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OFFICE OF THE SECRETARIAT
2009 DEC 14 AM 9 44

December 11, 2009

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: CME Chapters 800 through 805
CME Submission No. 09-311**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") pursuant to Commission Regulation 39.4(c)(2) and 40.2 hereby notifies the Commodity Futures Trading Commission of amendments to CME Chapters 800 through 805 in connection with the implementation of the CME CDS Clearing Initiative. Revisions to the existing rules were made after discussions with market participants and after additional internal review of the rules.

The text of the rule amendments is attached, both in a marked version, with additions underscored and deletions lined-out, and in a clean version. The rule amendments will be effective on Tuesday, December 15, 2009.

CME certifies that these changes comply with the Commodity Exchange Act and regulations thereunder.

If you have any question, please contact Tim Doar, Managing Director, Risk Management, at 312-930-3162 or me at 312.648.5422. Please reference CME Submission No. 09-311 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

Chapter 800

OVER-THE-COUNTER DERIVATIVES

80000. DEFINITIONS

In Chapters 800-806 the capitalized terms listed below shall have the meaning ascribed to them below. All other capitalized terms used in this Chapter 800 which are not otherwise defined in these Rules shall have the meaning ascribed to them in the Credit Derivatives Definitions and the DC Rules.

80000.A. Acceptance Date

Has the meaning given to such term in Rule 80103.D.

80000.B. Acceptance Time

Has the meaning given to such term in Rule 80103.D.

80000.C. Buyer

In respect of a CDS Contract, the Fixed Rate Payer.

80000.D. CAB

Has the meaning given to such term in Rule 80105.

80000.E. CDS Clearing Member

A Clearing Member of the Clearing House that is authorized to enter into CDS Contracts pursuant to these Rules.

80000.F. CDS Contract

Any CDX Untranchet CDS Contract (including any CDX Component Transaction thereof) or North American Single Name CDS Contract.

80000.G. CDS Dealer

A CDS Clearing Member that is, or is an Affiliate of, a primary member of ISDA that regularly engages in the business of making offers to customers to either buy or sell positions in Credit Default Swaps.

80000.H. CDS Participant

A market participant on whose behalf a CDS Clearing Member holds a position in a CDS Contract.

80000.I. CDX Component Transaction

Has the meaning given to such term in Rule 80201.

80000.J. CDX Index Untranchet CDS Contract

Has the meaning given to such term in Rule 80201.

80000.K. CDX Untranched Terms

Has the meaning given to such term in Rule 80201.

80000.L. CME Determinations Board

A CME Board that has the right and obligation to make Determinations which are applicable to CME's clearing of CDS Contracts, the composition, powers and duties of which are set out in Chapter 804.

80000.M. Contract Elections

In respect of a CDS Contract the elections made by the relevant CDS Clearing Members (both expressly and pursuant to the selection of a clearing product code from the Product Reference File on the relevant Acceptance Date as required by the Clearing House) when the relevant bilateral CDS transaction is submitted to the Clearing House for clearing by them.

80000.N. Credit Default Swap ("CDS")

A transaction in which one party pays either a single fixed amount and/or periodic fixed amounts determined by reference to a specified notional amount, and the other party assumes settlement obligations contingent upon the occurrence of certain defined credit events with respect to one or more reference entities (or obligations thereof) and the satisfaction of certain conditions to settlement. Following the occurrence of a credit event the transaction may be cash settled, auction settled or physically settled.

80000. O. Credit Derivatives Definitions

The 2003 ISDA Credit Derivatives Definitions as supplemented by the 2005 Matrix Supplement to the 2003 Credit Derivatives Definitions and the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009), each as published by ISDA.

80000.P. DB Party

Each of the Clearing House, the Board Chairman, a Board Member and any CDS Participant or CDS Clearing Member (or any Affiliate of such CDS Participant or CDS Clearing Member) that designated any Board Member.

80000.Q. DC Rules

The Credit Derivatives Determinations Committees Rules, defined as the "Rules" in Section 1.22 of the Credit Derivatives Definitions.

80000.R. Determination

A decision by the CME Determinations Board related to an Issue.

80000.S. Eligible Contract Participant ("ECP")

An Eligible Contract Participant as defined in section 1a(12) of the Commodity Exchange Act, as amended.

80000.T. ISDA

The International Swaps and Derivatives Association, Inc. or its successor.

80000.U. Issue

Shall have the meaning given to such term in Rule 80401.

80000.V. Launch Date

The date upon which the Clearing House begins clearing CDS Contracts.

80000.X. North American Single Name CDS Contract

Has the meaning given to such term in Rule 80301.

80000.Y. Product Reference File

On any day, a comprehensive list published by the Clearing House on or immediately prior to such day, that identifies CDS Contracts eligible for clearing on such day and the clearing product code of each such CDS Contracts.

80000.Z. Proposal

A proposal submitted in writing by a CDS Clearing Member to address and resolve an Issue being considered by the CME Determinations Board, pursuant to the Determination process set forth in Rule 80405.B.

80000.AA. Seller

In respect of a CDS Contract, the Floating Rate Payer.

80001. INTERPRETATION

For the purposes of any CDS Contract, references in the Credit Derivatives Definitions or the CDX Untranchured Terms to:

- (a) a "Confirmation" shall be deemed to be references to the terms of the relevant CDS Contract as set out in these Rules;
- (b) "Physical Settlement" shall be deemed to be references to CME CDS Physical Settlement pursuant to Chapter 805 of these Rules;
- (c) a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract; and
- (d) "Trade Date" shall be deemed to be references to the relevant Acceptance Date.

80002. NOTICES

Any notice, document, communication, filing or form to be served on, filed with, made to or provided by the Clearing House to a CDS Clearing Member pursuant to these Rules or in relation to any CDS Contract shall be served, filed, made in accordance with these Rules at the address, fax number or e-mail address and shall be marked for the attention of the person or department last specified by such CDS Clearing Member to the Clearing House.

Any notice, document, communication, filing or form to be served on, filed with, made to or provided to the Clearing House pursuant to these Rules or in relation to any CDS Contract shall be served, filed, made or provided in accordance with these Rules at the address, fax number or e-mail address and shall be marked for the attention of the person or department last specified by the Clearing House to CDS Clearing Members for such purpose.

80003. ISDA DISCLAIMER

ISDA® bears no responsibility or liability arising from the reproduction, public display, incorporation, dissemination or reference to all or any of the 2003 ISDA Credit Derivatives Definitions. © 2003 International Swaps and Derivatives Association, Inc.

Chapter 801 CDS CONTRACTS

80101. SCOPE OF CHAPTER

The scope of this Chapter is limited in application to CDS Contracts. The procedures for trading, clearing and settlement of CDS Contracts and any other matters not specifically covered herein shall be governed by the other Chapters of these Rules, including Chapter 8-F (Over-the-Counter Derivatives Clearing), to the extent applicable. Capitalized terms in this Chapter not otherwise defined in this Chapter shall have the meaning given to such terms in the other Chapters of these Rules, the Credit Derivatives Definitions or the DC Rules.

80102. ELIGIBLE CONTRACT PARTICIPANT

In order to transact in CDS Contracts, a CDS Participant must be an ECP. A CDS Clearing Member that clears CDS Contracts must confirm that each CDS Participant for which it provides clearing services is an ECP at all times clearing services are provided for such CDS Participant. If a CDS Clearing Member becomes aware that a CDS Participant for which it provides clearing services no longer qualifies as an ECP, the CDS Clearing Member must notify the Clearing House and work with the CDS Participant to close out any open CDS Contracts as soon as possible.

CDS Clearing Members and CDS Participants must register with the Clearing House in order to participate in the clearing of CDS Contracts through the Clearing House. CDS Clearing Members and CDS Participants must complete all applicable on-boarding agreements required by the Clearing House to satisfy the registration process.

80103. SUBMISSION OF CDS CONTRACTS TO THE CLEARING HOUSE

80103.A. Trade Booking Facility

Bilateral CDS transactions may be submitted to the Clearing House through a trade booking facility (the "Trade Booking Facility"). The Trade Booking Facility permits participants to submit bilateral CDS transactions, which are executed on the date of submission, to the Clearing House for further trade processing and clearing through the Clearing House through conversion of such bilateral CDS transactions to CDS Contracts. Upon acceptance of the contracts by the Clearing House for clearing pursuant to Rule 80103.D., new CDS Contracts are created with the Clearing House as the central counterparty in accordance with these Rules.

