contract, entered into between two SwapClear Dealers, of which particulars are presented to the Clearing House for registration in the name of SwapClear Clearing Members in accordance with the Regulations and the terms of any agreement entered into between the Clearing House and each such SwapClear Dealer.
- SWORD* - The system operated by the Clearing House for, inter alia, facilitating the issue, recording and electronic transfer of London Metal Exchange warrants.
- SWX Europe* - SWX Europe Exchange Limited of 34th Floor, One Canada Square, London E14 5AA.

- SWX Europe Excluded Transaction* - Any transaction which would otherwise constitute an ATP Match (SWX Europe) or Off-Orderbook Transaction (SWX Europe), but under which the entity which would, pursuant to these Regulations, be the Relevant EquityClear Member acting both as the buyer and the seller in respect of the EquityClear Contracts (SWX Europe) arising out of such transaction would be x-clear. SWX Europe Excluded Transactions fall outside the scope of these Regulations and shall not be eligible for clearing with the Clearing House under these Regulations.
- SWX Europe Trading Platform* - The trading platform operated by SWX Europe and approved by the Clearing House as an Approved EquityClear Trading Platform.
- tender* - A notice in writing, given by or on behalf of a seller (or buyer where Exchange Rules or NYMEX's Rules (as the case may be) so require) pursuant to Exchange Rules or NYMEX's Rules (as the case may be) these Regulations and the Procedures, of an intention to make (or take) delivery of a commodity.
- 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 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.

*Trading Platform Particulars
(SWX Europe)*

- The orders or other trade particulars submitted to the SWX Europe Trading Platform in accordance with the Market Rules (SWX Europe) by or on behalf of a Relevant EquityClear Member (including by an EquityClear NCM (SWX Europe) or any person acting on behalf of such an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) in respect of the sale or purchase of EquityClear Eligible Securities (SWX Europe).

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.

x-clear

- SIS X-CLEAR AG of 47 Brandschenkestrasse, 8002 Zurich, Switzerland.

x-clear participant - A "x-clear member" or an "x-clear NCM", as such terms are defined in the General Terms and Conditions of Business of x-clear, from time to time in force.

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.

Any 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 or NYMEX's 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 EquityClear Contract (SWX Europe) Terms the NYMEX 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 EquityClear Contract (SWX Europe) Terms, the LCH EnClear OTC Contract Terms, NYMEX 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 accounts other than a Member's client accounts. In the event that more than one 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 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. 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 paragraph (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 27 of the Default Fund Rules, no amounts standing to the credit of such 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) 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.

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 or Market Rules (SWX Europe), (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 (other than an Off-Orderbook Transaction (SWX Europe)) 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, or SWX Europe (as the case may be), 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.

- (g) This Regulation 7 does not apply to an original contract which is an Off-Orderbook Transaction (SWX Europe).

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 EquityClear Regulations for SWX Europe, the LCH EnClear Regulations, the LCH EnClear OTC Regulations, the EDX Regulations, the NYMEX Regulations or the Nodal 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.

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- (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 or in Regulation 41.
- (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 EquityClear Contract (SWX Europe) may be transferred pursuant to paragraph (b) above to any Member who is not an EquityClear Clearing Member (SWX Europe). No open LCH EnClear OTC Contract may be transferred pursuant to paragraph (b) above to any Member who is not an LCH EnClear Clearing Member. No open NYMEX Contract may be transferred pursuant to paragraph (b) above to any Member who is not a NYMEX Service 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.
- (e) This Regulation 11 does not apply to any open contract registered in the name of x-clear.

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 EquityClear Regulations for SWX Europe, the LCH EnClear Regulations, or LCH EnClear OTC Regulations, the EDX Regulations, the NYMEX Regulations or the Nodal 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.
- (cc) (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

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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.
- (d) 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 (e) 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.
- (dd) 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, EquityClear Contracts (SWX Europe), LCH EnClear OTC Contracts and NYMEX 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.

- (e) Notwithstanding paragraph (d) or paragraph (dd) 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 EquityClear Contracts (SWX Europe) , to LCH EnClear OTC Contracts, or to NYMEX 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) Without prejudice to the requirements of paragraph (d) or (dd) 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.

- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.
- (n) 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, EquityClear Contracts (SWX Europe)LCH EnClear OTC Contracts or NYMEX 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 NYMEX's Rules (as the case may be), 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 NYMEX's Rules (as the case may be), or if no such day is so prescribed, on the next business day.
- (b) Subject to Exchange Rules or NYMEX's Rules (as the case may be) an option may be exercised by notice in writing or in such other form as may be prescribed by Exchange Rules, NYMEX's 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 or NYMEX's Rules (as the case may be) so provide, be deemed to have been exercised in accordance with Exchange Rules, NYMEX's Rules or, where relevant, the Procedures.
- (c) Subject to Exchange Rules or NYMEX's Rules (as the case may be) an option may be abandoned by notice in writing or in such other form as may be prescribed by Exchange Rules, NYMEX's 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, NYMEX's Rules or, where relevant, the Procedures.
- (d) If permitted under Exchange Rules, NYMEX's 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, NYMEX's 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 NYMEX's Rules (as the case may be) 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, NYMEX's 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, NYMEX's 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 or NYMEX's Rules (as the case may be). 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 or NYMEX's 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, NYMEX's Rules or, where relevant, the Procedures by the time and in the manner specified in Exchange Rules, NYMEX's 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, NYMEX's 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, NYMEX's 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, NYMEX's Rules or, where relevant, the Procedures in the form and manner and by the time prescribed in Exchange Rules, NYMEX's 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, NYMEX's 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, NYMEX Contracts or EDX Cleared Exchange Contracts shall be fulfilled in accordance with Exchange Rules or NYMEX's Rules (as the case may be) or the Procedures. No Cleared Exchange Contract or NYMEX 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 or NYMEX's Rules from time to time after agreement with the Clearing House. Where the terms of a Cleared Exchange Contract, NYMEX Contract or EDX 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 EDX 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 or NYMEX's Rules (as the case may be), 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 or NYMEX Contract in his name which is not to be settled pursuant to Regulation 15, 16 or 91 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, NYMEX's Rules or the Procedures by the time specified in Exchange Rules NYMEX's Rules or the Procedures in respect of a Cleared Exchange Contract or NYMEX Contract for a particular delivery month or prompt date, and in the form and manner prescribed by Exchange Rules, NYMEX's Rules or the Procedures. The Clearing House, as seller in respect of a Cleared Exchange Contract or NYMEX Contract which is not to be settled pursuant to Regulation 15, 16 or 91 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, NYMEX's Rules or the Procedures.

- (d) A seller or buyer shall give to the Clearing House such additional documents or information required by Exchange Rules or NYMEX's Rules (as the case may be) to be given in respect of an open contract subject to tender by the time prescribed by Exchange Rules or NYMEX's 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 or NYMEX's Rules (as the case may be), 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 or NYMEX Contract in his name for the current delivery period or prompt date shall be bound to accept in fulfilment of the Clearing House's obligations as seller under paragraph (c) any tender or documents complying with Exchange Rules or NYMEX's Rules (as the case may be) 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 or NYMEX's Rules (as the case may be).

- (h) Where permitted by Exchange Rules or NYMEX's Rules (as the case may be), a tender together with such other documents as may be required by Exchange Rules or NYMEX's Rules (as the case may be) or the Procedures may be given to the Clearing House by or on behalf of a seller in respect of an original exchange contract or NYMEX 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 NYMEX's Rules (as the case may be) 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 NYMEX's Rules (as the case may be) or the Procedures, to a buyer in respect of an original exchange contract or NYMEX 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, NYMEX's 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 or NYMEX 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 or NYMEX 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 fulfilment 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 or NYMEX's Rules require a buyer to give a tender and a seller to receive a tender in respect of a Cleared Exchange Contract or NYMEX 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 or NYMEX's Rules (as the case may be), 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 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, NYMEX's 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 or NYMEX's Rules (as the case may be) 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 or NYMEX's 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 or NYMEX's 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, NYMEX's 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 NYMEX Contracts) Regulation 91 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 or NYMEX (as the case may be) 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 NYMEX Contracts) Regulation 91 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 or NYMEX's Rules (as the case may be), 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, NYMEX's 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, NYMEX's 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, NYMEX's 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, NYMEX's Rules or the Procedures, must take delivery of the commodity (whether or not the buyer fulfils such obligation).
- (d) Where the relevant Exchange Rules or NYMEX's 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 or NYMEX's Rules, shall give to the Clearing House notice of such referral pursuant to Exchange Rules or NYMEX's 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, EDX Cleared Exchange Contracts, EquityClear Contracts, EquityClear Contracts (SWX Europe) or LCH EnClear OTC Contracts (for physical delivery) or NYMEX Contracts**

- (a) In this Regulation 23, "Relevant Rules" means relevant Exchange Rules, NYMEX's Rules, relevant ATP Market Rules (including Market Rules (SWX Europe)) or rules of the NYMEX Trading System..

Subject to Regulation 62 (m), 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, any EquityClear Contract (SWX Europe) or any LCH EnClear OTC Contract for physical delivery ("Physical LCH EnClear Contract") or NYMEX Contract or in relation to these Regulations relating to the clearing of Cleared Exchange Contracts, EquityClear Contracts, EquityClear Contracts (SWX Europe) Physical LCH EnClear Contracts or NYMEX 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, EquityClear Contracts (SWX Europe), Physical LCH EnClear Contracts or NYMEX 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 or relevant NYMEX Trading System, 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, an EquityClear Contract or an EquityClear Contract (SWX Europe) or NYMEX 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, or an EquityClear Contract (SWX Europe), or NYMEX 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 EDX Cleared Exchange Contract (including a dispute concerning Member compliance with the Exchange Rules) or in relation to these Regulations relating to the clearing of an EDX Cleared Exchange Contracts shall, unless resolved between the Clearing House and the Member, be referred to arbitration under English law and in accordance with the Arbitration Acts 1950 –1979. 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 EDX 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 EDX 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 an EDX 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 an EDX 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 NYMEX Contract or in relation to these Regulations relating to the clearing of an LCH EnClear OTC Contract or NYMEX 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 referred to arbitration under English law and in accordance with the Arbitration Acts 1950 –1979. 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 or NYMEX 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 or NYMEX, 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 or NYMEX 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 or NYMEX 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 or NYMEX's 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, NYMEX's Rules, Regulation 22 or Regulation 62 in respect of an open contract, an EquityClear Contract, an EquityClear Contract (SWX Europe) or a NYMEX 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 EDX 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 EquityClear Contracts (SWX Europe), or LCH EnClear OTC Contracts or NYMEX 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:
- (aa) in respect of such open contracts which are OTC Contracts or EquityClear Contracts or EquityClear Contracts (SWX Europe) or LCH EnClear OTC Contracts or NYMEX 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

- (bb) 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 or, in case of a NYMEX Contract, NYMEX, 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 or NYMEX (as the case may be), 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 or NYMEX determines in accordance with its Exchange Rules or NYMEX's Rules (as the case may be) 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 EDX 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, affected EquityClear Contracts (SWX Europe) and affected LCH EnClear OTC Contracts and NYMEX 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 EquityClear Contracts (SWX Europe) on the same EquityClear Contract (SWX Europe) 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 or in the case of NYMEX Contracts on the same NYMEX Contract Terms 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 EquityClear Contracts (SWX Europe) or LCH EnClear OTC Contracts or NYMEX 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 EDX Cleared Exchange Contracts, one or more of such Cleared Exchange Contracts or EDX 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 EDX 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 EquityClear Contracts (SWX Europe), means one or more of such EquityClear Contracts (SWX Europe) against which the Member in whose name they are registered has no matching EquityClear Contracts (SWX Europe) on the same EquityClear Contract (SWX Europe) 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; and in respect of NYMEX Contracts, means one or more of such NYMEX Contracts against which the Member in whose name they are

registered has no matching NYMEX Contracts on the same NYMEX Contract 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 EDX Cleared Exchange Contract, the RepoClear Contract, the EquityClear Contract the EquityClear (SWX Europe) Contract or LCH EnClear OTC Contract or NYMEX 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 NYMEX Service Clearing Member is a floating rate payer, in respect of a NYMEX Contract to be invoiced back, such NYMEX Service Clearing Member shall be a fixed rate payer 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) the NYMEX Trading System pursuant to an agreement entered into with the NYMEX Trading System (f) LCH.Clearnet Group Limited (g) LCH.Clearnet SA or (h) 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 or NYMEX's Rules may not be questioned on the ground that the Exchange Rules or NYMEX's Rules are to any extent invalid or ultra vires or that a determination or request made by the Exchange or NYMEX, or any agreement made by the Exchange or NYMEX, is ultra vires, incompatible with Exchange Rules or NYMEX's 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 procedures 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(e) 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 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 an EDX Cleared Exchange Contract shall be governed by and construed in accordance with English law.
- (g) An EquityClear Contract and an EquityClear Contract (SWX Europe) 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 NYMEX 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, a NYMEX Trading System 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 the NYMEX Trading System 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 the operator of a NYMEX Trading System, 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 NYMEX Trading System or its operator 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 or any error in the establishment of a Reference Price by a NYMEX Trading System or its operator; any act or omission of the Clearing House, an Exchange, or a NYMEX Trading System or its operator 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, EquityClear NCM (SWX Europe), or a NYMEX Non-Clearing Participant) in respect of any dispute

arising from or in relation to any OTC Transaction, Eligible OTC Trade, NYMEX Transaction, the NYMEX Trading System or an ATP Match or an ATP Match (SWX Europe) or an Off-Orderbook Transaction (SWX Europe) including, but not limited to, any dispute as to the validity or otherwise of such OTC Transaction, Eligible OTC Trade or ATP Match, ATP Match (SWX Europe) or Off-Orderbook Transaction (SWX Europe), NYMEX Transaction, the terms of such OTC Transaction, Eligible OTC Trade, trade or ATP Match, ATP Match (SWX Europe) or Off-Orderbook Transaction (SWX Europe), NYMEX Transaction or whether any alleged agreement or arrangement constitutes an OTC Transaction, Eligible OTC Trade, NYMEX Transaction, the NYMEX Trading System or an ATP Match, ATP Match (SWX Europe) or Off-Orderbook Transaction (SWX Europe).