80103.B. Migration Utility

Bilateral CDS transactions may be submitted to the Clearing House through a migration utility (the "Migration Utility"). The Migration Utility permits participants to submit bilateral CDS transactions, which were not executed on the date of submission to the Clearing House for further trade processing and clearing through the Clearing House through conversion of such bilateral CDS transactions to CDS Contracts. The Migration Utility includes pre-submission credit checks on the relevant CDS Clearing Members. Upon acceptance of the bilateral CDS transaction by the Clearing House for clearing pursuant to Rule 80103.D., new CDS Contracts are created with the Clearing House as the central counterparty in accordance with these Rules.

80103.C. Other CDS Submission Methods

Bilateral CDS transactions may be submitted to the Clearing House for clearing from all standard sources including: (a) the Clearing House ClearPort GUI and API; (b) other broker or trade-negotiation platforms approved by the Clearing House; and (c) directly from CDS Clearing Members.

80103.D. Acceptance of CDS by the Clearing House and creation of CDS Contracts

Any bilateral CDS transaction submitted to the Clearing House for clearing will be accepted for clearing and will result in two CDS Contracts each between the Clearing House and the applicable CDS Clearing Member at the point when (i) the bilateral CDS transaction and all required elections have been received and accepted by the Clearing House and (ii) both CDS Clearing Members have explicitly accepted the resulting CDS Contracts (provided that where CDS Clearing Members are using a trade platform that has been approved by the Clearing House for straight through trade processing such approval will be deemed to have been given when the bilateral CDS transactions are submitted to the Clearing House) (the date on which such conditions are satisfied being the "**Acceptance Date**" and time at which such conditions are satisfied being the "**Acceptance Time**"). From the relevant Acceptance Time a CDS Clearing Member will be deemed to have entered into a CDS Contract with the Clearing House, provided that, where the Clearing House determines in good faith, based upon its internal risk management standards, that a bilateral CDS transaction submitted to the Clearing House for clearing was not negotiated at prevailing market prices or results from a bilateral CDS transaction submitted for clearing through the Migration Utility (a) the Clearing House guarantee does not apply until settlement banks for both CDS Clearing Members have approved the payment of any initial cash flows and/or initial performance bond collateral calls relating to such CDS Contracts and (b) if settlement banks for both CDS Clearing Members have not approved the payment of any initial cash flows and/or initial performance bond collateral calls relating to such CDS Contracts the Clearing House may reject such CDS Contracts by notice to the relevant CDS Clearing Members prior to 9 a.m. (Chicago time) on the Business Day immediately following the relevant Acceptance Date.

CDS Contracts may only be for accounts registered by the relevant CDS Clearing Members, and must be explicitly accepted by the relevant CDS Clearing Members if not submitted via a platform or other facility approved by the Clearing House that performs pre-submission credit checks according to limits specified by each CDS Clearing Member.

Notwithstanding any provision to the contrary in the Rules or in the Exchange User License Agreement (as may be amended from time to time), the parties to a bilateral CDS transaction submitted for clearing for which the conditions for clearing by the Clearing House pursuant to these Rules have not been satisfied may separately agree that such trade is a valid, binding agreement between the parties which is un-cleared and which has no affiliation with the Clearing House.

80103.E. Eligible CDS

On any day the only contracts eligible for clearing by the Clearing House will be those identified by clearing product code in the Product Reference File in respect of such day.

Any bilateral single name CDS transaction that would otherwise be eligible for clearing shall cease to be eligible if it would give rise to North American Single Name CDS Contracts on clearing in respect of which (a) a No Auction Announcement Date or an Auction Cancellation Date has occurred or Declaration of Credit Event has been issued or (b) an Auction Final Price Determination Date has occurred.

Any bilateral index CDS transaction that would otherwise be eligible for clearing shall cease to be eligible if it would give rise to CDX Index Untranchured CDS Contracts on clearing in respect of which (a) a No Auction Announcement Date or an Auction Cancellation Date has occurred or Declaration of Credit Event has been issued or (b) an Auction Final Price Determination Date has occurred.

80104 CLEARING SELFREFERENCING CDS CONTRACTS

80104.A. Clearing Through Clearing Member's House (or Proprietary) Account

North American Single Name CDS Contracts

A CDS Clearing Member is prohibited from clearing through its house (or proprietary) account a North American Single Name CDS Contract where the Reference Entity in respect of such North American Single Name CDS Contract is such CDS Clearing Member or an Affiliate of such CDS Clearing Member (any such CDS Contract an "**Affected CDS Contract**" and the relevant CDS Clearing Member an "**Affected CDS Clearing Member**"). Any breach of this Rule by a CDS Clearing Member shall not,

subject as provided below, be considered a default but may be subject to Clearing House disciplinary action, including the imposition of a fine or, for continuing or serious violations of this Rule, review by the Clearing House Risk Committee of the CDS Clearing Member's compliance with clearing member eligibility criteria.

A CDS Clearing Member shall notify the Clearing House as soon as reasonably practicable if any bilateral single name CDS transaction submitted by it for clearing is, or prior to the relevant Acceptance Time becomes, ineligible for clearing pursuant to this paragraph. Any bilateral single name CDS transaction which is submitted for clearing but which is, or becomes before the relevant Acceptance Time, ineligible for clearing may be rejected by the Clearing House.

Any Affected CDS Contract which arises from a bilateral single name CDS transaction submitted by a CDS Clearing Member which was ineligible for clearing pursuant to these Rules must be closed out within one Business Day from the date on which such CDS Clearing Member becomes aware of the fact of such ineligible North American Single Name CDS Contract. Any breach of this Rule by a CDS Clearing Member shall not be considered a default but may, at the discretion of the Clearing House, result in the Clearing House imposing a daily fine on such Clearing Member for so long as such breach is continuing.

A CDS Clearing Member shall, subject to any restrictions on such disclosure imposed by applicable laws or regulations, notify the Clearing House as soon as reasonably practicable if such CDS Clearing Member or a Reference Entity in respect of a CDS Contract (a "**Relevant Reference Entity**") consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Relevant Reference Entity or such CDS Clearing Member, as applicable, or such CDS Clearing Member and a Relevant Reference Entity are the same entity or are or become Affiliates, or such CDS Clearing Member is subject to an agreement that has been publicly disclosed and pursuant to which any of the foregoing is reasonably likely to occur.

Where any Affected CDS Contract has not been closed out within 5 Business Days of a request from the Clearing House to the Affected CDS Clearing Member to close out such Affected CDS Contract (or such longer period as the Clearing House, acting in consultation with the Default Management Committee, determines), the Clearing House will, to the extent permitted in accordance with these Rules, net positions in the Affected CDS Contracts within the Affected Clearing Member. The remaining positions in the Affected CDS Contracts after such netting process may be transferred to an eligible CDS Clearing Member or liquidated through transactions with an eligible CDS Clearing Member. In order to determine the price at which Affected CDS Contracts will be transferred or liquidated the Clearing House shall conduct an auction by requesting firm quotations from all CDS Clearing Members (each auction in such process, a "**Single Name Auction**"). The Clearing House shall determine the timing and other particular characteristics of each Single Name Auction in consultation with the Default Management Committee, including determining the size of the bid/offer spread of the CDS Contracts to be auctioned, whether one or more Single Name Auctions are to be held and the timing and structure of such auctions (including the frequency at which firm bid and firm offer Quotations will be requested), the transaction size (i.e. the Floating Rate Payer Calculation Amount) and whether CDS Clearing Members (excluding the Affected CDS Clearing Member) will be required (as opposed to requested) to submit actionable quotations in a Single Name Auction.

Amounts owed by the Affected CDS Clearing Member to (or receivable by it from) the Clearing House in connection with any such liquidation or transfer shall be determined by the Clearing House by reference to the Single Name Auction(s). In addition, any initial payments, margin or other payments or deliveries owed (including the dates of settlement with respect thereto) relating to the North American Single Name CDS Contracts increased, created, reduced or terminated pursuant to this paragraph shall be as determined by the Clearing House with reference to the Single Name Auction(s).

In the event that the Single Name Auction(s) fail, the Clearing House, in consultation with the Default Management Committee, will have the right to determine the appropriate fallback for establishing the price at which Affected CDS Contracts will be transferred or liquidated.

A CDS Clearing Member must fully collateralize its exposure in respect of any Affected CDS Contract. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is Seller under an Affected CDS Contract, the Floating Rate Payer Calculation Amount of such Affected CDS Contract and (b) if the CDS Clearing Member is Buyer under a Affected CDS Contract, the aggregate of all future Fixed Amounts which may become due under such Affected CDS Contract.

CDS Contracts Referencing Indices

If, as a consequence of CDX Index Untranching CDS Contracts, a CDS Clearing Member holds a net exposure in its house (or proprietary) account to itself or any of its Affiliates in excess of the lesser of either:

- i) \$50 million notional; or
- ii) 1% of its tentative net capital,

then, in addition to any existing collateral requirements (other than in relation to the CDX Component Transaction referencing the relevant Reference Entity), the CDS Clearing Member must fully collateralize its exposure in excess of this amount in accordance with the Rules. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is Seller under a CDX Index Untranching CDS Contract, the portion of the Floating Rate Payer Calculation Amount of such CDX Index Untranching CDS Contract attributable to the relevant Reference Entity and (b) if the CDS Clearing Member is Buyer under a CDX Index Untranching CDS Contract, the aggregate of the portion all future Fixed Amounts which may become due under such CDX Index Untranching CDS Contract and which are attributable to the relevant Reference Entity.

80104.B. Clearing Through Clearing Member's Customer Account

North American Single Name CDS Contracts

A CDS Clearing Member shall use reasonable efforts not to submit for clearing for a customer through such CDS Clearing Member's customer account a bilateral CDS transaction in respect of a proposed North American Single Name CDS Contract where the Reference Entity in respect of such North American Single Name CDS Contract is such customer firm or an Affiliate of such customer firm (any such CDS Contract an "**Affected Customer CDS Contract**"). Any breach of this Rule by a CDS Clearing Member shall not, subject as provided below, be considered a default but may be subject to Clearing House disciplinary action, including the imposition of a fine or, for continuing or serious violation of this Rule, review by the Clearing House Risk Committee of the CDS Clearing Member's compliance with clearing member eligibility criteria.

A CDS Clearing Member must fully collateralize its exposure in respect of any Affected Customer CDS Contract. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is Seller under an Affected Customer CDS Contract, the Floating Rate Payer Calculation Amount of such Affected Customer CDS Contract and (b) if the CDS Clearing Member is Buyer under a Affected Customer CDS Contract, the aggregate of all future Fixed Amounts which may become due under such Affected Customer CDS Contract.

CDS Contracts Referencing Indices

If a CDS Clearing Member clears positions in CDX Index Untranching CDS Contracts for a customer through such CDS Clearing Member's customer account and such positions result in a net exposure on the part of its customer to such customer or any of such customer's Affiliates in excess of the lesser of either:

- i) \$25 million notional; or
- ii) 0.5% of such CDS Clearing Member tentative net capital,

then, in addition to any existing collateral requirements (other than in relation to the CDX Component Transaction referencing the relevant Reference Entity), the CDS Clearing Member must fully collateralize such customer's exposure in excess of this amount in accordance with these Rules. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is Seller under a CDX Index Untranching CDS Contract, the portion of the Floating Rate Payer Calculation Amount of such CDX Index Untranching CDS Contract attributable to the relevant Reference Entity and (b) if the CDS Clearing Member is Buyer under a CDX Index Untranching CDS Contract, the aggregate of the portion all future Fixed Amounts which may become due under such CDX Index Untranching CDS Contract and which are attributable to the relevant Reference Entity.

80105. CDS ADVISORY BOARD

A. There shall be a CDS Advisory Board (the "**CAB**") which shall serve to provide guidance to the Clearing House and the Clearing House Risk Committee on issues relevant to CDS Contracts and shall meet at least quarterly. In addition to the advice provided above, the CAB shall have review and/or approval rights over aspects of CDS trading as detailed below. The CAB shall be comprised of each CDS Dealer Founding Member, CDS Clearing Members who achieve certain financial commitment criteria as may be established by the Clearing House (subject to a maximum of 12 CDS Clearing Members (including the CDS Dealer Founding Members)), and up to three other persons representative of the CDS Non-Dealer Founding Members. Unless otherwise specified in this Rule, actions of the CAB shall not be effected unless approved by a majority of the CDS Dealer Founding Members and CDS Clearing Members on the CAB (collectively, the "**Clearing Voting Members**") and by the affirmative vote of at least one CDS Non-Dealer Founding Member.

B. The CAB shall be provided advanced notice and be consulted prior to the implementation of or changes to the following: (i) the risk management model for CDS Contracts, (ii) default management rules and procedures for CDS Contracts, (iii) other clearing practices or procedures specific to CDS Contracts that are being submitted to the Clearing House Risk Committee for review and consideration, and (iv) termination of the ability of a market venue, or refusal to permit a market venue to submit transactions in CDS for clearing on behalf of CDS Clearing Members. This excludes changes that the Clearing House is making on an emergency basis (subject as provided below) or that the Clearing House is required to implement by any regulatory or governmental authority, although the Clearing House will still notify the CAB (and the Clearing House Risk Committee) of such changes as soon as practicable. The Clearing House Risk Committee will deliver any relevant recommendation of the CAB to the Clearing House Risk Committee for consideration, and a member of the CAB will have the opportunity to present the views of the CAB during the portion of the Clearing House Risk Committee meeting in which the matter is discussed. For the avoidance of doubt, any proposed material changes that have not been so disclosed to CAB, and on which the CAB has not been consulted, may not be implemented (except as required in emergencies or by any governmental or regulatory authority).

C. The Clearing House shall not implement or enact the following measures unless the approval of the CAB is received. Only the Clearing Voting Members are permitted to vote with respect to items specified below. With respect to subsection (i) below, approval shall be received by unanimous approval of the Clearing Voting Members and with respect to subsections (ii) – (vi), approval shall be received by a simple majority of the Clearing Voting Members.

(i) a decision not to adhere to a DC Resolution, by either expressly overruling a DC Resolution or deciding upon an Issue prior to a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has resolved not to determine the matters relating to such Issue. Notwithstanding any provision to the contrary contained in these Rules, nothing in this subsection (i) shall be subject to the "emergency" authority of the Clearing House or any other emergency authority contemplated by the Rules;

(ii) a change to the CDS Clearing Member eligibility criteria that reduces the minimum net capital, minimum guaranty fund or minimum excess margin contributions that are required;

(iii) (x) a change to the default management structure or procedures that would reduce the amount or impair the availability of the guarantee fund or the Clearing House's assessment authority with respect to, or otherwise reduce to any material extent the credit support that is available for, satisfying losses to the Clearing House associated with the CDS product class or satisfying losses associated with the CDS product class or (y) a reduction in the Clearing House performance bond requirements for CDS products below the amount consistent with a 99% confidence level that such performance bond rates would provide 5-day coverage for cleared portfolios;

(iv) a change to the price quality auction methodology if such change would increase the calculation of notional size for forced "crossing" of trades or impose other new penalty provisions on, or otherwise increased the liabilities or obligations of, or

(v) a decision (x) not to provide market participants the option of having the Clearing House send information with respect to their transactions in CDS products to a transaction information warehouse in accordance with the framework set forth by the CAB, or (y) to change the arrangements established pursuant to such framework for the generation and maintenance of a "gold" record of each transaction submitted to the Clearing House for clearing (and/or resulting from the netting of such transactions).

D. The composition of the CAB may not be altered, nor its authority as set forth in this Rule reduced (by rule change or otherwise), except upon a 2/3 super-majority approval of the Clearing Voting Members, in addition to the affirmative vote of at least one of the CDS Non-Dealer Founding Members.

E. A Dealer Founding Member shall be allowed to discontinue its participation as a member of the CAB by notice to the Clearing House if it determines in good faith, based on the advice of external counsel, that it would be prudent to do so.