- (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 Clearing Member, NYMEX Service Clearing Member or NYMEX Non-Clearing Participant or to any other person (including, without limitation, a SwapClear Dealer or a RepoClear Dealer or a participant of the NYMEX Trading System) 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 including the EquityClear service for SWX Europe or the LCH EnClear OTC Services or NYMEX Service (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, an EquityClear NCM (SWX Europe), a NYMEX Non-Clearing Participant or other participant of the NYMEX Trading System 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, EquityClear NCM, EquityClear NCM (SWX Europe) or a NYMEX Non-Clearing Participant or other participant of the NYMEX Trading System 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(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 EDX or as a result of any negligence, wrongdoing, or other act, error, failure or omission on the part of EDX, in supplying any services to the Clearing House with regard to the Clearing House EDX Services or as a result of or in connection with any inconsistency or conflict between any provision contained in the EDX 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) 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 (a) 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 (e), shall aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Base Currency (the "Termination Amount").
- (e) Where a Member has a house and one or more client accounts:
- (i) 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
 - (ii) the two net amounts determined under paragraph (e)(i) shall constitute Termination Amounts.
- (f) If a Termination Amount determined pursuant to paragraph (d) or (e) 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 (g). The Member shall notify the Clearing House of each such Termination Amount, and by which party it is payable, immediately after the calculation thereof.
- (g) A Termination Amount shall be paid in the Base Currency by the close of business on the business day following notification pursuant to paragraph (f) 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.

- (h) 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)).

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) below or Regulation 42(g) shall apply.

- (ii) 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, 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 39A 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 for registration as a SwapClear Contract, through an office of that SwapClear Participant (a "**Designated Office**") as agreed to in writing with the Clearing House and, if party to a SwapClear Dealer Clearing Agreement, with its SwapClear Clearing Member.
- (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 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 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.

Regulation 48 SwapClear Contracts

- (a) Without prejudice to the Clearing House's rights to effect 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:
- (i) "First SwapClear Clearing Member" is a SwapClear Clearing Member who was, before registration of the SwapClear Contract, party to the corresponding 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 SwapClear Transaction as the party paying Rate X; and
 - (ii) "Second SwapClear Clearing Member" is a SwapClear Clearing Member who was, before registration of the SwapClear Contract, party to the corresponding SwapClear Transaction 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 SwapClear Transaction as the party paying Rate Y.
- (b) With effect from registration of a SwapClear Transaction as two SwapClear Contracts under paragraph (a) of this Regulation:
- (i) the parties to the corresponding SwapClear 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 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.

In subparagraphs (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 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.

- (c) 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 revocation, avoidance or invalidity shall not affect any SwapClear Contract arising under this Regulation, Regulation 3(b) or Regulation 11.

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 48 shall take effect.

For the avoidance of doubt, any reference in these Regulations and Procedures to an "SCM Branch" is not intended to and shall not be read as a reference to any person other than the legal person which is the SwapClear Clearing Member of which that SCM Branch is a part.

Regulation 48A Termination by Automated Service

- (a) 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 (the "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.

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 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.
- 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 Definitions" shall have 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 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 Definitions" as published by ISDA.
- 1.5.1 In relation to any amendments to the ISDA 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.
- 1.5.2 Any such notice may provide that the amendment to the ISDA 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.
- 1.5.3 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 (viii) OR (ix) (not both) must be provided
- 2.3 The Economic Terms comprise:
- (i) Notional Amount (see Article 4.7 for definition);
 - (ii) Currency (see Article 1.7 for definition);
 - (iii) Trade Date (see Article 3.7 for definition);
 - (iv) Effective Date (see Article 3.2 for definition);

- (v) Termination Date (see Article 3.3 for definition);
- (vi) Additional Payments/Fees
 - (a) the Payer of the Additional Payments/Fees (if any);
 - (b) the amount of the Additional Payments/Fees (specify zero if none).
- (vii) Business Days (see Article 1.4 for definition);
- (viii) Business Day Convention (see Article 4.12 for definition);
- (ix) Where Fixed Rate – Floating Rate Swap:
 - (a) Fixed Rate Payer (see Article 2.1 for definition)
 - (b) Fixed Rate Payer Payment Dates
 - (c) Fixed Amount (see Article 4.4 for definition)
[or Fixed Rate and Fixed Rate Day Count Fraction]
 - (d) Floating Rate Payer (see Article 2.2 for definition)
 - (e) Floating Rate Payer Payment Dates
 - (f) Floating Rate Payer compounding dates (if applicable)
 - (g) Floating Amount (see Article 4.5 for definition)
 - (h) Floating Rate Option (see Article 6.2(i) for definition)

(Note: the details of each such option are as provided in the Procedures)
 - (i) Designated Maturity (see Article 7.3(b) of the "Annex to the 2000 ISDA Definitions (June 2000 Version)" for definition)
 - (j) Spread (see Article 6.2(f) for definition)

- (k) Reset Dates (see Article 6.2(b) for definition)
- (l) Floating Rate Day Count Fraction (see Article 6.2(g) for definition)
- (x) Where Floating Rate – Floating Rate Swap (“basis” swap):
 - (i) Floating Rate Payer 1 (see Article 2.2 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) 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)” for definition)
 - (e) Spread (see Article 6.2(f) for definition)
 - (f) Reset Dates (see Article 6.2(b) for definition)
 - (g) Floating Rate Day Count Fraction (see Article 6.2(g) for definition)
 - (ii) Floating Rate Payer 2 (see Article 2.2 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) 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)" for definition)
- (e) Spread (see Article 6.2(f) for definition)
- (f) Reset Dates (see Article 6.2(b) for definition)
- (g) Floating Rate Day Count Fraction (see Article 6.2(g) for definition)

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.

2.4 Financial Centres

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

Financial Centre	SWIFT Code
Sydney	AUSY
Brussels	BEBR
Montreal	CAMO
Toronto	CATO
Geneva	CHGE
Zurich	CHZU
Frankfurt	DEFR
Copenhagen	DKCO
Madrid	ESMA

Financial Centre	SWIFT Code
Helsinki	FIHE
Paris	FRPA
London	GBLO
Hong Kong	HKHK
Milan	ITMI
Rome	ITRO
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
Johannesburg	ZAJO

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 herefrom. 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 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

Instrument	Acceptable Currencies	Acceptable Indices	Types	Single currency	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	10970 days	0.01-
		See Article 7.1s (ii) for definition	Floating vs. Floating			99,999,999,999.99
	US Dollar (USD)	USD-LIBOR-BBA	Fixed vs. Floating	Single currency	10970 days	0.01-
		See Article 7.1(w) (xvii) for definition	Floating vs. Floating			99,999,999,999.99
	Euro (EUR)	EUR-LIBOR-BBA	Fixed vs. Floating	Single currency	10970 days	0.01-
		See Article 7.1(e)(iv) for definition	Floating vs. Floating			99,999,999,999.99
		EUR-EURIBOR-Telerate				
		See Article 7.1(e) (i) for definition				

Instrument	Acceptable Currencies	Acceptable Indices	Types	Single currency	Maximum Residual Term	Notional Amount (Min - Max of the relevant currency unit)
Vanilla interest rate swaps with constant notional principal	Australian Dollar (AUD)	AUD-BBR-BBSW	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99
		See Article 7.1(a) (ii) for definition	Floating vs. Floating			
		AUD-LIBOR-BBA				
		See Article 7.1(a) (iv) for definition				
	Canadian Dollar (CAD)	CAD-BA-CDOR	Fixed vs. Floating	Single currency	3670 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				
	Danish Krone	DKK-CIBOR-DKNA13	Fixed vs. Floating	Single currency	3670 days	0.01-99,999,999,999.99

Instru ment	Accepta ble Currenci es	Acceptable Indices	Types	Maximu m Residu al Term	Notional Amount (Min - Max of the relevant currency unit)
	(DKK)	See Article 7.1(d) (i) for definition DKK-CIBOR2- DKNA13 See Article 7.1(d) (ii) for definition	Floating vs. Floating	ncy	99
	Hong Kong Dollar (HKD)	HKD-HIBOR- HIBOR= See Article 7.1(g) (ii) for definition HKD-HIBOR- HKAB See Article 7.1(g) (iii) for definition HKD-HIBOR- ISDC See Article 7.1(g) (i) for definition	Fixed vs. Floating	Singl e curre ncy	3670 days 0.01- 99,999,999,999. 99
	Japanese Yen (JPY)	JPY-LIBOR- BBA	Fixed vs. Floating	Singl e curre ncy	10970 days 1- 10,000,000,000, 000

Instru ment	Accepta ble Currenci es	Acceptable Indices	Types	Maximu m Residu al Term	Notional Amount (Min - Max of the relevant currency unit)
		See Article 7.1(j) (ii) for definition	Floating vs. Floating		
	New Zealand Dollar (NZD)	NZD-BBR- Telerate	Fixed vs. Floating	Singl e curre ncy 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	Singl e curre ncy 3670 days	0.01- 99,999,999,999. 99
		See Article 7.1(l) (ii) for definition	Floating vs. Floating		
	Norwegia n Krone (NOK)	NOK-NIBOR- NIBR	Fixed vs. Floating	Singl e curre ncy 3670 days	0.01- 99,999,999,999. 99
		See Article 7.1(m) (i) for definition	Floating vs. Floating		
	Swedish Krona (SEK)	SEK-STIBOR- SIDE	Fixed vs. Floating	Singl e curre ncy 3670 days	0.01- 99,999,999,999. 99
		See Article 7.1(t) (i) for definition	Floating vs. Floating		
	Swiss Franc	CHF-LIBOR- BBA	Fixed vs. Floating	Singl e curre ncy 3670 days	0.01- 99,999,999,

Instru ment	Accepta ble Currenci es	Acceptable Indices	Types	Maximu m Residu al Term	Notional Amount (Min - Max of the relevant currency unit)
	(CHF)			ncy	999.99
		See Article 7.1(u) (ii) for definition	Floating vs. Floating		
	Polish Zloty(PLN)	PLN	FIXED vs. FLOAT	Singl e curre ncy	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	Singl e curre ncy	3670 days 0.01- 99,999,999, 999.99
		JIBAR-SAFEX			
		See article 7.1v (i) for definition	FLOAT vs. FLOAT		

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)" for definition)

The Clearing House will only accept the following day count fractions:

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

Modified Following (see Article 4.12 (ii) for definition)

3.1.3 Minimum Residual Term of the trade

The residual term of the trade is the period from the date of submission of the trade for registration by the Clearing House to the date of termination. It must be greater than or equal to the period of the load status lag added to the period of the currency settlement lag. For these purposes the period of the load status lag is nil for new trades submitted through an Approved Trade Matching system, and one day for trades registered through any applicable Backloading Procedures, and the period of the currency settlement lag is one day for euro (EUR), US dollar (USD) Canadian Dollars (CAD) and Sterling (GBP) denominated trades and two days for Japanese Yen (JPY), Norwegian Krone (NOK), Danish Krone (DKK), Swedish Krona (SEK), Australian Dollar (AUD), New Zealand Dollar (NZD), Hong Kong Dollar (HKD), Swiss Franc (CHF), Polish Zloty (PLN) and South African Rand (ZAR) denominated trades.

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 for definition)

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.

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 39A 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) 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 therefor, 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 therefor 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.

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). Where such a trade is made on the day of auction with the intended settlement date being trade day plus one day (T+1), then the Clearing House will reject it and no RepoClear Contracts with the Clearing House will arise.

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:

1.3.1.1 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

1.3.1.2 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.

- 1.3.2 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) Belgian 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	US Dollar International Bonds	United Kingdom Government Debt Securities (see 2.2.1 below)

Securities (see 2.2.1 below)
 Finnish Government Debt
 Securities (see 2.2.1 below)
 Portuguese 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	Euroclear; Clearstream	Euroclear;	Euroclear UK and
Depositories	Luxemburg (CBL); Clearstream Frankfurt (CBF) (including all cross-border combinations); National Bank of Belgium (via our agent, KBC Brussels)	Clearstream Luxemburg (CBL); (including all cross-border combinations)	Ireland
Term			
Minimum Opening Leg	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 and being no later than bond maturity minus 3 RepoClear Operating Days		Any valid settlement day up to 374 days from the trade date and being no later than bond maturity minus 11 RepoClear Operating Days
Minimum Closing Leg	Settlement Date of Opening Leg plus 1 RepoClear Operating Day		
Maximum Closing Leg	Any valid settlement day up to 363 days from the settlement date of the opening leg, except where the term includes 29 February other than as the		Any valid settlement day up to 363 days from the settlement

settlement date of the opening or closing leg, in which case any valid settlement date up to 364 days from the settlement date of the opening leg and being no later than bond maturity date minus 2 RepoClear Operating Days

date of the opening leg, except where the term includes 29 February other than as the settlement date of the opening or closing leg, in which case any valid settlement date up to 364 days from the settlement date of the opening leg and being no later than bond maturity date minus 10 RepoClear Operating Days

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

Germany
- 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

United Kingdom

- United Kingdom Government Bonds

2.2.2 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 Hypothekenbank

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 2.1 and 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) 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 Luxembourg (CBL); Clearstream Frankfurt (CBF) (including all cross-border	Euroclear; Clearstream Luxembourg (CBL); (including all cross-border	Euroclear UK and Ireland

	combinations); National Bank of Belgium (via our agent, KBC Brussels)	combinations)	
Minimum Settlement date	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 10 RepoClear Operating Days.

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**

<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)

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

United Kingdom

- United Kingdom Government Bonds

3.2.2 Other Bonds

German Jumbo Pfandbriefe

Issuers:

Allgemeine Hypothekenbank
Bayerische Hypo-und Vereinsbank AG
Bayerische Landesbank Girozentrale
Berlin Hanover 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
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 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.

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:

Interpretation section;

Economic Terms; and

Standard Terms.

(1) 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.

"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).

"Daily Equivalent Securities" means, on any day, the net securities transferable by either party to the other, calculated under paragraph 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).

"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).

"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 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 (i) to (viii) 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

- (i) Buyer;
- (ii) Seller;
- (iii) Underlying SGC Basket (identified by ISIN);
- (iv) Trade date and time;
- (v) Start Date;
- (vi) End Date;
- (vii) Opening Cash Amount;
- (viii) 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).

Transfer of Securities and Cash

2.4 Subject to paragraph 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.

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 one SGC Day
Maximum Closing Leg	Any valid SGC Day up to 365 days less one day from the settlement date of the Opening Leg.

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:

- (1) 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:

Interpretation section;

Economic Terms; and

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 €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.