Chapter 802 CDX Index Untranching CDS Contracts

80201. SCOPE OF CHAPTER

This Chapter sets forth the terms and conditions of CDX Index untranching CDS Contracts ("**CDX Index Untranching CDS Contracts**"). The terms and conditions of each CDX Index Untranching CDS Contract will be the CDX Untranching Transactions Standard Terms Supplement, as published by Markit North America, Inc. (formerly known as CDS IndexCo LLC) on March 20, 2008, as amended and supplemented by the amendments to the **CDX Untranching Terms** specified in Part 13 of Schedule 1 to the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring CDS Protocol (the "**CDX Untranching Terms**"), as supplemented pursuant to the relevant Contract Elections and as supplemented and amended by the provisions of these Rules.

In the event of any inconsistency between the CDX Untranching Terms and the provisions of these Rules, such documents and provisions shall prevail for the purposes of CDX Index Untranching CDS Contracts in the following order: first, these Rules; and second, the CDX Untranching Terms.

Notwithstanding the second paragraph of the CDX Untranching Terms, each party to a CDX Index Untranching CDS Contract agrees that each time they enter into a CDX Index Untranching CDS Contract, they enter into a separate and independent CDS Contract in respect of each Reference Entity listed in the Relevant Annex (each, a "**CDX Component Transaction**"). Each CDX Component Transaction constitutes an independent CDS Contract for the purposes of these Rules, shall not be affected by any other CDX Component Transaction entered into by the relevant Buyer and Seller and shall operate independently of each other CDX Component Transaction in all respects. Any reference in the CDX Untranching Terms to a Component Transaction shall be deemed to be a reference to a CDX Component Transaction. For the avoidance of doubt, no CDX Component Transaction will be fungible with a North American Single Name CDS Contract.

All CDX and the CDX Indices are service marks of Markit North America Inc. and have been licensed for use by the Clearing House. Each Index specified as applicable to a CDX Index Untranching CDS Contract is the property of Markit North America Inc. (the "**Index Sponsor**") and has been licensed for use by the Clearing House in connection with CDX Index Untranching CDS Contracts. Each CDS Participant or CDS Clearing Member acknowledges and agrees that CDX Index Untranching CDS Contracts are not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of entering into, CDX Index Untranching CDS Contracts, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party entering into CDX Index Untranching CDS Contracts, nor the Index Sponsor, shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index. Each party acknowledges that the other party or one of its Affiliates may be, or may be affiliated with, the Index Sponsor and, as such, may be able to affect or influence the determination, adjustment or maintenance of the Index. The Index Sponsor and its affiliates may deal in any obligations that compose the Index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the issuers of such obligations or their

Affiliates, and may act with respect to such business as if the Index did not exist, regardless of whether such action might adversely affect the Index or any CDX Index Untranching CDS Contract. The Index Sponsor and its Affiliates may be in possession of information in relating to components of the Index that may or may not be publicly available or known to any other party, and each party entering into CDX Index Untranching CDS Contracts agrees that such CDX Index Untranching CDS Contract does not create any obligation on the part of the Index Sponsor or its Affiliates to disclose any such information.

80202. CONTRACT TERMS

80202.A. Currency

The settlement currency in respect of CDX Index Untranching CDS Contracts shall be USD and the Original Notional Amount in respect of CDX Index Untranching CDS Contracts will be specified in USD.

80202.B. CDX Indices

Each CDX Index Untranching CDS Contract will reference one of the indices (the "**CDX Indices**") listed in Appendix 1 hereto. The "Relevant Annex" for each CDX Index Untranching CDS Contract will be "Publisher" and will, on the Acceptance Date, be the list for the relevant Index and Annex Date determined pursuant to the relevant Contract Elections.

80202.C. Initial Payment

Notwithstanding Section 5.8 of the Credit Derivatives Definitions and the CDX Untranching Terms, the Initial Payment Date will be the Business Day immediately following the Acceptance Date.

80202.D. Calculation Agent

The Clearing House will be the sole Calculation Agent for all purposes in relation to CDX Index Untranching CDS Contracts and the Calculation Agent City will be New York. References in the Credit Derivatives Definitions to the Calculation Agent making determinations "after consultation with the parties" shall be deemed to be replaced with "after consultation with the parties and/or the CME Determinations Board". The Calculation Agent may consult with the CME Determinations Board in accordance with Chapter 804 in respect of any determination or calculation it is required to make in connection with a CDX Index Untranching CDS Contract. All determinations of the Calculation Agent in respect of a CDX Index Untranching CDS Contract shall be binding on the parties to such CDX Index Untranching CDS Contract.

80202.E. Fixed Rate

The Fixed Rate in respect of a CDX Index Untranching CDS Contract will be the fixed rate for the relevant CDX Index and series as specified by the Index Sponsor on its website or otherwise at the time the relevant CDX Index series is established and identified for the relevant CDX Index Untranching CDS Contract pursuant to the relevant Contract Elections.

80202.F. Credit Event Backstop Date

For the purposes of a CDX Index Untranching CDS Contract:

"Credit Event Backstop Date" means for purposes of any event that constitutes a Credit Event with respect to a CDX Component Transaction, the date that is 60 calendar days prior to the Credit Event Resolution Request Date related to such Credit Event (determined by reference to Greenwich Mean Time). The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

For the purposes of any determination as to whether a Credit Event has occurred in respect of a CDX Component Transaction and the relevant a Reference Entity (or an Obligation thereof):

- (i) at any time up to but excluding June 20, 2009; or
- (ii) if a Credit Event Resolution Request Date occurs before June 20, 2009,

the Credit Event Backstop Date with respect to such determination shall be deemed to be the effective date of the Relevant Annex applicable to the relevant CDX Index Untranchcd CDS Contracts.

Section 1.23 of the Credit Derivatives Definitions shall be deemed not to apply to CDX Index Untranchcd CDS Contracts.

80202.G. Settlement Method

The Settlement Method with respect to a CDX Component Transaction will be Auction Settlement, with clauses (c), (d) and (e) of Section 12.1 of the Credit Derivative Definitions being deemed deleted and replaced with "(c) an Event Determination Date was determined as a result of a Declaration of Credit Event". For the avoidance of doubt, the Fallback Settlement Method will be CME CDS Physical Settlement pursuant to Chapter 805.

80202.H. Declaration of Credit Events

The Clearing House shall issue a Declaration of Credit Event with respect to a CDX Component Transaction if the CME Determinations Board determines pursuant to Chapter 804 that an event which constitutes a Credit Event for the purposes of such CDX Component Transaction has occurred with respect to the Reference Entity applicable to such CDX Component Transaction (or Obligation thereof) on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior the Extension Date (determined by reference to Greenwich Mean Time). The relevant Declaration of Credit Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination. A Declaration of Credit Event will be deemed not to have been issued with respect to a CDX Component Transaction unless (i) the Credit Event Resolution Request Date with respect to the relevant Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period, including prior to the Acceptance Date (determined by reference to Greenwich Mean Time) and (ii) the Acceptance Date occurs on or prior to the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

80202.I. Event Determination Date

Section 1.8 of the Credit Derivatives Definitions shall be amended by the deletion of Section 1.8(a)(i) and the insertion of the words "or a Declaration of Credit Event has been issued" in the first sentence of Section 1.8(a)(ii) after the words "has occurred".

80202.J. Succession Events

For the purposes of a CDX Index Untranchcd CDS Contract:

"Reference Entity" means the entity or entities identified as such in the Index and listed in the Relevant Annex for the purposes of the CDX Index Untranchcd CDS Contract. Any Successor to a Reference Entity either (a) specified in a Declaration of Succession Event effective on or following the Acceptance Date in respect of such CDX Index Untranchcd CDS Contract or (b) in respect of which ISDA publicly announces on or following the Acceptance Date in respect of such CDX Index Untranchcd CDS Contract that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the DC Rules shall, in each case, be the relevant Reference Entity for the relevant CDX Component Transaction or a New CDX Component Transaction as determined pursuant to such Section 2.2 of the Credit Derivatives Definitions.

"Succession Event Backstop Date" means for purposes of any event that constitutes a Succession Event with respect to a CDX Component Transaction, as determined by DC Resolution or a Determination of the CME Determinations Board, the date that is 90 calendar days prior to the Succession Event Resolution Request Date related to such Succession Event (determined by reference to Greenwich Mean Time). The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

For the purposes of any determination as to whether a Succession Event has occurred in respect of a CDX Component Transaction and the relevant a Reference Entity (or an Obligation thereof):

- (i) at any time up to but excluding June 20, 2009; or
- (ii) if a Succession Event Resolution Request Date occurs before June 20, 2009,

the Succession Event Backstop Date with respect to such Reference Entity shall be deemed to be the effective date of the Relevant Annex applicable to the relevant CDX Index Untranching CDS Contracts.

Section 2.1 and 2.2(i) of the Credit Derivatives Definitions shall be deemed not to apply to CDX Index Untranching CDS Contracts.

80202.K. Declaration of Succession Events

The Clearing House shall issue a Declaration of Succession Event with respect to a CDX Component Transaction if the CME Determinations Board determines pursuant to Chapter 804 that a Succession Event has occurred on or following the Succession Event Backstop Date (determined by reference to Greenwich Mean Time) with respect to the relevant Reference Entity. The relevant Declaration of Succession Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination.

80202.L. Auction Settlement Date

For the purposes of a CDX Index Untranching CDS Contract:

"Auction Settlement Date" means a day selected by the Clearing House and notified to CDS Clearing Members falling in the period from, and including the Auction Final Price Determination Date to, and including, the date falling 5 Business Days after the Auction Final Price Determination Date.

Section 12.3 of the Credit Derivatives Definitions shall be deemed not to apply to CDX Index Untranching CDS Contracts.

80202.M. CDX Index versions

Where, in respect of a CDX Index Untranching CDS Contract, (a) the Index Sponsor publishes one or more subsequent versions or annexes of the relevant CDX Index series following a Credit Event or a Succession Event with respect to a Reference Entity included in such CDX Index series, and (b) in the case of publication of one or more subsequent versions or annexes of the relevant CDX Index series following a Credit Event, the Clearing House determines that an Auction Settlement Date has occurred in respect of the relevant CDX Component Transaction or the relevant CDX Component Transaction has otherwise settled in accordance with the applicable Settlement Method then such CDX Index Untranching CDS Contract referencing the earlier version or annex of such CDX index series shall become a CDX Index Untranching CDS Contract referencing the latest version or annex of such CDX Index series, as the case may be.

80202.N. CDX Untranching Terms

Paragraphs 6.5 and 6.6 of the CDX Untranching Terms shall be deemed not to apply to CDX Index Untranching CDS Contracts.

80203. CONTRACT MODIFICATIONS

80203.A. Rules

Subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the terms of any CDX Index Untranching CDS Contract may be modified by the Clearing House, with such modification to become part of these Rules and be applicable to such existing or future CDX Index Untranching CDS Contracts as the Clearing House shall determine. For

the avoidance of doubt, where such modification applies to future CDX Index Untranchcd CDS Contract any such CDX Index Untranchcd CDS Contract entered into after the relevant date of modification shall not be fungible with any CDX Index Untranchcd CDS Contract entered prior to the relevant date of modification.

80203.B. Change in Law or Regulation

If any governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, the Clearing House may, subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, make such amendments and modifications to these Rules as it deems appropriate in order to reflect the application of such order, ruling, directive or law, and such changes to these Rules shall be applicable to all CDX Index Untranchcd CDS Contracts that are open as of, or entered into subsequent to, the relevant date of issuance.

80203.C. Industry Protocol

Subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the terms of any CDX Index Untranchcd CDS Contract may be modified by the Clearing House in accordance with any relevant CDS industry-sponsored protocol (or other multilateral agreement process) or any Resolution of a Convened DC relating to the matters described in section 3.8(a) of the DC Rules, with such modification to become part of these Rules and be applicable to such existing or future CDX Index Untranchcd CDS Contracts as the Clearing House shall determine.

Chapter 803

North American Single Name CDS Contracts

80301. SCOPE OF CHAPTER

This Chapter sets forth the terms and conditions of North American single name CDS Contracts ("**North American Single Name CDS Contracts**"). The terms and conditions of each North American Single Name CDS Contract will be as set out in the definitions and provisions of the Credit Derivatives Definitions and the provisions of these Rules, as supplemented pursuant to the relevant Contract Elections.

In the event of any inconsistency between the Credit Derivatives Definitions and the provisions of these Rules, such documents and provisions shall prevail for the purposes of North American Single Name CDS Contracts in the following order: first, these Rules; and second, the Credit Derivatives Definitions.

80302. CONTRACT TERMS

80302.A. Currency

The settlement currency in respect of North American Single Name CDS Contracts will be USD.

80302.B. Reference Entity

Each North American Single Name CDS Contract will reference one of the Reference Entities listed in Appendix 2 (or any Successor thereto).

80302.C. Initial Payment

Notwithstanding Section 5.8 of the Credit Derivatives Definitions, the Initial Payment Date will be the Business Day immediately following the Acceptance Date.

80302.D. Calculation Agent

The Clearing House will be the sole Calculation Agent for all purposes in relation to North American Single Name CDS Contracts and the Calculation Agent City will be New York. References in the Credit Derivatives Definitions to the Calculation Agent making determinations "after consultation with the parties" shall be deemed to be replaced with "after consultation with the parties and/or the CME Determinations Board". The Calculation Agent may consult with the CME Determinations Board in accordance with Chapter 804 in respect of any determination or calculation it is required to make in connection with a North American Single Name CDS Contract. All determinations of the Calculation Agent in respect of a North American Single Name CDS Contract shall be binding on the parties to such North American Single Name CDS Contract.

80302.E. Fixed Rate Payer Payment Dates

Each March 20, June 20, September 20 and December 20 in each year will be the Fixed Rate Payer Payment Dates.

80302.F. Initial Fixed Rate Payer Calculation Period

Notwithstanding Section 2.9 of the Credit Derivatives Definitions, the initial Fixed Rate Payer Calculation Period shall commence on, and include, the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately following the Acceptance Date. For purposes of this provision, Section 2.10 of the Credit Derivatives Definitions shall be deemed amended by deleting the words "during the term of the transaction."

80302.G. Fixed Rate

The Fixed Rate in respect of a North American Single Name CDS Contract will be 5.0% or 1.0% as determined pursuant to the relevant Contract Elections. The Day Count Fraction in respect of each North American Single Name CDS Contract will be Actual/360

80302.H. Transaction Type

The Transaction Type in respect of a North American Single Name CDS Contract will be Standard North American Corporate.

80302.I. Credit Event Backstop Date

For the purposes of a North American Single Name CDS Contract:

"Credit Event Backstop Date" means for purposes of any event that constitutes a Credit Event with respect to a North American Single Name CDS Contract, the date that is 60 calendar days prior to the Credit Event Resolution Request Date (determined by reference to Greenwich Mean Time). The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Section 1.23 of the Credit Derivatives Definitions shall be deemed not to apply to North American Single Name CDS Contracts.

80302.J. Settlement Method

The Settlement Method with respect to a North American Single Name CDS Contract will be Auction Settlement, with clauses (c), (d) and (e) of Section 12.1 of the Credit Derivative Definitions being deemed deleted and replaced with "(c) an Event Determination Date was determined as a result of a Declaration of Credit Event". For the avoidance of doubt, the Fallback Settlement Method will be CME CDS Physical Settlement pursuant to Chapter 805.

80302.K. Declaration of Credit Events

The Clearing House shall issue a Declaration of Credit Event with respect to a North American Single Name CDS Contract if the CME Determinations Board determines pursuant to Chapter 804 that an event which constitutes a Credit Event for the purposes of such North American Single Name CDS Contract has occurred with respect to the Reference Entity applicable to a North American Single Name CDS Contract (or Obligation thereof) on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time). The relevant Declaration of Credit Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination. A Declaration of Credit Event will be deemed not to have been issued with respect to a North American Single Name CDS Contract unless (i) the Credit Event Resolution Request Date with respect to the relevant Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period including prior to the Acceptance Date (determined by reference to Greenwich Mean Time) and (ii) the Acceptance Date occurs on or prior to the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

80302.L. Event Determination Date

Section 1.8 of the Credit Derivatives Definitions shall be amended by the deletion of Section 1.8(a)(i) and the insertion of the words "or a Declaration of Credit Event has been issued" in the first sentence of Section 1.8(a)(ii) after the words "has occurred".