"Daily Cash Amount" means, on any €GC Day, the net cash amount payable by either party to the other, calculated under paragraph 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).

"Daily Purchased Securities" means, on any €GC Day, the net securities transferable by either party to the other, calculated under paragraph 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).

"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 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.

“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 (i) to (viii) 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

- (i) Buyer;
- (ii) Seller;
- (iii) Underlying €GC Basket (identified by ISIN);
- (iv) Trade date and time;
- (v) Start Date;
- (vi) End Date;
- (vii) Opening Cash Amount;
- (viii) 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:

- (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.

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 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
Currency	Euro
Settlement Depository	Clearstream Banking, Luxembourg or Euroclear Bank
Term	
Minimum Opening Leg	Date of registration by the Clearing House plus 1 RepoClear Operating Day on which the €GC service operates.
Maximum Opening Leg	Any valid €GC Day up to 374 days from the trade date
Minimum Closing Leg	Opening Leg plus one 1 RepoClear Operating Day on which the €GC service operates.
Maximum Closing Leg	Any valid settlement day up to 363 days from the settlement date of the opening leg, except where the term includes 29 February other than as the settlement date of the opening or closing leg, in which case any valid settlement date up to 364 days from the settlement date of the opening 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.

Eligible €GC Baskets for settlement at Clearstream Bank Luxembourg

- (4) 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

- (5) 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

(6) 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

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:

- Cease to register new trades in the Eligible €GC Baskets defined in section 2.2; and
- 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 39A 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.
- (c) For the avoidance of doubt, these EquityClear Regulations (Regulation 61 to 67 inclusive and the Schedule thereto) do not apply to ATP Matches (SWX Europe) and Off-Orderbook Transactions (SWX Europe) or any other aspect of the EquityClear service for SWX Europe. The EquityClear Regulations for SWX Europe (Regulations V1 to V8) together with the Schedule thereto apply to EquityClear Contracts (SWX Europe), EquityClear Clearing Members (SWX Europe) and, insofar as relevant to EquityClear NCMs (SWX Europe).

Regulation 62 **ATP Matches made by or on behalf of EquityClear Clearing Members on an Approved EquityClear Trading Platform**

- (a) This Regulation 62 applies to 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 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 Contract in respect of an ATP Match made on the relevant ATP (as referred to in paragraph (b)) in accordance with paragraphs (e) to (g) of this Regulation 62, 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 Open Offer Eligibility Criteria") shall have been satisfied:
- (i) where the 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 62: (aa) there was in place at the time that the Trading Platform Particulars were submitted and up to and including the time the 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 Open Offer had not, at the relevant times, been suspended by the Clearing House in respect of 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 sub-paragraph (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 ATP Match satisfy, at the relevant times, the EquityClear Eligible Securities criteria;
 - (v) all necessary details as required by the Clearing House from time to time in respect of the 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 Securities, which are the subject of the 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 Open Offer in respect of ATP Matches made on such ATP had not been suspended or withdrawn, as applicable;

- (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 Securities which are the subject of an ATP Match; and
- (x) in the case of an 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 ATP Match have been satisfied and the relevant Co-operating Clearing House has not declined to register, rejected, cancelled, avoided or terminated such 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 ATP Match pursuant to the agreement in place between them in relation to the co-clearing of the relevant Exchange 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 ATP Match received by the Clearing House identify, in accordance with the relevant

ATP Market Rules or the Procedures, the 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 ATP Match satisfies the EquityClear Open Offer Eligibility Criteria, two EquityClear Contracts shall arise immediately on the ATP Match being made, as follows:
 - (i) the Clearing House shall be the buyer under one EquityClear Contract to the selling EquityClear Clearing Member; and
 - (ii) the Clearing House shall be the seller under one EquityClear 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 ATP Match satisfies the EquityClear Open Offer Eligibility Criteria, two EquityClear Contracts shall arise immediately on the ATP Match being made, as follows:
 - (i) the Clearing House shall be the seller under one EquityClear Contract to the buying EquityClear Clearing Member; and
 - (ii) the Clearing House shall be the buyer under one EquityClear Contract to the selling EquityClear Clearing Member.

- (g) In respect of an EquityClear Mixed Member 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 ATP Match through the ATP (or by such other means) and subject to the EquityClear 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 an EquityClear Contract 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 ATP Match as the buyer, (A) the Clearing House shall be the seller under an EquityClear Contract with the EquityClear Clearing Member as buyer; and (B) the Clearing House shall be the buyer under an EquityClear Contract with the Co-operating Clearing House as seller; and
 - (ii) where the EquityClear Clearing Member is identified in the ATP Match as the seller, (A) the Clearing House shall be the buyer under an EquityClear Contract with the EquityClear Clearing Member as seller; and (B) the Clearing House shall be the seller under an EquityClear Contract with the Co-operating Clearing House as buyer.
- (h) EquityClear 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 required by the Clearing House of EquityClear Contracts arising under paragraphs (e) to (g) 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 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 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 Contract. Any directions given by the Clearing House under this paragraph (i) shall be binding on all affected EquityClear Members.

- (j) Subject to its rights to suspend the EquityClear 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 62 until such EquityClear Clearing Member is no longer eligible to have EquityClear 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 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 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 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 ATP Match purportedly meet the relevant EquityClear Open Offer Eligibility Criteria in paragraph (c) the EquityClear Clearing Member shall be bound by any EquityClear Contract registered in his name in respect of such ATP Match

and the terms of such registered EquityClear 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 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 ATP Match or, where applicable, whether it was identified to the ATP by the relevant EquityClear Participants as an ATP Match to be registered by the Clearing House as an EquityClear 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 Contracts which are subject to Part A(II) of the Schedule to the EquityClear Regulations, a dispute arising out of, or in respect of, such registered EquityClear Contracts, or in relation to these Regulations relating to the clearing of such EquityClear 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 Contracts is disappplied in these Regulations or the Procedures, a dispute arising out of, or in respect of, such registered EquityClear Contracts, or in relation to these Regulations relating to the clearing of such EquityClear 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 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 securities 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 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 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 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 62 by, one or more affected EquityClear 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

- (a) Any 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 Open Offer criteria as set out in Regulation 62 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 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 ATP Match.
- (b) The Clearing House may, in its absolute discretion, agree to register an EquityClear Contract, notwithstanding that it does not meet the EquityClear Eligibility Criteria or if 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 CONTRACT TERMS

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

1. **The Economic Terms of an EquityClear 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 an ATP Match giving rise to the EquityClear Contract except that where such information specifies the EquityClear Clearing Member as the: (i) Buyer under the ATP Match, with the other party as Seller, the Clearing House will be Seller under the EquityClear Contract; and (ii) Seller under the ATP Match, with the other party as Buyer, the Clearing House will be the Buyer under the EquityClear Contract.
5. **Third Party Rights**

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

6. Regulations

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

7. Governing Law

Each EquityClear 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. ATP Matches on the LSE

In respect of ATP Matches where LSE is the Approved EquityClear Trading Platform, and without prejudice to these Regulations or the Procedures, the relevant ATP Market Rules shall apply in respect of EquityClear Contracts, and such EquityClear 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.

PART B

EQUITYCLEAR ELIGIBLE SECURITIES

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

EQUITYCLEAR REGULATIONS FOR SWX EUROPE**Regulation V1 Application of EquityClear Regulations for SWX Europe**

- (a) These EquityClear Regulations for SWX Europe, which form part of the Regulations, together with the Regulations referred to in paragraph (b) apply to EquityClear Contracts (SWX Europe), Relevant EquityClear Members and, insofar as relevant, EquityClear NCMs (SWX Europe).
- (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 39A inclusive (other than Regulation 35(a), Regulation 37(b) and Regulation 38(b)) of the Regulations apply to EquityClear Contracts SWX Europe). Relevant EquityClear Members and, insofar as relevant, EquityClear NCMs (SWX Europe).
- (c) For the purposes of these EquityClear Regulations for SWX Europe, "Relevant EquityClear Member" means x-clear and any other person (including a firm of company) which is an EquityClear Clearing Member (SWX Europe), and "x-clear participant" means an x-clear member or an "x-clear NCM", as defined in x-clear's General Terms and Conditions of Business. For the avoidance of doubt, these EquityClear Regulations for SWX Europe are not intended to be binding on x-clear participants but refer in certain places to x-clear participants for the purpose of setting out rights and obligations in relation to persons and Contracts to which these EquityClear Regulations for SWX Europe do apply, as specified in paragraphs (a) and (b) above.

Regulation V2 ATP Matches (SWX Europe) made by or on behalf of Relevant EquityClear Members on the SWX Europe Trading Platform

- (a) This Regulation V2 applies to ATP Matches (SWX Europe) arising on the SWX Europe Trading Platform pursuant to Trading Platform Particulars (SWX Europe) submitted by or on behalf of a Relevant EquityClear Member. In the event of any inconsistency between the Regulations (including, unless otherwise agreed to the contrary in writing, the terms of any agreement entered into between a Relevant EquityClear Member and the Clearing House) and the Market Rules (SWX Europe), the Regulations shall prevail.
- (b) If a Member has been given approval by the Clearing House to be an EquityClear Clearing Member (SWX Europe), the Clearing House will enter into EquityClear Contracts (SWX Europe) with that Relevant EquityClear Member in accordance with and subject to the following provisions of this Regulation V2. The Clearing House will also enter into EquityClear Contracts (SWX Europe) with x-clear in accordance with and subject to the following provisions of this Regulation V2. The terms of a registered EquityClear Contract (SWX Europe) shall be as received by the Clearing House, or its relevant approved agent, from the SWX Europe Trading Platform and otherwise subject to the Regulations (and the Clearing House and the Relevant EquityClear Member party to the registered EquityClear Contract (SWX Europe) 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 a Relevant EquityClear Member to enter into an EquityClear Contract (SWX Europe) in respect of an ATP Match (SWX Europe) made on the SWX Europe Trading Platform (as referred to in paragraph (b)) in accordance with paragraph (e) or paragraph (f) of this Regulation V2, as applicable, pursuant to the submission of Trading Platform Particulars (SWX Europe) by or on behalf of that Relevant EquityClear Member (including by an EquityClear NCM (SWX Europe) under the provisions of the EquityClear NCM-GCM Agreement (SWX Europe) or any person acting on behalf of such an EquityClear NCM (SWX Europe), or, in the case of x-clear, by or on behalf of an x-clear participant) provided that the following requirements shall have been satisfied:
- (i) without prejudice to the other provisions of this Regulation V2, in the case of any Trading Platform Particulars (SWX Europe) submitted by an EquityClear

NCM (SWX Europe) (or by any person acting on behalf of an EquityClear NCM (SWX Europe)) on behalf of a Relevant EquityClear Member:

- (aa) there is in place at the time that the Trading Platform Particulars (SWX Europe) were submitted and up to and including the time the ATP Match (SWX Europe) was made (for the purposes of this Regulation V2, the "relevant times"), an EquityClear NCM-GCM Agreement to which that EquityClear NCM (SWX Europe) and a Relevant EquityClear Member are party, in a form approved in writing by the Clearing House;
 - (bb) such EquityClear NCM-GCM Agreement has not been terminated or suspended at the relevant times; and
 - (cc) the securities which are the subject of the Trading Platform Particulars (SWX Europe) are not Excluded Securities.
- (ii) at the relevant times the Relevant EquityClear Member was (in the case of x-clear) party to a valid and subsisting LCH/x-clear Membership Agreement or (in the case of any other Relevant EquityClear Member) 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 Relevant EquityClear Member has not been declared a defaulter, by default notice or otherwise, by the Clearing House or SWX Europe, where applicable;
 - (iv) the securities which are the subject of the ATP Match (SWX Europe) are, at the relevant times, EquityClear Eligible Securities (SWX Europe);
 - (v) all necessary details as required by the Clearing House from time to time in respect of the ATP Match (SWX Europe) 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 Securities (SWX Europe), which are the subject of the ATP Match (SWX Europe), are not subject to any trading halts, suspension of dealings or any other action having equivalent effect published by or on behalf of SWX Europe;
 - (vii) at the relevant times, the EquityClear service for SWX Europe or the EquityClear Open Offer for SWX Europe in respect of ATP Matches (SWX Europe) made on the SWX Europe Trading Platform has not been suspended or withdrawn (as applicable) generally or in respect of Trading Platform Particulars (SWX Europe) submitted by a Relevant EquityClear Member or on its behalf by one or more EquityClear NCMs (SWX Europe) or any person(s) acting on behalf of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant;
 - (viii) the Relevant EquityClear 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 for SWX Europe; and
 - (ix) there are in place appropriate arrangements (as prescribed from time to time by the Clearing House) between the Relevant EquityClear Member (or its nominated agent, who may be an EquityClear NCM (SWX Europe) or any person acting on behalf of an EquityClear NCM (SWX Europe), where applicable or, in the case of x-clear, by or on behalf of an x-clear participant) and an Approved EquityClear Settlement Provider (SWX Europe) for the delivery, or receipt, as applicable, of the EquityClear Eligible Securities (SWX Europe) which are the subject of the ATP Match (SWX Europe).
- (d) For the avoidance of doubt, Trading Platform Particulars (SWX Europe) are deemed to have been submitted by or on behalf of a Relevant EquityClear Member if the details of an ATP Match (SWX Europe) received by the Clearing House identify, in accordance with the Market Rules (SWX Europe) or the Procedures, that ATP Match (SWX Europe) as having been made by or on behalf of that Relevant EquityClear Member.
- (e) If Trading Platform Particulars (SWX Europe) have been input into the SWX Europe Trading Platform by or on behalf of a Relevant EquityClear Member (including on its behalf by an EquityClear NCM (SWX Europe) or any person acting on behalf of an

EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) as seller (for the purposes of this paragraph (e), the "selling EquityClear Member (SWX Europe)") and have been matched by, or in accordance with, the relevant Market Rules with Trading Platform Particulars (SWX Europe) which have been input into the SWX Europe Trading Platform by or on behalf of the same or another Relevant EquityClear Member (including on its behalf by an EquityClear NCM (SWX Europe) or any person acting on behalf of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) as buyer (for the purposes of this paragraph (e), the "buying EquityClear Member (SWX Europe)"), and the resulting ATP Match (SWX Europe) satisfies the EquityClear Open Offer Eligibility Criteria for SWX Europe, two EquityClear Contracts (SWX Europe) shall arise immediately on the ATP Match (SWX Europe) being made, as follows:

- (i) the Clearing House shall be the buyer under one EquityClear Contract (SWX Europe) with the selling EquityClear Member (SWX Europe) as the seller; and
 - (ii) the Clearing House shall be the seller under one EquityClear Contract (SWX Europe) with the buying EquityClear Member (SWX Europe) as the buyer.
- (f) If Trading Platform Particulars (SWX Europe) have been input into the SWX Europe Trading Platform by or on behalf of a Relevant EquityClear Member (including on its behalf by an EquityClear NCM (SWX Europe) or any person acting on behalf of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) as buyer (for the purposes of this paragraph (f), the "buying EquityClear Member (SWX Europe)") and have been matched by, or in accordance with, the relevant Market Rules with Trading Platform Particulars for SWX Europe which have been input into the SWX Europe Trading Platform by or on behalf of the same or another Relevant EquityClear Member (including on its behalf by an EquityClear NCM (SWX Europe) or any person acting on behalf of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) as seller (for the purposes of this paragraph (f), the "selling EquityClear Member (SWX Europe)"), and the resulting ATP Match (SWX Europe) satisfies the EquityClear Open Offer Eligibility Criteria for SWX Europe, two EquityClear Contracts (SWX Europe) shall arise immediately on the ATP Match (SWX Europe) being made, as follows:

- (i) the Clearing House shall be the seller under one EquityClear Contract (SWX Europe) with the buying EquityClear Member (SWX Europe) as the buyer; and
 - (ii) the Clearing House shall be the buyer under one EquityClear Contract (SWX Europe) with the selling EquityClear Member (SWX Europe) as the seller.
- (g) Any EquityClear Contracts (SWX Europe) entered into by the Clearing House with a Relevant EquityClear Member under paragraph (e) or (f), as applicable shall be registered in the name of that Relevant EquityClear 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 SWX Europe or the relevant approved agent, as applicable (in accordance with the arrangements made between the Clearing House and SWX Europe or the relevant approved agent from time to time).
- (h) If the details required by the Clearing House of EquityClear Contracts (SWX Europe) arising under paragraph (e) or (f) are not made available to the Clearing House by SWX Europe 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 Relevant EquityClear Members party thereto shall be obliged to perform their respective obligations under the EquityClear Contracts (SWX Europe) arising under paragraph (e) or (f), as applicable. If the Clearing House so decrees, the Clearing House shall issue directions to the affected Relevant EquityClear Members and such EquityClear Contracts (SWX Europe) 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 Contract (SWX Europe). Any directions given by the Clearing House under this paragraph (h) shall be binding on all affected Relevant EquityClear Members and EquityClear NCMs (SWX Europe), as applicable.
- (i) Subject to its rights to suspend the EquityClear Open Offer for SWX Europe and/or the EquityClear service for SWX Europe generally or in respect of Trading Platform Particulars (SWX Europe) submitted by a Relevant EquityClear Member or on its behalf by one or more EquityClear NCMs (SWX Europe) or any person(s) acting on

behalf of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant, or to withdraw the EquityClear service for SWX Europe in whole or in part, as set out in these Regulations or the Procedures, the Clearing House undertakes to keep open the offer made by it in this Regulation V2 until a Relevant EquityClear Member is no longer eligible to have EquityClear Contracts (SWX Europe) registered in its name or has given notice to the Clearing House in accordance with the Procedures (where applicable) stating that it no longer wishes to participate in the EquityClear service for SWX Europe.

- (j) Without prejudice to the generality of Regulation 39, any other provision of these Regulations or any provision of the Procedures, the LCH/x-clear Membership Agreement or an EquityClear NCM-GCM Agreement (SWX Europe) concerning the liability of the Clearing House, and notwithstanding any contrary provision (if any) in any document to which Relevant EquityClear Members (including x-clear) or EquityClear NCMs (SWX Europe) or x-clear participants may be party, 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 Relevant EquityClear Member (or any other person, including but not limited to any EquityClear NCM (SWX Europe) or any x-clear participant), for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them in respect of any EquityClear Contract (SWX Europe) arising under paragraph (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 Contract (SWX Europe) and has not pursuant to paragraph (h) performed its obligations under such Contract.
- (k) Notwithstanding the provisions of paragraph (c), if the Clearing House or its approved agent receives details of an ATP Match (SWX Europe) in respect of a Relevant EquityClear Member from the SWX Europe Trading Platform which has not been withdrawn, and the details of the ATP Match (SWX Europe) purportedly meet the EquityClear Open Offer Eligibility Criteria, that Relevant EquityClear Member shall be bound by any EquityClear Contract (SWX Europe) registered in its name in respect of such ATP Match (SWX Europe) and the terms of such registered EquityClear Contract (SWX Europe) shall be as set out in paragraph (b).
- (l) Without prejudice to paragraph (k), the Clearing House may with the agreement of Relevant EquityClear Members party to corresponding EquityClear Contracts (SWX Europe) and SWX Europe, set aside or take such other steps with respect to any

EquityClear Contract (SWX Europe) on such terms as may be agreed between such Relevant EquityClear Members and the Clearing House, if either or both Relevant EquityClear Members or any affected EquityClear NCM (SWX Europe) or x-clear participant considers that an EquityClear Contract (SWX Europe) has been entered into in error or certain terms of an EquityClear Contract (SWX Europe) have been agreed in error.

- (m) Any EquityClear NCM (SWX Europe) which is the subject of approval given by the Clearing House to a Relevant EquityClear Member under paragraph (b) of this Regulation V2 shall, in submitting Trading Platform Particulars (SWX Europe) on the SWX Europe Trading Platform, act as the agent of that Relevant EquityClear Member. The Relevant EquityClear Member shall be bound by all acts of such EquityClear NCM (SWX Europe) as its agent under this paragraph (m), any other provision of these Regulations or any provision of the Procedures, an EquityClear NCM-GCM Agreement, or the Market Rules (SWX Europe), notwithstanding any lapse of authority of such EquityClear NCM (SWX Europe) to so act.
- (n) An x-clear participant shall, in submitting Trading Platform Particulars (SWX Europe) on the SWX Europe Trading Platform, act as the agent of x-clear. x-clear shall be bound by all acts of any such x-clear participant as its agent under this paragraph (n), any other provisions of these Regulations or the Procedures or any provisions of any document issued by x-clear or the Market Rules (SWX Europe) notwithstanding any lapse of authority of such x-clear participant to act as an agent or that any such x-clear participant may cease to be an x-clear participant.
- (o) In the event of a dispute arising out of, or in respect of, the existence of an ATP Match (SWX Europe) or, where applicable, whether it was identified to the SWX Europe Trading Platform by the Relevant EquityClear Members or on behalf of those Relevant EquityClear Members by the relevant EquityClear NCMs (SWX Europe) (or any persons acting on behalf of those EquityClear NCMs (SWX Europe)) or, as the case may be, by any x-clear participant or any persons acting on behalf of any such x-clear participant as an ATP Match (SWX Europe) to be registered by the Clearing House as an EquityClear Contract (SWX Europe), such dispute shall be settled as provided for in the relevant Market Rules without recourse to the Clearing House.

**Regulation V3 Submission of details of Off-Orderbook Transactions
(SWX Europe) through the SWX Europe Trading Platform**

- (a) Details of Off-Orderbook Transactions (SWX Europe) which are to be submitted for registration must be submitted in accordance with the Procedures by or on behalf of the Relevant EquityClear Members (including by an EquityClear NCM (SWX Europe) on their behalf under the provisions of the relevant EquityClear NCM-GCM Agreement (SWX Europe) or by any person acting on behalf of such an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) who are party to, or are providing clearing services to a party to, such Off-Orderbook Transactions (SWX Europe). For the avoidance of doubt, where the particulars of an Off-Orderbook Transaction (SWX Europe) submitted by or on behalf of a Relevant EquityClear Member and received by the Clearing House identify, in accordance with the relevant Market Rules or the Procedures, that Relevant EquityClear Member as buyer or seller, or as acting as clearing member for the buyer or seller, in respect of the Off-Orderbook Transaction (SWX Europe), the Clearing House will enter into an EquityClear Contract (SWX Europe) with that Relevant EquityClear Member in accordance with and subject to the following provisions of this Regulation V3 and Regulation V4.
- (b) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation, a Relevant EquityClear Member shall be bound by an EquityClear Contract (SWX Europe) registered in its name pursuant to the presentation of details of an Off-Orderbook Transaction (SWX Europe) by it or on its behalf (including on its behalf by an EquityClear NCM (SWX Europe) or any person acting on behalf of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant).
- (c) Without prejudice to the Clearing House's rights under paragraph (f) of this Regulation V3, an Off-Orderbook Transaction (SWX Europe), particulars of which are submitted for registration as an EquityClear Contract (SWX Europe) by or on behalf of a Relevant EquityClear Member, must meet the following eligibility criteria at the time when the particulars of such Off-Orderbook Transaction (SWX Europe) 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 V3, the "relevant times") in order to be registered as an EquityClear Contract (SWX Europe):

- (i) without prejudice to the other provisions of this Regulation V3, in the case of particulars of any Off-Orderbook Transaction (SWX Europe) submitted by an EquityClear NCM (SWX Europe) (or by any person acting on behalf of an EquityClear NCM (SWX Europe)) on behalf of a Relevant EquityClear Member:
- (aa) there is in place at the relevant times an EquityClear NCM-GCM Agreement (SWX Europe) in a form approved in writing by the Clearing House to which that EquityClear NCM (SWX Europe) and a Relevant EquityClear Member are party;
 - (bb) such EquityClear NCM-GCM Agreement (SWX Europe) has not been terminated or suspended at the relevant times; and
 - (cc) the securities which are the subject of the Off-Orderbook Transaction (SWX Europe) are not Excluded Securities.
- (ii) at the relevant times the Relevant EquityClear Member was (in the case of x-clear) party to a valid and subsisting LCH/x-clear Membership Agreement or (in the case of any other Relevant EquityClear Member) party to a valid and subsisting Clearing Membership Agreement;
- (iii) at the relevant times, the Relevant EquityClear Member has not been declared a defaulter, by default notice or otherwise, by the Clearing House or SWX Europe, where applicable;
- (iv) the securities the subject of the Off-Orderbook Transaction (SWX Europe) are, at the relevant times, EquityClear Eligible Securities (SWX Europe);
- (v) all necessary details as required by the Clearing House from time to time in respect of the Off-Orderbook Transaction (SWX Europe) 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 Securities (SWX Europe), which are the subject of the Off-Orderbook Transaction (SWX Europe), are not subject to any trading halts, suspension of dealings or any other action having equivalent effect published by or on behalf of SWX Europe;
 - (vii) at the relevant times, the EquityClear service for SWX Europe has not been suspended or withdrawn, generally or in relation to the Relevant EquityClear Member;
 - (viii) the Relevant EquityClear 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 for SWX Europe; and
 - (ix) there are in place appropriate arrangements (as prescribed from time to time by the Clearing House) between the Relevant EquityClear Member (or its nominated agent, who may be an EquityClear NCM (SWX Europe) or any person acting on behalf of an EquityClear NCM (SWX Europe), where applicable or, in the case of x-clear, by or on behalf of an x-clear participant) and an Approved EquityClear Settlement Provider (SWX Europe) for the delivery, or receipt, as applicable, of the EquityClear Eligible Securities (SWX Europe) which are the subject of the Off-Orderbook Transaction (SWX Europe).
- (d) The Clearing House shall be deemed to register an EquityClear Contract (SWX Europe), in accordance with Regulation V4, in the name of a Relevant EquityClear 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 Relevant EquityClear Members (including on their behalf by an EquityClear NCM (SWX Europe) or any person acting on behalf of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) for registration as an EquityClear Contract (SWX Europe) 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 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 Contract (SWX Europe) the Clearing House determines that the Off-Orderbook Transaction (SWX Europe) did not, at the Registration Time, meet the eligibility criteria for registration as an EquityClear Contract (SWX Europe), the Clearing House shall, as soon as practicable thereafter, set aside such EquityClear Contract (SWX Europe). Upon an EquityClear Contract (SWX Europe) being set aside under this Regulation V3, 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 Market Rules). Any payment made under, or in respect of, an EquityClear Contract (SWX Europe) 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 V3, 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 Contract (SWX Europe) 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 Contract (SWX Europe).

Regulation V4 Registration of EquityClear Contracts (SWX Europe) following Submission of details of an Off-Orderbook Transaction (SWX Europe)

- (a) Without prejudice to the Clearing House's rights to effect further novation under Regulation 3(b), particulars of an Off-Orderbook Transaction (SWX Europe) 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 Contracts (SWX Europe), one between the First Relevant EquityClear 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 Relevant EquityClear Member being the buyer as principals to such contract. For the purposes of this Regulation V4:
- (i) "First Relevant EquityClear Member" is a Relevant EquityClear Member who was, before registration of the EquityClear Contract (SWX Europe), identified in the particulars of the corresponding Off-Orderbook Transaction (SWX Europe) as, or as acting as clearing member for, the seller; and
 - (ii) "Second Relevant EquityClear Member" is a Relevant EquityClear Member who was, before registration of the EquityClear Contract (SWX Europe), identified in the particulars of the corresponding Off-Orderbook Transaction (SWX Europe) as, or as acting as clearing member for, the buyer.
- (b) With effect from registration of an Off-Orderbook Transaction (SWX Europe) as two EquityClear Contracts (SWX Europe) under paragraph (a) of this Regulation:
- (i) the transaction described in the particulars of the Off-Orderbook 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 Market Rules (SWX Europe)); and
 - (ii) each EquityClear Contract (SWX Europe) registered under paragraph (a) of this Regulation V4 shall be governed by the relevant EquityClear Contract Terms (SWX Europe) as applicable to that Contract and the General Regulations and Procedures.

- (c) If an Off-Orderbook Transaction (SWX Europe) 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 Contract (SWX Europe) arising under this Regulation or Regulation 3(b).

- (d) In the case of an EquityClear Contract (SWX Europe) 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 V4 shall take effect.

Regulation V5 Delivery (or other) Failures

- (a) Without prejudice to the Default Rules and the Procedures, if a Relevant EquityClear Member as seller fails to deliver securities to the Clearing House under an EquityClear Contract (SWX Europe) by the due time therefor (whether or not such failure results from any default on the part of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant), the Clearing House may issue directions, in accordance with the Procedures, to that Relevant EquityClear Member and to a Relevant EquityClear Member as buyer under a corresponding EquityClear Contract (SWX Europe) regarding the performance of such Contracts and such directions shall be binding on those Relevant EquityClear 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 Relevant EquityClear Member where it has failed to deliver securities under an EquityClear Contract (SWX Europe) in respect of which it is the seller by the due time therefor (whether or not such failure results from any default on the part of an EquityClear NCM (SWX Europe) or, in the case of x-clear, by or on behalf of an x-clear participant) and from the Relevant EquityClear Member which is the buyer under the corresponding EquityClear Contract (SWX Europe).
- (c) Without prejudice to the Default Rules, if a Relevant EquityClear Member acts in such a manner (which could, without limitation, include persistent failure to deliver securities to the Clearing House under EquityClear Contracts (SWX Europe) in respect of which it is the seller (other than in circumstances where Regulations 26 and/or 27 apply and whether or not any such failure results from any default on the part of an EquityClear NCM (SWX Europe)) or, in the case of x-clear, by or on behalf of an x-clear participant) that the Clearing House in its reasonable opinion determines that the reputation of the EquityClear Service for SWX Europe 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 Relevant EquityClear Member's ability to have EquityClear Contracts (SWX Europe) registered in its name and to require it to liquidate or transfer under Regulation 11 open contracts, being EquityClear Contracts (SWX Europe) registered in its name.

**Regulation V6 Suspension of the EquityClear service for SWX Europe and
suspension of the EquityClear Open Offer for SWX Europe**

The Clearing House may, from time to time, in its absolute discretion suspend all or part of the EquityClear service for SWX Europe (including registration of any Off-Orderbook Transactions (SWX Europe) submitted for registration and the EquityClear Open Offer for SWX Europe in respect of ATP Matches (SWX Europe)) for such period of time as it may determine.

**Regulation V7 Withdrawal of EquityClear service for SWX Europe 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 EquityClear service for SWX Europe it shall give not less than six months' notice to all affected Relevant EquityClear Members of the date on which the EquityClear service for SWX Europe will be withdrawn (the "EquityClear for SWX Europe Withdrawal Date"). The accidental omission by the Clearing House to give notice under this Regulation V7 to, or the non-receipt of notice under this Regulation V7 by, one or more affected Relevant EquityClear Members shall not invalidate the EquityClear for SWX Europe 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 for SWX Europe Withdrawal Date.
- (c) If, at the EquityClear for SWX Europe Withdrawal Date, a Relevant EquityClear Member has open EquityClear Contracts (SWX Europe) registered in its name, the Clearing House shall, at its sole discretion, be entitled to liquidate any such EquityClear Contracts (SWX Europe) and effect cash settlement in respect thereto with that Relevant EquityClear Member.
- (d) The Clearing House shall have the right to postpone the EquityClear for SWX Europe Withdrawal Date until such time as the Clearing House determines in its absolute discretion.

Regulation V8 Rejection of ATP Matches (SWX Europe) and Off-Orderbook Transactions (SWX Europe)

- (a) Any ATP Match (SWX Europe) or Off-Orderbook Transaction (SWX Europe), particulars of which are submitted to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear Contract (SWX Europe), which does not meet the EquityClear Open Offer Eligibility Criteria for SWX Europe or the EquityClear Off-Orderbook Eligibility Criteria for SWX Europe (as applicable) or which the Clearing House declines to register under any other applicable provision of these Regulations will, subject to paragraph (b), be rejected by the Clearing House and no EquityClear Contracts (SWX Europe) shall be deemed to have arisen. Without prejudice to the generality of Regulation 39, any other provision of these Regulations or any provision of the Procedures, the LCH/x-clear Membership Agreement or an EquityClear NCM-GCM Agreement (SWX Europe) or the Market Rules (SWX Europe) concerning the liability of the Clearing House, and notwithstanding any contrary provision (if any) in any document to which Relevant EquityClear Members (including x-clear) or EquityClear NCMs (SWX Europe) or x-clear participants may be party, 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 (SWX Europe) or x-clear participant) with regard to the rejection by it of any such ATP Match (SWX Europe) or Off-Orderbook Transaction (SWX Europe).
- (b) The Clearing House may, in its absolute discretion, agree to register an EquityClear Contract (SWX Europe), notwithstanding that it does not meet the EquityClear Open Offer Eligibility Criteria for SWX Europe or the EquityClear Off-Orderbook Eligibility Criteria for SWX Europe (as applicable) or contains invalid or incomplete message data, in accordance with the provisions prescribed by the Clearing House from time to time in this regard in the Procedures.

SCHEDULE TO THE EQUITYCLEAR REGULATIONS FOR SWX EUROPE**EQUITYCLEAR CONTRACT (SWX EUROPE) TERMS**

The terms of an EquityClear Contract (SWX Europe) shall comprise the Economic Terms and the General Terms.

1. **The Economic Terms** of an EquityClear Contract (SWX Europe) 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 applicable provisions as are set out in the Regulations and/or the Procedures (which shall, for the avoidance of doubt, form part of the terms of an EquityClear Contract (SWX Europe)) and in this Schedule.
3. Terms regarding taxes and corporate events shall be as set out in the Procedures.
4. The Economic Terms will be as set out in the information received by the Clearing House from the SWX Europe Trading Platform in respect of an ATP Match (SWX Europe) or Off-Orderbook Transaction (SWX Europe) giving rise to the EquityClear Contract (SWX Europe) except that where such information identifies a Relevant EquityClear Member as, or as acting as clearing member for: (i) Buyer with the other party as Seller, the Clearing House will be Seller under the EquityClear Contract (SWX Europe) and the Relevant EquityClear Member will be Buyer; and (ii) Seller with the other party as Buyer, the Clearing House will be Buyer under the EquityClear Contract (SWX Europe) and the Relevant EquityClear Member will be Seller.
5. **Third Party Rights**

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

6. Governing Law

Each EquityClear Contract (SWX Europe) 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, LCH EnClear 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 39A inclusive (other than Regulation 35(a) and Regulation 37(b)) of the General Regulations apply to LCH EnClear OTC Contracts and LCH EnClear 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 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 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 by an Approved Broker or presented by another LCH EnClear 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 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 LCH EnClear OTC Participants 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 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 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 Clearing Member" is an LCH EnClear 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 who has Accepted such Eligible OTC Trade in accordance with the relevant Procedures; and
- (ii) "Second LCH EnClear Clearing Member" is an LCH EnClear 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 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 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) 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 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 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 Procedures so provide in respect of any Eligible OTC Trade and any LCH EnClear OTC Contract arising therefrom, the Clearing House may effect 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 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 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 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 section has been left blank intentionally]

Regulation 73E Withdrawal of the LCH EnClear OTC Energy Services by the Clearing House

- (a) If at any time the Clearing House decides to withdraw its LCH EnClear OTC Energy 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 Participants 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 Clearing Member shall not invalidate the LCH EnClear OTC Services Withdrawal Date. Where only a part of the LCH EnClear OTC Energy Services is being withdrawn, notice shall only be given to those LCH EnClear OTC Participants 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 73 E(a).
- (c) If, at the LCH EnClear OTC Services Withdrawal Date, an LCH EnClear 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 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 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 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 LCH EnClear OTC Transaction (or presented by the relevant Approved LCH EnClear Trading System on their behalf) 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 LCH EnClear OTC Transaction 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:**
- (i) Fixed Rate Payer or seller
 - (ii) Floating Rate Payer or buyer
 - (iii) Contract

- (iv) Contract Series
- (v) Quantity
- (vi) Delivery Period (where applicable)
- (vii) Fixed Price or Traded Price (as the case may be)
- (viii) Floating Price (where applicable)

PROVIDED, however, that, as set out in Regulation 73B where the Eligible OTC Trade specifies an LCH EnClear Clearing Member as the party paying the Fixed Price or being the seller ("the First LCH EnClear Clearing Member") with the other LCH EnClear Clearing Member as the party paying the Floating Price or being the buyer ("the Second LCH EnClear 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 Clearing Member under the LCH EnClear Contract; and (ii) the party paying the Fixed Price or seller to the Second LCH EnClear Clearing Member under the LCH EnClear OTC Contract.

Section 3. **SPECIFIC STANDARD TERMS FOR LCH ENCLEAR CONTRACTS**

[Sections 3.1 and 3.2 no longer in force]

3.3 **OTC Energy Services: Power and Gas**

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 Gas and Power Division of the LCH EnClear OTC Energy Services.

Section	Contract
3.3A	UK EFA Baseload and Peak Electricity Contracts
3.3B	Natural Gas NBP

3.3C and 3.3D OTC Emissions – EUAs

3.3C and 3.3E OTC Emissions - CERs

3.3A UK EFA Baseload and Peak Electricity Contracts

3.3A.1 Standard Terms: Additional Definitions

"Baseload Electricity Contract" means a contract for delivery of electricity for every Settlement Period during the period specified in the Contract;

"Peak Electricity Contract" means a contract for delivery of electricity for every Settlement Period during the period specified in the Contract;

"Balancing and Settlement Code" (BSC) means the document designated by the Secretary of State and adopted by the National Grid Company plc as the BSC as modified from time to time in accordance with the terms of the Transmission Licence and the BSC Procedures made pursuant thereto;

"BSC Co" has the meaning given thereto in the BSC as modified and amended from time to time;

"Buyer" means the person who is the purchaser of Energy Contract Volume under a Contract;

"Contract" means a Baseload or Peak Electricity Contract made pursuant to these Contract Terms;

"Delivery Day" means, in respect of a Baseload Electricity Contract, the period beginning at 23:00 hours London time on a day on which an ECVN in respect of a Contract is due to become effective, and the transfer from one Energy Account to the other Energy Account is due to be made under that Electricity Contract in accordance with the terms of the Contract and the Procedures, and ending at 23:00 hours London time on the following day (irrespective of whether this encompasses 23, 24 or 25 sequential hours); or

in respect of a Peak Electricity Contract, the period beginning at 07:00 hours London time on a weekday on which an ECVN in respect of a Contract is due to become effective, and the transfer from one Energy Account to the other Energy Account is due to be made under that Electricity Contract in accordance with the terms of the Contract and the Procedures, and ending at 19:00 hours London time on the same day.

<i>"Electricity"</i>	has the meaning given thereto in the BSC, as modified and amended from time to time;
<i>"Electricity Contract"</i>	means a Baseload Electricity Contract or a Peak Electricity Contract;
<i>"Energy Account "</i>	means either a production or a consumption account established and operated under the BSC which is used by the Settlement Administration Agent to determine the energy imbalance obligations of the account holder;
<i>"Energy Contract Volume"</i>	means, for each Settlement Period of a Delivery Day and an Energy Account, a volume of Electricity calculated by LCH and notified to the Member and the Member's Transferor/Transferee as applicable, that should be notified to the ECVAAs in an ECVN in respect of a Contract;
<i>"Energy Contract Volume Aggregation Agent" (ECVAA)</i>	means the person identified under the BSC to whom ECVNs and ECVNA authorisations must be made and who is responsible for the aggregation and validation of ECVNs and for the validation of the ECVNA Authorisations;
<i>"Energy Contract Volume Notification" (ECVN)</i>	means the notification, including amongst other things of an Energy Contract Volume, submitted by the ECVNA to the ECVAAs for each Settlement Period of a Delivery Day in the manner required by the BSC and otherwise in accordance with the Contract and the Procedures;
<i>"Energy Contract Volume Notification Agent" (ECVNA)</i>	means the person who is qualified to act as an ECVNA for the purposes of the BSC to submit ECVNs and ECVNA Authorisations in accordance with the BSC and the

	Contract and the Procedures;
<i>"Final Settlement Price" (FSP)</i>	means, in respect of a Contract, the final settlement price determined by the Clearing House in accordance with the Procedures;
<i>"MWh"</i>	means megawatt hours;
<i>"Party"</i>	means a party who is bound by the BSC in the participation capacity of a "Trading Party" (as defined in the BSC);
<i>"Party System"</i>	means that part of the Buyer's and/or Seller's, and/or their respective Transferor's or Transferee's, system which enables, inter alia, an ECVNA to submit an ECVN to, or receive information from, the ECVA;A;
<i>"Seller"</i>	means the person who is the seller of Energy Contract Volume under a Contract;
<i>"Settlement Administration Agent" (SAA)</i>	means the agent appointed under the BSC to determine the energy imbalance of a Party's Energy Account under the BSC;
<i>"Settlement Period"</i>	means a 30 minute period in the Delivery Day commencing on the hour or the half-hour;
<i>"Transferee"</i>	means a person nominated by the Buyer to whom the transfer of Energy Contract Volume is to be made under a Contract;
<i>"Transferor"</i>	means a person nominated by the Seller from whom the transfer of Energy Contract Volume is to be made under a Contract;

3.3A.2 Standard Terms: Basic Provisions

(a) Description

UK Baseload and Peak Physical Electricity, delivered at the National Grid, monthly contract.

(b) **Nature of contract**

An Electricity Contract shall be for the transfer of the Energy Contract Volume by way of a debit of an Energy Account and the credit of an Energy Account on the Delivery Day and during each Settlement Period of such Delivery Day specified in the Electricity Contract.

(c) **Deliveries**

Deliveries of Electricity shall be effected in accordance with Section 6A of the Procedures ("the Delivery Procedures").

(d) **Contract size**

Electricity Contracts shall be for one or more lots of Electricity to be delivered in MWh at a rate of one Megawatt for delivery during each hour of the Delivery Day as specified in the Electricity Contract.

(e) **Price**

The Electricity Contract price shall be in pounds Sterling per MWh and Electricity Contracts may be traded with minimum fluctuations of £0.01 (1 pence) per MWh.

The Electricity Contract price shall be exclusive of any charges payable by either the Buyer (or its Transferee) or the Seller (or its Transferor) pursuant to the BSC and any fees payable in respect of the ECVNA Services.

The Electricity Contract shall be exclusive of any Value Added Tax or any other duty that may be or become payable on the sale or transfer of Electricity under an Electricity Contract and any such taxes or duties shall be borne by the Buyer.

(f) **Settlement Prices**

In respect of daily settlement, the price for daily settlement shall be determined by the Clearing House, using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, being the price at which the contract is delivered, the price will be determined by the Clearing House for the relevant Delivery Day using price data from a number of sources including spot and derivative markets from both physical and financial products. Such price shall be determined three business days prior to the first day of the Delivery Period.

(g) **Last trading day**

The last trading day shall be three business days prior to the relevant Delivery Period.