80302.M. Succession Events

For the purposes of a North American Single Name CDS Contract:

"Reference Entity" means the entity or entities identified as such pursuant to the relevant Contract Elections for the purposes of the North American Single Name CDS Contract. Any Successor to a Reference Entity either (a) specified in a Declaration of Succession Event effective on or following the Acceptance Date in respect of such North American Single Name CDS Contract or (b) in respect of which ISDA publicly announces on or following the Acceptance Date in respect of such North American Single Name CDS Contract that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the DC Rules shall, in each case, be the relevant Reference Entity for the relevant North American Single Name CDS Contract or a New CDS Contract as determined pursuant to such Section 2.2 of the Credit Derivatives Definitions.

"Succession Event Backstop Date" means for purposes of any event that constitutes a Succession Event with respect to a North American Single Name CDS Contract as determined by DC Resolution or a Determination of the CME Determinations Board, the date that is 90 calendar days prior to the Succession Event Resolution Request Date related to such Succession Event (determined by reference to Greenwich Mean Time). The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Section 2.1 and 2.2(i) of the Credit Derivatives Definitions shall be deemed not to apply to North American Single Name CDS Contracts.

80302.N. Declaration of Succession Events

The Clearing House shall issue a Declaration of Succession Event with respect to a North American Single Name CDS Contract if the CME Determinations Board determines pursuant to Chapter 804 that a Succession Event has occurred on or following the Succession Event Backstop Date (determined by reference to Greenwich Mean Time) with respect to the relevant Reference Entity. The relevant Declaration of Succession Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination.

80302.O. Merger of Reference Entity and Seller

Section 2.31 of the Credit Derivatives Definitions shall be deemed not to apply to North American Single Name CDS Contracts.

80302.P. Auction Settlement Date

For the purposes of a North American Single Name CDS Contract:

"Auction Settlement Date" means a day selected by the Clearing House and notified to CDS Clearing Members falling in the period from, and including the Auction Final Price Determination Date to, and including, the date falling 5 Business Days after the Auction Final Price Determination Date."

Section 12.3 of the Credit Derivatives Definitions shall be deemed not to apply to North American Single Name CDS Contracts.

80302.Q. Physical Settlement Matrix Updates

Whenever ISDA publishes a version of the Credit Derivatives Physical Settlement Matrix (a "New Matrix") that is subsequent to the version of the Credit Derivatives Physical Settlement Matrix that is applicable to any North American Single Name CDS Contract (the "Existing Matrix"), and the Clearing House determines that a North American Single Name CDS Contract referencing the New Matrix would be fungible with a North American Single Name CDS Contract referencing the Existing Matrix (the date of such determination, the "Matrix Update Date") and so notifies CDS Clearing Members, any such North American Single Name CDS Contract referencing the Existing Matrix shall, as of the close of

business on the Matrix Update Date, become a North American Single Name CDS Contract referencing the New Matrix.

80304. Contract Modifications

80304.A. Rules

Subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the terms of any North American Single Name CDS Contract may be modified by the Clearing House, with such modification to become part of these Rules and be applicable to such existing or future North American Single Name CDS Contracts as the Clearing House shall determine. For the avoidance of doubt, where such modification applies to future North American Single Name CDS Contracts any such North American Single Name CDS Contract entered into after the relevant date of modification shall not be fungible with any North American Single Name CDS Contract entered prior to the relevant date of modification.

80304.B. Change in Law or Regulation

If any governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, the Clearing House may, subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, make such amendments and modifications to these Rules as it deems appropriate in order to reflect the application of such order, ruling, directive or law, and such changes to these Rules shall be applicable to all North American Single Name CDS Contracts that are open as of, or entered into subsequent to, the relevant date of issuance.

80304.C. Industry Protocol

Subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the terms of any North American Single Name CDS Contract may be modified by the Clearing House in accordance with any relevant CDS industry-sponsored protocol (or other multilateral agreement process) or any Resolution of a Convened DC relating to the matters described in section 3.8(a) of the DC Rules, with such modification to become part of these Rules and be applicable to such existing or future North American Single Name CDS Contracts as the Clearing House shall determine.

Chapter 804

CME DETERMINATIONS BOARD

80401. Overview of the CME Determinations Board Function and Authority

The CME Determinations Board (the "**CME Board**") shall be comprised of CDS Participants and CDS Clearing Members, including both Dealer Board Members and Non-Dealer Board Members (as defined in Rule 80402).

Subject as provided below, the CME Board is generally responsible for making Determinations in respect of the following (each an "**Issue**"):

(a) determining whether a Reference Entity under a CDS Contract has been the subject of a Succession Event and, if so, determining the legally effective date of the Succession Event and the identity of the Reference Entity's Successor(s), if any, provided that such determination will only be made where sufficient information is made available to the CME Board to make such determination;

(b) where necessary in respect of a CDS Contract, determining whether a Reference Obligation no longer satisfies the applicable requirements under a CDS Contract and, if so, identifying any Substitute Reference Obligation, provided that such determination will only be made where sufficient information is made available to the CME Board to make such determination;

(c) determining whether a Credit Event for which there is Publicly Available Information has occurred with respect to a CDS Contract on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time)

(d) if a Credit Event occurred with respect to a Reference Entity (or Obligation thereof) referenced in a CDS Contract and the CDS Contract is to be settled in accordance with the Fallback Settlement Method, resolving any questions of (i) whether a particular obligation is a Deliverable Obligation; (ii) with respect to a Deliverable Obligation, any specific assignment, novation or other document or any other action that may be necessary, customary or desirable and reasonably requested by either party to a Matched Pair for the purpose of effecting physical settlement, and, with respect to a Deliverable Obligation that is a Loan, the documentation customarily used in the relevant market for Delivery of any Deliverable Obligation that is a Loan at that time (iii) the number of days in a Physical Settlement Period; or (iv) the Accreted Amount or any Accreting Obligation;

(e) with respect to a CDS Contract, making any determination requested of it by the **Calculation Agent**.

In the event an Issue relates in any way to the risk management of CDS Contracts or otherwise may impact the financial safeguards package of the Clearing House, the Clearing House and/or the CME Board may determine to consult with the Clearing House Risk Committee. The Determination of the CME Board shall not in any way impair the ability of the Clearing House or the Clearing House Risk Committee to take other action with respect to risk management matters.

Except in the case of a unanimous vote to the contrary of all Board Members eligible to vote and with the consent of the CAB pursuant to Rule 80105.C., no Issue shall be submitted to the CME Board, and the CME Board shall not have authority to consider, or make a Determination in respect of, any Issue (including where new information, relevant to the Issue to be considered, has become available) unless a request has previously been submitted to ISDA, as DC Secretary, to convene the relevant Credit Derivatives Determinations Committee to resolve the answer to such Issue for the purposes of the relevant CDS Contract (and where new information as aforesaid has become available, that information has been made available to the DC Secretary with such a request) and ISDA has publicly announced that the relevant Credit Derivatives

Determinations Committee has resolved not to determine the answer to such question or the relevant Credit Derivatives Determinations Committee is deemed to have rejected such question as the DC Secretary does not effectively receive agreement from a Convened DC Voting Member to deliberate such question in accordance with Section 2.2(a) of the DC Rules.

In the event that the DC Secretary publishes on its Website notice of a Committee being convened to deliberate a question which is substantially the same as a question which has previously been presented to the CME Board as an Issue and is being considered by the CME Board at such time the CME Board shall cease considering such question. Any such question may only be raised again to the CME Board as a new Issue.

Except in the case of a unanimous vote to the contrary of all Board Members eligible to vote and with the consent of the CAB pursuant to Rule 80105.C., in accordance with Section 9.1(c)(iii) of the Credit Derivatives Definitions, any DC Resolution applicable to a CDS Contract in respect of which the Settlement Date has not occurred shall be binding on the parties to such CDS Contract and shall supersede any Determination with respect to the same matters (except as expressly stated otherwise in Section 9.1(c)(iii)(B) of the Credit Derivatives Definitions as if such Determination were being made by the Calculation Agent).