(h) **Contract Series**

Up to 65 consecutive EFA months commencing with the next calendar month.

(i) **Final payment dates**

The final payment date shall be the tenth (10th) banking day of the EFA month following the Delivery Period and payment shall be made in accordance with the Delivery Procedures.

(j) **Business Days**

For the purposes of this contract, UK Business Days shall apply.

3.3B **Natural Gas NBP**

3.3B.1 **Standard Terms: Additional Definitions**

"buyer"	means the person who is the purchaser of rights in respect of Natural Gas under the contract;
"Delivery Day"	means the period beginning at 06:00 hours on a day on which the transfer of rights in respect of Natural Gas is due to be made under a Contract in accordance with the terms of these procedures and ending at 06:00 hours on the following day;
"Delivery Period"	means the relevant calendar month or months in which

	delivery occurs;
"kilowatt hour" ("kWh")	means 3,600,000 joules where "joule" is as defined in ISO 1000:1992(E);
"National Balancing Point"	means, in respect of a Contract, a notional point within the Transmission System at which the balancing of the amounts of Natural Gas delivered into and out of the Transmission System takes place for the purposes of the Network Code;
"Natural Gas"	means any hydrocarbons or mixture of hydrocarbons and other gases consisting predominantly of methane which at a temperature of 15 degrees Celsius and at an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state where "degree Celsius" and "bar" are as defined in ISO 1000:1992(E);
"Network Code"	means the document, as amended from time to time, setting out TransCo's arrangements for transportation of Natural Gas pursuant to its public gas transporter's licence under the Gas Act, 1986;
"Seller"	means the person who is the seller of rights in respect of Natural Gas under a Contract;
"Therm"	means 29.3071 kWh;
"TransCo"	means TransCo or any successor thereto;
"TransCo Rules"	means the Network Code and any manuals, procedures, practices or directions of TransCo which support the operation of the Network Code, as amended from time to time;
"Transferee"	means a person nominated by the Buyer to whom the transfer of rights in respect of Natural Gas is to be made under a Contract;
"Transferor"	means a person nominated by the Seller to transfer rights in respect of Natural Gas under a Contract;
"Transmission System"	means the onshore transmission pipeline system owned and operated by TransCo as may be enlarged, extended or altered

from time to time;

"UK Link" means the computer system for the electronic transfer of information between TransCo and users of such system managed and operated by TransCo, or any agent appointed by TransCo, and any system from time to time replacing the same.

3.3B.2 Standard Terms: Basic Provisions

(a) **Description**

Physical Natural Gas, delivered at UK NPB, monthly contract.

(b) **Nature of contract**

The contract shall be for the sale and transfer by the Seller to the Buyer of rights in respect of Natural Gas at the National Balancing Point on the Delivery Day specified in the Contract. The transfer of rights in respect of Natural Gas at the National Balancing Point shall be made in accordance with, or pursuant to, these Contract Terms.

(c) **Deliveries**

Deliveries of Natural Gas at the National Balancing Point (NBP) shall be effected in accordance with the Section 6A of the Procedures ("the Delivery Procedures").

(d) **Contract size**

Contracts shall be for rights in respect of one or more lots of Natural Gas of 1,000 Therms (for conversion to kWh) for transfer on the Delivery Day specified in the Contract.

Conversions made by the Clearing House of quantities of Natural Gas expressed in Therms into quantities of Natural Gas expressed in kWh shall be made in the manner prescribed in the Delivery Procedures.

(e) **Price**

The Traded Price shall be expressed in Sterling and pence per Therm

The Traded Price shall be exclusive of:-

- any charges payable to TransCo by either the Buyer (or its Transferee) or the Seller (or its Transferor) under the TransCo Rules.
- any Value Added Tax or any other applicable duty or tax that may be or become payable on the sale or transfer of rights in respect of Natural Gas under a Contract.

(f) **Settlement Prices**

In respect of daily settlement, the price for daily settlement shall be determined by the Clearing House using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

In respect of final settlement, being the price at which the contract is delivered, the price will be determined by the Clearing House for the relevant Delivery Day, using price data from a number of sources including spot and derivative markets from both physical and financial products. Such price shall be determined three business days prior to the first day of the Delivery Period.

(g) **Last trading day**

The last trading day shall be three business days prior to the relevant Delivery Period.

(h) **Contract Series**

This shall be up to 47 consecutive calendar months commencing with the next calendar month.

(i) **Final payment dates**

The final payment date shall be the nineteenth (19th) day of the month following the Delivery Period and payment shall be made in accordance with the Delivery Procedures.

(j) **Business Days**

For the purposes of this contract, UK business days shall apply.

(k) **Exclusion of Liability in respect of AT Link and the Transmission System**

Without prejudice to Regulation 39 and subject to Regulation 39(e), the Clearing House (and each other member of the LCH.Clearnet Group and their respective officers, employees and agents) shall not be responsible for, and shall have no liability (including for negligence) for any loss or damage, costs or expenses of any kind (including but not limited to consequential loss or other indirect loss of whatsoever kind or loss of anticipated profit (whether direct or indirect) in respect of:

- (i) the condition or operation of the Transmission System;
- (ii) the availability, or suitability, or unavailability or malfunction of UK Link or any part thereof;
- (iii) the performance or non-performance of TransCo; or
- (iv) the performance or non-performance of any operator of UK Link or any part thereof.

3.3C **OTC Emissions**

3.3C.1 **Standard Terms: Additional Definitions**

The following additional definitions shall apply to any LCH EnClear OTC Contract within the OTC Emissions Service of the LCH EnClear OTC Energy Services (Gas and Power Division).

Defined Term	Definition
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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.
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 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 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 price fluctuation	One euro cent.
Maximum price fluctuation	Unlimited.
Contract series	Annual December contract months beginning December 2008 and ending December 2012.
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 17:00 on the first business day 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 contract	A contract for the transfer of CERs as specified for that contract.
Unit of trading	One lot of 1000 CERs.
Minimum contract	One lot.

size

Currency	Euros.
Tick size	One euro cent (ten euros per lot).
Reference price for daily settlement	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 price fluctuation	One euro cent.
Maximum price fluctuation	Unlimited.
Contract series	Annual December contract months beginning December 2008 and ending December 2012.
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 17:00 on the first business day of the contract month.
Settlement	Physical delivery by the transfer of CERs in accordance with the Procedures.
Final Payment date	The business day following the last trading day.

3.4 OTC Energy Services: Freight

The following terms are designated as Specific Standard Terms of a registered LCH EnClear OTC Contracts arising from an Eligible OTC Trade in the Freight Division of the OTC Energy Services.

3.4.1 Standard Terms: Additional Definitions

"*Baltic Exchange*" means The Baltic Exchange Limited of St Mary Axe, London EC3A 8BH, UK;

"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.;

"mt" means metric ton;

"Reference Price" means the daily or final settlement price, as the case may be, for that route, as set out herein below;

"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 Routes, Dry Voyage Routes, Dry Time Charter Basket Routes and Dry Trip Timecharter 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
Dry Voyage Routes	Section 3.4B
Dry Timecharter Basket Routes - Forwards	Section 3.4C
Dry Trip Timecharter Routes	Section 3.4D
Dry Timecharter Basket Routes - Options	Section 3.4E
Baltic Exchange Dry Index	Section 3.4F

3.4A Cash Settled Freight Forward Contracts: Tanker Voyage Routes:

Description	<p>Cash settled freight forward contracts on any of the following Tanker Voyage Routes:</p> <p>Baltic TD3 (260,000 mt ME Gulf – Japan)</p> <p>Baltic TD5 (130,000 mt W Africa – USAC)</p> <p>Baltic TD7 (80,000 mt North Sea – Cont)</p> <p>Baltic TD11 (80,000 mt Cross Med)</p> <p>Baltic TC2 (37,000 mt Continent – USAC)</p> <p>Baltic TC4 (30,000 mt Singapore – Japan)</p> <p>Baltic TC5 (55,000 mt ME – Japan)</p> <p>Baltic TC6 (30,000 mt Algeria/Euromed)</p>
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	<p>In respect of daily settlement, 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.</p> <p>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.</p>
Last Trading Day	<p>At 18:00 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>
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

Final Payment Date The first business day following the expiry day

Business Days UK business days

3.4B Cash Settled Freight Forward Contracts: Dry Voyage Routes

Description Cash settled freight forward contracts on any of the following Dry Voyage Routes:

C4 (Capesize Richards Bay – Rotterdam)

C4E (Capesize Richards Bay – Rotterdam)

C7 (Capesize Bolivar – Rotterdam)

C7E (Capesize Bolivar – Rotterdam)

C3 (Tubarao – Beilun/Baoshan)

C5 (W Australia – Beilun/Baoshan)

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 of the following contracts C4, C7, C3, C5: the floating price will be the mean of the last 7 Baltic Exchange spot price assessments in the expiry month

In respect of final settlement of the following contracts C4E and C7E: 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	C4, C4E, C7 and C7E – out to a time horizon of 3 whole Calendar Years (max 47 months), traded as either monthly contracts, quarters or Calendar Years. The quarters and calendars can be made up either of the front month of each quarter (i.e. Jan, Apr, Jul and Oct) or the full 3 or 12 months respectively.
	C3 and C5 - Front 3 months, following 3 quarters registered as front month of each quarter, out to 12 months
Final Payment Date	The first business day following the expiry day
Business days	UK Business Days

3.4C 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	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

3.4D Cash Settled Freight Forward Contracts: Dry Trip Timecharter Routes

Description	Cash settled freight forward contracts on any of the following Dry Trip Timecharter routes: 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	Front 6 Months
Final Payment Date	The first business day following the expiry day
Business days	UK Business Days

3.4E Cash Settled Premium Paid Options: Dry Timecharter Basket Routes

Description	Cash settled Premium Paid Options 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) 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 17:00 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

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.

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 \$500 per day both above and below the "at-the-money" strike price in all contract series.

PTO & STO - Thirty strike prices in increments of \$500 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

3.4F 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

Section 4. **GENERAL STANDARD TERMS**

4.A The following General Standard Terms apply to all LCH EnClear OTC Contracts:

4.A.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 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 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 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.

4.A.2 **Payment of Stamp Tax**

- (a) The LCH EnClear 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 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.

4.A.3 Payments under an LCH EnClear OTC Contract

- (a) The Clearing House shall effect daily settlement to market of open LCH EnClear OTC Contracts in accordance with the Regulations. The Reference Price shall be determined in accordance with the Regulations and Procedures.
- (b) Payments under, and in respect of, this LCH EnClear OTC Contract shall be calculated by the Clearing House and shall be made by, or to, the LCH EnClear Clearing Member in accordance with the provisions of the Regulations and the Procedures.

4.A.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.

4.A.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 herefrom. The LCH EnClear 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.

4.A.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.

4.B [This section have been removed]

4C The following Standard Terms apply only in respect of LCH EnClear OTC Contracts arising from Eligible OTC Trades (Freight Division):

4.C.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.

4.C.2 Calculation Agent

The Calculation Agent is the Clearing House.

4.C.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.

PART B

**PRODUCT ELIGIBILITY CRITERIA FOR REGISTRATION OF AN
LCH ENCLEAR OTC CONTRACT**

1. LCH EnClear Transaction

Without prejudice to the Regulations and the Procedures, the Clearing House will only register an LCH EnClear 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 below for an LCH EnClear Transaction; and
- (b) details of the transaction 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 transaction meets all requirements of the Regulations, the Procedures and all other requirements from time to time of the Clearing House for an LCH EnClear Transaction; and
- (d) the parties to the transaction are LCH EnClear Clearing Members,

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

1.2 Product eligibility criteria for an LCH EnClear Transaction

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 Gas and Power Division
(including OTC Emissions) and in the Freight Division**

The following contracts are Eligible Products for the LCH EnClear OTC Energy Services (Gas and Power division) and LCH EnClear OTC Energy Services (Freight division):

Gas and Power:**UK Power Baseload**

Description	UK Baseload
Delivery Point	Delivered as day-ahead contracts to the UK National Grid
Delivery Period	Every day of the EFA block month, commencing at 23:00 hrs on one day and ending at 23:00hrs on the following day
Contract size	EFA Block days x 24 MWh, i.e.: - 672 for 4 week EFA block 840 for 5 week EFA Block 1008 for 6 week EFA Block Also: A reduction of 1 MWh for change to BST An increase of 1 MWh for change to GMT
Pricing	Sterling £ and pence per MWh
Minimum Tick	£0.01 per MWh
Tick Value	Variable based on contract size. i.e.: - £6.72 for 4 week EFA period £8.40 for 5 week EFA period £10.08 for 6 week EFA period Also: A reduction of £0.01 for change to BST. An increase of £0.01 for change to GMT
Expiry	At 17:00hrs UK time 3 business days prior to start of EFA delivery month.
Final Settlement	Against the EOD settlement price on the expiry day.
Contract series	Front 6 months, front 4 quarters, front 10 seasons

UK Power Peak

Description	UK Power Peak
Delivery Point	Delivered as day-ahead contract to the UK national grid
Delivery Period	Every business day of the EFA Block month, commencing at 07:00hrs and ending at 19.00hrs
Contract size	Business days x 12 MWh, i.e.: - 240 for 4 week EFA Block 300 for 5 week EFA Block 360 for 6 week EFA Block
Pricing	Sterling £ and pence per MWh
Minimum Tick	£0.01/MWh
Tick Value	Variable based on contract size. i.e.: - £2.40 for 4 week EFA period £3.00 for 5 week EFA period £3.60 for 6 week EFA period
Expiry	At 17:00hrs UK time 3 business days prior to start of EFA delivery month.
Final Settlement	Against the EOD Settlement price on the expiry day.
Contract series	Front 6 months, front 4 quarters, front 10 seasons

UK NBP Gas

Description	UK NBP Gas
Delivery point	Delivered as day-ahead contract at the National Balancing Point (NBP)
Delivery Period	Every day of the calendar month, commencing at 06:00hrs on

one day and ending at 06:00hrs on the following day

Contract size	Calendar days in month x 1,000 therms
Pricing	Sterling £ and pence per therm
Minimum tick	£0.0001 per therm (0.01 pence per therm)
Tick Value	Variable, based on contract size:
	£2.80 (28 days)
	£2.90 (29 days)
	£3.00 (30 days)
	£3.10 (31 days)
Expiry	At 17:00hrs UK time 3 business days prior to start of delivery month
Final settlement	Against the EOD Settlement price on the expiry day
Contract series	12 months, front 8 quarters, 6 seasons, 3 years (gas years and calendars)

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 2012.

OTC Emissions - CERs

Description	Physically settled contracts for the forward delivery of CERs.
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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.

Freight:**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: Freight Forward, Cash Settled only: Dry Voyage Routes

Description	Cash settled freight forward contracts on any of the following Dry Voyage Routes: C4 (Capesize Richards Bay – Rotterdam) C4E (Capesize Richards Bay – Rotterdam) C7 (Capesize Bolivar – Rotterdam) C7E (Capesize Bolivar – Rotterdam) C3 (Tubarao – Beilun/Baoshan) C5 (W Australia – Beilun/Baoshan)
Lot size	1,000 mt
Minimum tick	US \$ 0.0001/mt
Currency	US Dollars
Contract series	C4, C4E, C7 and C7E - out to a time horizon of 3 whole Calendar Years (max 47 months), traded as either monthly contracts, quarters or calendar years. The quarters and calendars can be made up either of the front month of each quarter (i.e. Jan, Apr, Jul and Oct) or the full 3 or 12 months C3 and C5 - Front 3 months, following 3 quarters registered as Front Month of each quarter, out to 12 months)

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	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: 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	Front 6 Months

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) 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 17:00 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	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 (\$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 \$500 per day both above and below the "at-the-money" strike price in all contract series. PTO & STO - Thirty strike prices in increments of \$500 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

EDX REGULATIONS

Regulation 74 **Application of Regulations for EDX market**

- (a) These EDX Regulations, which form part of the Regulations, together with the Regulations referred to in paragraph (b), apply to:
- (i) EDX Cleared Exchange Contracts arising from EDX Transactions;
 - (ii) Clearing Members and, insofar as relevant, EDX NCMs in their dealings in relation to the EDX 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 39A inclusive.

Regulation 75 EDX Orderbook Matches made on EDX market

- (a) This Regulation 75 applies to EDX Orderbook Matches made in accordance with the Exchange Rules pursuant to the matching of EDX Trade Particulars submitted to the EDX Orderbook by or on behalf of Members. This Regulation 75 also applies to EDX Orderbook Matches made on the Combined EDX 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 EDX Cleared Exchange Contracts with Clearing Members pursuant to EDX Orderbook Matches made in the EDX 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 an EDX Cleared Exchange Contract in accordance with paragraph (f) of this Regulation 75 in respect of an EDX Orderbook Match made in the EDX Orderbook in accordance with the Exchange Rules pursuant to the submission of EDX 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 EDX Trade Particulars submitted to the EDX Orderbook by an EDX NCM on behalf of the Clearing Member, there is in place at the time that the EDX Trade Particulars were submitted and up to and including the time the EDX Orderbook Match was made (for the purposes of this Regulation 75 (the "relevant times"), an EDX NCM-GCM Agreement to which that EDX NCM and the Clearing Member are party, in a form approved in writing by the Clearing House, and such EDX NCM-GCM Agreement has not been terminated or suspended at the relevant times in accordance with the EDX NCM-GCM Agreement by notice in writing given by one party to such Agreement to the other parties thereto and to EDX;
 - (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 EDX;
 - (iv) the product the subject of the EDX Orderbook Match is, at the relevant times, an EDX Eligible Product;
 - (v) all necessary details as required by the Clearing House from time to time in respect of the EDX Orderbook Match shall have been received by the Clearing House, through EDX, in accordance with procedures established by the Clearing House with EDX 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 EDX Orderbook Match is effected, the EDX Eligible Product which is the subject of the EDX 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 EDX; and
 - (vii) at the relevant times, the Open Offer for EDX in respect of EDX Orderbook Matches made on EDX 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 EDX 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 EDX 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 EDX 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 an EDX 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, EDX Trade Particulars giving rise to an EDX Orderbook Match in the EDX Orderbook are deemed to have been submitted by or on behalf of a Clearing Member if the details of an EDX Orderbook Match, received by the Clearing House pursuant to Regulation 75(c) (v) identify, in accordance with the Exchange Rules or the Procedures, that EDX Orderbook Match as having been made by or on behalf of that Clearing Member.
- (f) If EDX Trade Particulars have been submitted to the EDX 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 EDX Trade Particulars which have been submitted to the EDX 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 EDX Cleared Exchange Contracts shall arise immediately on registration by the Clearing House, as follows:
 - (i) the Clearing House shall be the buyer under one EDX Cleared Exchange Contract with the selling Clearing Member as the seller; and
 - (ii) the Clearing House shall be the seller under one EDX 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 EDX and one or more Co-operating Exchanges, EDX Trade Particulars submitted by or on behalf of a Clearing Member to the EDX Orderbook have been matched in the Combined EDX Orderbook with EDX Trade Particulars submitted by or on behalf of a Linked Member, the Clearing House shall, on receipt of details of such EDX Orderbook Match through EDX (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 an EDX 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 an EDX Cleared Exchange Contract with the Clearing Member, where the Clearing Member is identified in the details received by EDX as the buying Clearing Member and party as buyer to an EDX Cleared Exchange Contract with such Co-operating Clearing House as seller; and
 - (ii) as buyer to an EDX Cleared Exchange Contract with the Clearing Member, where the Clearing Member is identified in the details received by EDX as the selling Clearing Member and party as seller to an EDX Cleared Exchange Contract with such Co-operating Clearing House as buyer.
- (h) EDX Cleared Exchange Contracts registered in respect of an EDX 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 EDX 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 an EDX 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 EDX generally under Regulation 6 or to withdraw the Clearing House EDX 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 EDX to a Clearing Member until the Member is no longer eligible under the Exchange Rules or these EDX Regulations to have EDX 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 EDX 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 EDX 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 an EDX Orderbook Match pursuant to Regulation 75(c)(v) or does not

receive accurate, complete or legible details of such EDX 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 EDX Orderbook Matches received by the Clearing House through EDX.

- (k) Without prejudice to Regulation 80 or Regulation 81 a Clearing Member shall be bound by an EDX Cleared Exchange Contract registered in its name in respect of an EDX Orderbook Match under these Regulations and notwithstanding that the requirements of paragraph (c) may not have been satisfied in respect of the Clearing Member.
- (l) For the purposes of this Regulation 75, an EDX NCM party to an EDX NCM-GCM Agreement with a Clearing Member shall, in submitting EDX Trade Particulars to the EDX Orderbook, be deemed to act as the agent of that Clearing Member and accordingly to submit such EDX Trade Particulars to the EDX Orderbook on behalf of the Clearing Member. The Clearing Member shall be bound by all acts of such EDX NCM as its agent under this paragraph (l), any other provision of these Regulations or any provision of the Procedures, an EDX NCM-GCM Agreement or the Exchange Rules, notwithstanding any lapse of authority of such EDX NCM so to act.
- (m) In the event of a dispute arising out of, or in respect of, the existence or terms of an EDX Orderbook Match or, where applicable, whether EDX Trade Particulars giving rise to an EDX Orderbook Match were submitted by or on behalf of the Clearing Members in whose names EDX 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 an EDX 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 EDX has been withdrawn with respect to such Clearing Member (as opposed to generally), the Clearing House may, in respect of any EDX Orderbook Match which has been submitted by or on behalf of such Clearing

Member to the EDX Orderbook, register an EDX Cleared Exchange Contract in the EDX Account where required by, and in accordance with, arrangements agreed from time to time with EDX. This paragraph shall not apply where both Clearing Members (or a Clearing Member and a Linked Member) party to an EDX Orderbook Match fails to satisfy the criteria referred to in Regulation 75(c).

Regulation 76 Reported Trades and EDX OTC Trades reported to EDX for registration

- (a) Regulations 76 and 77 and the Procedures apply to Reported Trades and EDX 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 EDX 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 EDX OTC Trades for registration shall be at the discretion of the Clearing House.
- (b) Details of Reported Trades and EDX OTC Trades made by or on behalf of EDX Members which are reported to EDX in accordance with Exchange Rules for registration with the Clearing House may only be submitted to the Clearing House by EDX, who shall submit such details on behalf of the Clearing Members party thereto in accordance with arrangements made between the Clearing House and EDX from time to time.
- (c) Details of Reported Trades and EDX OTC Trades made by or on behalf of a Clearing Member and a Linked Member may only be submitted to the Clearing House by EDX, 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 EDX from time to time.
- (d) If the Clearing House determines to accept a Reported Trade or EDX OTC Trade for registration, the Clearing House shall arrange for EDX to confirm the Clearing House's acceptance to the relevant EDX Members or to the relevant EDX Member and the relevant Co-operating Clearing House.
- (e) Subject to paragraph (f), the Clearing House shall register EDX 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 EDX 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 an EDX 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 an EDX Cleared Exchange Contract registered under Regulation 77 in its name pursuant to the presentation to the Clearing House by EDX under paragraph (b) or (c) of details of a Reported Trade or EDX OTC Trade to which it (or an EDX NCM with whom it is party to an EDX NCM-GCM Agreement) is party.

- (h) For the purposes of this Regulation 76, an EDX NCM party to an EDX NCM-GCM Agreement with a Clearing Member shall, in submitting details of Reported Trades to EDX, be deemed to act as the agent of that Clearing Member. The Member shall be bound by all acts of such EDX NCM as his agent under this paragraph (h), any other provision of these Regulations or any provision of the Procedures, an EDX NCM-GCM Agreement or the Exchange Rules, notwithstanding any lapse of authority of such EDX NCM to so act.

Regulation 77 Registration of EDX Cleared Exchange Contracts following Submission of details of a Reported Trade or EDX OTC Trade

- (a) Details of a Reported Trade or EDX 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 EDX Cleared Exchange Contracts between:
- (i) as seller, the Clearing Member, or the Clearing Member party to an EDX NCM-GCM Agreement with an EDX NCM, who was named in the Reported Trade or EDX 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 an EDX NCM-GCM Agreement with an EDX NCM who was named in the Reported Trade or EDX 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 EDX Cleared Exchange Contract registered under paragraph (a) of this Regulation 77 shall be on the terms received by the Clearing House from EDX and otherwise on the terms of the relevant EDX Contract Specification contained in the Exchange Rules and any other terms specified in these Regulations and the Procedures. Where an EDX OTC Trade is accepted for registration, each EDX 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 EDX 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 EDX after particulars of it have been accepted by the Clearing House for registration that revocation, avoidance or invalidity shall not affect any EDX Cleared Exchange Contract arising under this Regulation or Regulation 76(b) and the Clearing Member party thereto shall be bound by such EDX Cleared Exchange Contract.

- (d) The Clearing House shall be deemed to register an EDX Cleared Exchange Contract in respect of a Reported Trade or EDX 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 an EDX 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 EDX 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 an EDX 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 an EDX 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) 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 EDX 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 EDX determines that the reputation of the Clearing House EDX 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 EDX Cleared Exchange Contracts registered in its name and to require it to liquidate or transfer under Regulation 11 open EDX Cleared Exchange Contracts registered in its name.

Regulation 79 Suspension of the Open Offer for EDX

The Clearing House may, from time to time, in its absolute discretion suspend the Clearing House EDX Services for such period of time as it may determine in the circumstances referred to in this Regulation 79 or with the agreement of EDX.

The Clearing House EDX Services may be suspended:

- (i) as a result of a malfunction, breakdown or other failure in the electronic communication link between EDX 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 EDX Services;
- (ii) 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 EDX Services in order to protect the solvency or the integrity of the Clearing House;
- (iii) where a market emergency affecting EDX London and/or the Clearing House has a material effect on the provision of the Clearing House EDX Services and/or the EDX market;
- (iv) 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 EDX 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 EDX Services it shall give not less than six months' notice to all affected Clearing Members of the date on which the Clearing House EDX 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 EDX Cleared Exchange Contracts registered in its name, the Clearing House shall, at its sole discretion, be entitled to liquidate any such EDX 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 EDX Cleared Exchange Contracts

- (a) The Clearing House shall, in accordance with procedures agreed with EDX, cancel, or vary the terms of, an EDX Cleared Exchange Contract and the corresponding EDX Cleared Exchange Contract pursuant to a determination to this effect made by EDX 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 EDX recording the details of EDX 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 EDX in accordance with, and by the time required, by the Exchange Rules. On receipt of such Protest, EDX 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 EDX Cleared Exchange Contract. The Clearing House shall take such steps as EDX 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 an EDX Cleared Exchange Contract, the Clearing Member shall remain bound by the terms of each such EDX Cleared Exchange Contract registered in his name with the Clearing House. This paragraph shall not apply in the circumstances contemplated by paragraph (a) of this Regulation.
- (c) EDX Cleared Exchange Contracts may be registered in the EDX 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 EDX and the Clearing House from time to time.
- (d) A Clearing Member whose EDX 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 an EDX 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, an EDX 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) 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 EDX 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 EDX Cleared Exchange Contracts under Regulation 9(c), will be rejected by the Clearing House and no EDX 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 EDX NCM or Linked Member) with regard to the rejection by it of any such EDX Orderbook Match or any Reported Trade.
- (b) The Clearing House may, in its absolute discretion, agree to register an EDX Cleared Exchange Contract in the account of a Clearing Member in respect of an EDX 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 EDX Orderbook Match or the Clearing House receives invalid or incomplete message data in respect of an EDX Orderbook Match.
- (c) The Clearing House shall only exercise its rights to decline to register EDX 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 an EDX Cleared Exchange Contract or to take other similar measures in relation to a EDX Cleared Exchange Contract; or
 - (ii) an EDX 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 EDX 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 EDX 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 EDX 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 EDX 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 EDX 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 EDX 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 EDX Cleared Exchange Contracts in the name of the relevant Co-operating Clearing House.
- (h) EDX 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 an EDX Orderbook Match or a Reported Trade or EDX OTC Trade.

Regulation 84 **Default affecting a Cross-Border Transfer**

- (a) 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

- (a) An EDX 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 EDX, 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 an EDX 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 EDX 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 EDX in accordance with EDX Rule 3.4, EDX shall notify the Clearing House, in accordance with the Procedures, that it has received such Request for Re-Registration.
- (c) Transfers of EDX Cleared Exchange Contracts pursuant to a Request for Re-Registration submitted by a Clearing Member to EDX and notified to the Clearing House under paragraph (a) shall be effected only if EDX 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 EDX requesting that one or more EDX 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 EDX. No such transfers shall be made, unless such conditions set forth in the Exchange Rules have been satisfied and the Clearing House, EDX 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 EDX REGULATIONS

PART A

EDX CLEARED EXCHANGE CONTRACT TERMS

arising from EDX OTC TRADES

The terms of a registered EDX CLEARED EXCHANGE CONTRACT arising from an EDX 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 EDX Cleared Exchange Contract to, or from, the Clearing House in accordance with the Procedures.