80402. Board Membership

80402.A. Board Chairman

The Chief Executive Officer of the Clearing House shall, prior to the Launch Date and every two (2) years thereafter, appoint the chairman of the CME Board (the "**Board Chairman**") to a term of two (2) years. The Board Chairman shall be affiliated with the Clearing House or its affiliates and shall be an individual whom the Chief Executive Officer of the Clearing House determines in his/her sole and absolute discretion to have appropriate experience as to the issues that it anticipates may arise in clearing CDS Contracts. The Board Chairman shall not have any material economic interest in any CDS Participant or CDS Clearing Member. The Board Chairman shall be a non-voting member of the CME Board. The responsibilities of the Board Chairman include without limitation:

- a) Selecting an initial group of CDS Participants or CDS Clearing Members who are not CDS Dealers ("**Non-Dealer CDS Participants**") to designate Non-Dealer Board Members, as set forth in Rule 80402.B, and alternate Non-Dealer CDS Participants, if required at any point due to removal of a Non-Dealer Board Member;
- b) Selecting an initial group of CDS Clearing Members who are CDS Dealers to designate Dealer Board Members, as set forth in Rule 80402.C, and alternate CDS Clearing Members who are CDS Dealers, if required at any point due to the removal of a Dealer Board Member;
- c) Approving designated Non-Dealer Board Members and Dealer Board Members;
- d) Establishing minimum cleared volume criteria for Non-Dealer Board Members and certain Dealer Board Members as discussed in Rule 80402.E;
- e) Convening meetings of the CME Board, as set forth in Rule 80405.A;
- f) Conducting the review of Proposals, as set forth in Rule 80405.B;
- g) Calling for votes of the CME Board, as set forth in Rule 80405.C; and
- h) Making a determination of a conflict of interest as set forth in Rule 80405.D.

80402.B. Non-Dealer Board Members

The Clearing House shall select an initial group of up to five (5) Non-Dealer CDS Participants, not affiliated with each other to each designate a board member (the "**Non-Dealer Board Members**"), each to a term of one (1) year on the CME Board. The Non-Dealer Board Members must include those persons representative of the CDS non-Dealer Founding Members who serve on the CAB pursuant to Rule 80105.A. The Non-Dealer Board Members shall be individuals who are employees of such Non-Dealer CDS Participants (or their Affiliates). Upon the first anniversary of the Launch Date and every one (1) year thereafter, a new group of Non-Dealer Board Members shall be appointed. Each such Non-

Dealer CDS Participant shall have the authority to replace its designated Board Member, during his or her term, upon written notice to the Board Chairman. Individuals serving as Non-Dealer Board Members are subject to approval of the Board Chairman, such approval not to be unreasonably withheld or delayed. There shall be no limitations on particular individuals serving as Non-Dealer Board Members for successive years.

Each Non-Dealer Board Member shall have one (1) vote on matters for which a vote is called. Save as provided in Rule 80504.D., Non-Dealer Board Members may not abstain from voting when a vote is called unless the Issue directly involves the Non-Dealer CDS Participant of which such Non-Dealer Board Member is an employee or director, or one of its Affiliates as a Reference Entity under a CDS Contract, in which case such Non-Dealer Board Member must abstain from voting on the Issue.

80402.C. Dealer Board Members

The Clearing House shall select an initial group of up to ten (10) CDS Clearing Members to each designate a board member ("**Dealer Board Members**"), each to a term of two (2) years on the CME Board. The Dealer Board Members shall be individuals who are employees or directors of such Dealer Founding Members or other CDS Clearing Members (or their Affiliates) who achieve certain financial performance criteria as may be established by the Clearing House. Each such Dealer Founding Member or other CDS Clearing Member shall have the authority to replace its designated Board Member, during his or her term, upon written notice to the Board Chairman. Individuals serving as a Dealer Board Member are subject to approval of the Board Chairman, not to be unreasonably withheld or delayed. There shall be no limitations on particular individuals serving as Dealer Board Members for successive terms.

Each Dealer Board Member shall have one (1) vote on matters for which a vote is called. Save as provided in Rule 80405.D., Dealer Board Members may not abstain from voting when a vote is called unless the Issue directly involves the CDS Clearing Member of which such Dealer Board Member is an employee or director, or one of its Affiliates as a Reference Entity under a CDS Contract, in which case such Dealer Board Member must abstain from voting on the Issue.

80402.D. Commencement of the Board

The CME Board shall be created and commence its responsibilities as described herein in these Rules on the Launch Date.

80402.E. Board Membership Requirements

The Non-Dealer CDS Participant or CDS Clearing Member of which a Board Member is an employee or director must meet minimum cleared volume requirements for CDS Contracts, as reasonably determined by the Clearing House and evaluated six (6) months after the Launch Date and every six (6) months thereafter. The Clearing House may set different minimum requirements for Non-Dealer CDS Participants, on the one hand, and CDS Clearing Members, on the other hand. The Board Chairman may, but shall not be required to, remove a Board Member during his or her term if the minimum cleared volume requirements are not satisfied. In relation to CDS Clearing Members, only CDS Contracts cleared through a CDS Clearing Member's house (or proprietary) account will be relevant for the purposes of satisfying the relevant minimum cleared volume requirements.

80402.F. Resignation or Removal

A Board Member may resign his or her position upon giving not less than 21 calendar days written notice to the Board Chairman. If a Board Member resigns his or her position, the Non-Dealer CDS Participant or the CDS Clearing Member that designated such Board Member, as applicable, shall designate a replacement board member.

A Board Member may be immediately removed by the Board Chairman in circumstances where either (a) such Board Member and/or the CDS Participant or CDS Clearing Member that designated such Board Member has breached these Rules in any material respect or (b) an event under section 5(a)(vii) of the ISDA 2002 Master Agreement has occurred and is continuing with respect to the CDS Participant

or CDS Clearing Member that designated such Board Member. If a Board Member is removed the Board Chairman shall promptly select a Non-Dealer CDS Participant or CDS Clearing Member that is a CDS Dealer, as applicable, to designate a successor board member.

80402.G. Board Membership Size

The CME Board shall be comprised of up to sixteen (16) members representing: (1) the Board Chairman (as set forth in Rule 80402.A), Dealer Board Members (as set forth in Rule 80402.C) and non-Dealer Board Members (as set forth in Rule 80402.B). At all times, the Clearing House shall endeavor to the extent practicable to maintain a ratio of one (1) Non-Dealer Board Member for every two (2) Dealer Board Members.

80403. Issue Submission

CDS Participants, CDS Clearing Members, the Clearing House, Board Members and third-party platforms that are commercial partners of the Clearing House for purposes of clearing CDS Contracts may, subject to Rule 80401, submit a request to the Board Chairman to convene a meeting of the CME Board to consider a particular Issue. In addition, the Board Chairman may also choose to address Issues proactively. All requests to the Board Chairman should include a reasonably detailed description of the Issue that the relevant party believes the CME Board should deliberate and, if applicable, information consistent with the definition of Publicly Available Information. For the avoidance of doubt, an Issue regarding the potential occurrence of a Credit Event may relate to a potential Credit Event that is not continuing at the time of the request to convene the CME Board. The Board Chairman shall forward each request for a meeting of the CME Board to the relevant Board Members in substantially the same form as the request was originally submitted to the Board Chairman.

80403.A. Publicly Available Information

For each Issue relating to whether a Credit Event has occurred, the Board shall not be required to deliberate the Issue until the CME Board determines that Publicly Available Information has been provided to the Board Chairman; provided that (i) the references to "a party" or "the parties" in Section 3.5(a) of the Credit Derivatives Definitions shall be deemed to refer to the party submitting the information, (ii) the references to "Credit Event Notice" in Section 3.5(a) of the Definitions shall be deemed to refer to requests in respect of Issues submitted to the Board Chairman, (iii) for purposes of Section 3.5(a)(i) of the Credit Derivatives Definitions, the Specified Number is two and (iv) the reference to Buyer and Seller in Section 3.5(b) of the Credit Derivatives Definitions shall be deemed to refer to the party submitting the information and the Board Chairman, respectively. The entity submitting information to the Board shall be deemed to represent and warrant that such information has been disclosed and can be made public without violating any law, agreement or understanding regarding the confidentiality of such information and the Board Chairman and each Board Member may rely on such representation in addition to the assumption of Section 3.5(c) of the Credit Derivatives Definitions.