For the purposes of this Schedule any reference to an EDX Cleared Exchange Contract shall be a reference to an EDX Cleared Exchange Contract arising from an EDX 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 an "EDX 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 EDX 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 an EDX Cleared Exchange Contract shall be derived from the information presented to the Clearing House by EDX 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 EDX Cleared Exchange Contract that the particulars of an EDX 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 EDX 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 EDX 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 an EDX 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 EDX 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 EDX Cleared Exchange Contract registered by the Clearing House and to which that Clearing Member is a party.

3.5 Payments under a EDX Cleared Exchange Contract

Payments under, and in respect of, an EDX 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 EDX 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 EDX 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 herefrom. The Clearing Member party to this EDX 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 EDX 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.

PART B

PRODUCT ELIGIBILITY CRITERIA FOR REGISTRATION OF AN EDX OTC TRADE

1. EDX OTC Trades

1. Without prejudice to the Regulations and the Procedures, the Clearing House may decline to register to register an EDX OTC Trade unless at the time that the required particulars of that EDX OTC Trade are presented:

- (a) the EDX OTC Trade meets the eligibility criteria, set out in section 2 below for an eligible EDX 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 EDX 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 EDX OTC Trade are Clearing Members approved by the Clearing House as persons eligible to submit such trades for registration by the Clearing House or EDX 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 an EDX OTC Trade

“Eurozone” means either a share listed on a French, German, Dutch, Finnish, Spanish or Italian market

<u>Contract</u>	<u>Expiration</u>	<u>Option</u>	<u>Contract</u>	<u>Currency</u>	<u>Option</u>	<u>Settlement</u>	<u>Settlement</u>
	<u>Date</u>	<u>Type</u>	<u>Size</u>		<u>Premium</u>	<u>Type</u>	<u>Date</u>
<u>Eurozone</u>	<u>Less than</u>	<u>American /</u>	<u>1</u>	<u>Euro</u>	<u>Payable</u>	<u>Physical or</u>	<u>ED+2/3</u>
<u>Share</u>	<u>5 Years</u>	<u>European</u>			<u>Trade</u>	<u>Cash</u>	

<u>Option</u>					<u>Date +1</u>	<u>Settlement</u>	
<u>Eurozone Share</u>	<u>Less than 5 Years</u>	<u>N/A</u>	<u>1</u>	<u>Euro</u>	<u>N/A</u>	<u>Physical or Cash Settlement</u>	<u>ED+2/3</u>
<u>Future/Forward</u>							
<u>Swiss Share</u>	<u>Less than 5 Years</u>	<u>American/ European</u>	<u>1</u>	<u>CHF</u>	<u>Payable Trade Date +1</u>	<u>Physical or Cash Settlement</u>	<u>ED+3</u>
<u>Option</u>							
<u>Swiss Share</u>	<u>Less than 5 Years</u>	<u>N/A</u>	<u>1</u>	<u>CHF</u>	<u>N/A</u>	<u>Physical or Cash Settlement</u>	<u>ED+3</u>
<u>Future/Forward</u>							
<u>UK Share Option</u>	<u>Less than 5 Years</u>	<u>American/ European</u>	<u>1</u>	<u>GBP</u>	<u>Payable Trade Date +1</u>	<u>Physical or Cash Settlement</u>	<u>ED+3</u>
<u>UK Share Future/Forward</u>	<u>Less than 5 years</u>	<u>N/A</u>	<u>1</u>	<u>GBP</u>	<u>N/A</u>	<u>Physical or Cash Settlement</u>	<u>ED+3</u>
<u>Eurozone Index Options</u>	<u>Less than 5 Years</u>	<u>European</u>	<u>1</u>	<u>Euro</u>	<u>Payable Trade Date +1</u>	<u>Cash Settlement</u>	<u>ED+1</u>
<u>Eurozone Index Future/Forward</u>	<u>Less than 5 Years</u>	<u>N/A</u>	<u>1</u>	<u>Euro</u>	<u>N/A</u>	<u>Cash Settlement</u>	<u>ED+1</u>
<u>Swiss Index Option</u>	<u>Less than 5 Years</u>	<u>European</u>	<u>1</u>	<u>CHF</u>	<u>Payable Trade Date +1</u>	<u>Cash Settlement</u>	<u>ED+1</u>
<u>Swiss Index Future/</u>	<u>Less than 5 Years</u>	<u>N/A</u>	<u>1</u>	<u>CHF</u>	<u>N/A</u>	<u>Cash Settlement</u>	<u>ED+1</u>

Forward

<u>UK Index</u>	<u>Less than</u>	<u>European</u>	<u>1</u>	<u>GBP</u>	<u>Payable</u>	<u>Cash</u>	<u>ED+1</u>
<u>Option</u>	<u>5 Years</u>				<u>Trade Date</u>	<u>Settlement</u>	
					<u>+1</u>		
<u>UK Index</u>	<u>Less than</u>	<u>N/A</u>	<u>1</u>	<u>GBP</u>	<u>N/A</u>	<u>Cash</u>	<u>ED+1</u>
<u>Future/</u>	<u>5 Years</u>					<u>Settlement</u>	
<u>Forward</u>							

NYMEX REGULATIONS

Regulation 88 Introduction and Application

General

- (a) The Clearing House shall provide the NYMEX Service subject to and in accordance with the terms of these NYMEX Regulations and the Procedures.
- (b) Clearing Members which are NYMEX Service Clearing Members, and applicants to become NYMEX Service Clearing Members, shall be bound by these NYMEX Regulations. Other than as specified in the Regulations, the remainder of the Regulations shall not apply to the NYMEX Service.
- (c) Regulations 1 and 2 of the Regulations apply to the NYMEX Service.

NYMEX Service Clearing Membership

- (d) A Clearing Member may apply to become a NYMEX Service Clearing Member in accordance with the Procedures.
- (e) Regulations 4(a) to 4(c) (inclusive) apply to NYMEX Service Clearing Membership and applications therefor as it applies to clearing membership.

NYMEX's Rules

- (f) In the event of any inconsistency between NYMEX's Rules and the NYMEX Regulations, the NYMEX Regulations shall prevail.

Accounts

- (g) Regulation 5 applies to the opening and operation of accounts with respect to a NYMEX Service Clearing Member. Such accounts shall be designated in accordance with Regulation 8.

Formation, registration and transfers of NYMEX Contracts

- (h) NYMEX's Rules govern the formation of a NYMEX Transaction.
- (i) Regulations 89 and 90 govern the registration and formation of a NYMEX Contract.
- (j) A NYMEX Service Clearing Member may clear NYMEX Transactions for a NYMEX Non-Clearing Participant in accordance with the Procedures and NYMEX's Rules .
- (k) Regulation 11 (and, insofar as relevant, Regulation 3(b)) apply to a NYMEX Contract which is an open contract.

Margin and cover for margin

- (l) Regulation 12 applies to a NYMEX Service Clearing Member.

Daily settlement

- (m) Regulations 13, 14, 91 and 16 apply to the daily settlement to market of open NYMEX Contracts.

Options

- (n) Regulations 17 and 18 apply to NYMEX Contracts which are options.

Physical settlement

- (o) Regulations 19 to 22 (inclusive) and 25 apply to NYMEX Contracts.

Arbitration

- (p) Regulations 23 and 24 apply to NYMEX 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 39A (inclusive) apply to NYMEX Service Clearing Members and NYMEX Contracts.

Default Rules and Default Fund Rules

- (r) The Default Rules and the Default Fund Rules apply to NYMEX Service Clearing Members and NYMEX Contracts.

Clearing House Settlement Finality Regulations

- (s) The Clearing House Settlement Finality Regulations apply in relation to NYMEX Service Clearing Members and NYMEX Contracts.

Regulation 89 Presentation, allocation of NYMEX Transactions and registration of NYMEX Contracts

- (a) In order to utilise the NYMEX Service a NYMEX Service Clearing Member must cause particulars of a NYMEX Transaction to which it is party to be submitted for registration as a NYMEX Contract, through such means as shall be prescribed by the Procedures.
- (b) A NYMEX Transaction submitted for registration must meet the eligibility criteria prescribed in the Procedures at the time the particulars of such NYMEX 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 NYMEX Contracts. A NYMEX Service Clearing Member may not revoke, cancel or transfer a NYMEX Transaction unless permitted by NYMEX's Rules, the Regulations or the Procedures or with the consent of the Clearing House.
- (c) A NYMEX Service Clearing Member shall not allow the submission for registration of a transaction which is not a NYMEX Transaction.
- (d) The Clearing House may require NYMEX Transactions presented for registration in the name of a NYMEX 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 NYMEX Transaction may, subject to the Procedures or NYMEX's Rules (as may be the case), be allocated (or reallocated) by or on behalf of a NYMEX Service Clearing Member to another NYMEX Service Clearing Member in such manner and form and by such time as may be prescribed by the Procedures.
- (f) Where a NYMEX Transaction is allocated (or reallocated) to a NYMEX Service Clearing Member, then unless the Clearing House receives confirmation of the acceptance of the allocation of such contract from the NYMEX 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 NYMEX Transaction in the name of the NYMEX Service Clearing Member who sought to allocate the NYMEX Transaction.

- (g) Notwithstanding paragraph (f) of this Regulation, a NYMEX 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 NYMEX Transaction allocated to him.
- (h) The Clearing House may decline to register a NYMEX Transaction in the name of a NYMEX 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 NYMEX Transaction subject to any conditions stipulated by the Clearing House including, without limitation, the furnishing of cover for margin by both NYMEX Service Clearing Members in whose name any such NYMEX Transaction is to be registered.
- (i) Without prejudice to the Clearing House's rights under paragraph (k) of this Regulation, a NYMEX Service Clearing Member shall be bound by a NYMEX Contract registered in its name pursuant to the presentation of particulars of a NYMEX Transaction.
- (j) The Clearing House shall be deemed to register a NYMEX Contract in relation to a NYMEX Transaction in the name of a NYMEX Service Clearing Member at the Registration Time for that type of NYMEX Contract in accordance with Regulation 90.
- (k) For the avoidance of doubt, any transaction of which details have been submitted by NYMEX Participants for registration as NYMEX 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 NYMEX 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 NYMEX Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration was not a NYMEX Transaction or did not, at the Registration Time, meet the eligibility criteria for registration as a NYMEX Contract, the Clearing House shall, as soon as practicable thereafter, set aside each such NYMEX Contract. Upon the purported NYMEX 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 NYMEX 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(I), 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 NYMEX 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 NYMEX Contract.

Regulation 90 **NYMEX Contracts**

- (a) A NYMEX Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House as two NYMEX Contracts, one between the First NYMEX 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 NYMEX Service Clearing Member as the buyer (as the case may be) as principals to such contract. For the purposes of this Regulation:
- (i) "First NYMEX Service Clearing Member" is a NYMEX Service Clearing Member who was, before registration of the NYMEX Contract, party to the corresponding NYMEX Transaction as the seller;
 - (ii) "Second NYMEX Service Clearing Member" is a NYMEX Service Clearing Member who was, before registration of the NYMEX Contract, party to the corresponding NYMEX Transaction as the buyer.
- (b) With effect from registration of a NYMEX Transaction as two NYMEX Contracts under paragraph (a) of this Regulation:
- (i) the parties to the corresponding NYMEX 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 NYMEX Contract registered under paragraph (a) of this Regulation shall be governed by the relevant NYMEX Contract Terms applicable to that NYMEX Contract;
 - (iii) subject always to sub-paragraph (ii) above, the First NYMEX Service Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the NYMEX Contract to which it is a party as the seller had and owed in respect of its counterparty under the corresponding NYMEX Transaction; and
 - (iv) subject always to sub-paragraph (ii) above, the Second NYMEX Service Clearing Member shall have the same rights against, and owe the same

obligations to the Clearing House under the NYMEX Contract to which it is party as the buyer had and owed in respect of its counterparty under the corresponding NYMEX 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 NYMEX Transaction (it being assumed, for this purpose, that such NYMEX 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 NYMEX 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 NYMEX Contract unless otherwise determined by the Clearing House.
- (d) In the case of a NYMEX 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 NYMEX Contracts in accordance with the Procedures. Daily settlement to market shall not apply to such open NYMEX Contracts which are for the account of a NYMEX Service Clearing Member's client accounts.
- (b) The Clearing House shall, in accordance with the Procedures, in respect of each open NYMEX Contract in a NYMEX 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 NYMEX Contract, save that where a NYMEX Service Clearing Member is the seller under the terms of the open NYMEX Contract that NYMEX 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 NYMEX Reference Price for that day. The Clearing House shall thereupon settle each open NYMEX 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 NYMEX Service Clearing Member's account and upon the Clearing House so doing, that NYMEX 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 NYMEX 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 NYMEX Service Clearing Member on that NYMEX Service Clearing Member's request; and
 - (ii) any loss arising to a NYMEX Service Clearing Member shall be debited to the applicable account of that NYMEX Service Clearing Member and (subject to

these Regulations) that NYMEX 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 NYMEX Contracts in a NYMEX 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 NYMEX Reference Price referred to in the Procedures, NYMEX Contracts in that NYMEX Service Clearing Member's name as open NYMEX Contracts on the same terms (except as to price or premium) including the strike price where applicable, as the settled open NYMEX Contracts, save that no NYMEX 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 NYMEX Service Clearing Member's name;
 - (ii) in respect of those open NYMEX Contracts in a NYMEX 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 NYMEX Reference Price referred to in the Procedures, NYMEX Contracts in the NYMEX Service Clearing Member's name as open NYMEX Contracts on the same terms (except as to price or premium) including the strike price, where applicable, as the settled open NYMEX Contracts.
- (e) A NYMEX Service Clearing Member may, in respect of all open NYMEX 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 NYMEX 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 NYMEX Service Clearing Member's account.

- (f) In respect of those open NYMEX Contracts of which settlement might have been requested by a NYMEX 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 NYMEX Contracts, at any time thereafter proceed as if settlement had been requested and make up and render the NYMEX Service Clearing Member's accounts accordingly.

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.

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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 39A (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

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