80403.B. Confidentiality

Except as (i) expressly contemplated by these Rules or (ii) as may be required by applicable law or court order or requested by a regulatory, self-regulatory or supervising authority having appropriate jurisdiction, each Board Member agrees to maintain confidentiality as to all non-public deliberations occurring under these Rules, including, without limitation, any discussions, deliberations or proceedings relating to an Issue or Determination, the results of any non-binding vote and the location, timing and/or access details for any meeting (the "Confidential Material"). Following publication by the Board Chairman of any Confidential Material, a Board Member shall have no duty of confidentiality with respect to such Confidential Material. Following publication by the Board Chairman of the outcome of a Determination, a Board Member shall have no duty of confidentiality with respect to Confidential Material relating to such Determination.

80404. Board Rights and Responsibilities Related to Determinations

A Determination by the CME Board shall be made public and be deemed conclusive with regard to the related Issue for the purposes of affected CDS Contracts. The CME Board is responsible for writing and publishing to all CDS Participants and CME Clearing Members the majority opinion, which describes the

analysis and reasoning behind the Determination. In addition, the vote or abstention of each Board Member with respect to an Issue will be published to all CDS participants and CDS Clearing Members not more than 30 days after the relevant vote. Any Determination by the CME Board in accordance with this Chapter 804 shall, subject to the provisions of these Rules, be binding on the parties to a CDS Contract.

80405. Determination Process

80405.A. Initial Meeting

Upon identification or submission of an Issue requiring a Determination by the CME Board the Board Chairman shall convene a meeting of the CME Board. The Board Chairman shall make reasonable efforts to allow for the attendance of all Board Members (such as through video or telephone conference), provided, however, that the meeting must occur no more than one (1) business day after the Board Chairman determines that the requirements for convening a meeting have been satisfied. At the initial meeting, the Board Members shall review and discuss the Issue, but shall not make a Determination absent exigent circumstances (as determined by the Board Chairman).

80405.B. Proposals; Reviewing and Voting Period

Prior to or simultaneously with the initial meeting, the Board Chairman shall issue a request for Proposals. Proposals must have clear, unambiguous, and actionable recommendations, and Proposals should be accompanied by relevant analysis and reasoning. Proposals must be submitted in writing to the Board Chairman no later than the Business Day immediately following the request for Proposals. The Board Chairman shall promptly deliver Proposals to all Board Members. The Board Chairman shall, acting reasonably, specify to the Board at the initial meeting the time period (the "**Reviewing and Voting Period**") in which Board Members will have an opportunity to review Proposals, which shall be not more than two (2) Business Days from the date on which the Board Chairman delivered Proposals to the Board Members. During the Reviewing and Voting Period, Board Members may solicit outside counsel and expert opinions to help them in deliberations and forming opinions. Board Members may discuss the Issue and Proposals with other Board Members, CDS Participants and CDS Clearing Members and their respective Affiliates. Board Members may also submit additional or refined Proposals and related information. The Board Chairman shall be responsible for facilitating formal and informal discussion among Board Members during the Reviewing and Voting Period.

80405.C. Voting; Final Meeting

The Board Chairman shall be responsible for calling for a vote no later than the Business Day immediately following the end of the Reviewing and Voting Period, as he/she deems necessary and appropriate. Board Members may also request that the Board Chairman call for a vote at any time during the Reviewing and Voting Period, but the ultimate authority to call for a vote rests with the Board Chairman. If no Determination has been made by the Business Day immediately following the end of the Reviewing and Voting Period, the Board Chairman shall convene a final meeting of the CME Board, at which a final vote shall be called. If the CME Board is fully constituted and no Board Member has abstained from a vote, at least nine (9) affirmative votes (including three (3) Non-Dealer Board Member votes) are required to make a Determination (for avoidance of any doubt, the Chairman is not allowed to vote). In the event that the CME Board is not fully constituted or a Board Member has abstained from a vote, then a majority plus one vote (a "**Supermajority**"), is required to make a Determination. For example, if the CME Board has 8 voting members, then a Supermajority is 6 votes. If the CME Board has 7 voting members, then a Supermajority is 5 votes. The Board Chairman may call for multiple votes on a Proposal during the Reviewing and Voting Period. The CME Board shall be required at the end by the Business Day immediately following the end of the Reviewing and Voting Period to reach a decision, which shall be final and binding.

80405.D. Conflicts of Interest

(i) With respect to any Issue requiring a Determination by the CME Board and any Board Member, the Board Chairman may determine in his/her absolute discretion that a material conflict of interest exists or is foreseeable with respect to either the relevant Issue or the related questions which may be deliberated by the Board. In the event the Board Chairman so determines, the relevant Board Member must abstain from voting on any Determination related to such Issue.

(ii) Subject to paragraph (i) above, a Determination shall be valid and binding on CDS Participants and CDS Clearing Members notwithstanding any actual or perceived conflict of interest on the part of a Board Member, legal counsel or other third-party professional hired by such Board Member in connection with such Board Member's performance of his or her duties under these Rules.

80406 Limitation of Liability

80406.A. Limitation of Liability in respect of Board Members, the Board Chairman and Third Party Professionals

No DB Party and no legal counsel or other third-party professional hired by or engaged by any DB Party in connection with such DB Party's performance of its duties set out in this Chapter 804 shall undertake any duty of care or otherwise be liable, whether for negligence or otherwise, for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with such DB Party's performance of its duties set out in this Chapter 804, or any advice given by legal counsel or any other third-party professional hired or engaged by such DB Party in connection with such DB Party's performance of its duties, set out in this Chapter 804, except in the case of fraud or wilful misconduct on the part of such DB Party, legal counsel or third party professional, provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired or engaged by a DB Party may still be liable to such DB Party.

80406.B. Waiver of Liability in respect of Board Members, the Board Chairman, the Clearing House and third party professionals

Each CDS Participant and CDS Clearing Member waives any claim, whether for negligence or otherwise, that may arise against a DB Party and any legal counsel or other third-party professional hired or engaged by such DB Party in connection with such DB Party's performance of its duties set out in this Chapter 804 or any advice given by legal counsel or any other third-party professional hired or engaged by such DB Party in connection with such DB Party's performance of its duties, set out in this Chapter 804, except in the case of fraud or wilful misconduct on the part of such DB Party, legal counsel or other third-party professional provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired or engaged by a DB Party may still be liable to such DB Party.

Each Board Member waives any claim, whether for negligence or otherwise, that may arise against any other Board Member, the Board Chairman or the Clearing House and any legal counsel or other third-party professional hired or engaged by such other Board Member or the Board Chairman or the Clearing House in connection with such other Board Member's, the Board Chairman's or the Clearing House's performance of its duties under these Rules or any advice given by legal counsel or any other third-party professional hired or engaged by such entity in connection with its performance of its duties under these Rules, except in the case of fraud or wilful misconduct on the part of such other Board Member, the Board Chairman or the Clearing House, legal counsel or other third-party professional.

80406.C. Limitation of Board Members' and Board Chairman's duties

No DB Party is (a) under any obligation to research, investigate, supplement, or verify the veracity of, any information on which it bases its decision, (b) acting as a fiduciary for, or as an advisor to, any party in connection with the relevant CDS Contract and (c) in relation to any Determination, under any obligation to consult with, or individually notify, any party to a CDS Contract.

80406.D. Mitigation of Liability

The Clearing House will provide Directors and Officers (D&O) liability insurance to each of the Board Members. In addition, Board Members will be indemnified by the Clearing House on the terms set out in the other Chapters of these Rules.

Chapter 805

CME CDS Physical Settlement

80501. Scope of Chapter

These Rules in this Chapter 805 set out the terms of "CME CDS Physical Settlement". CME CDS Physical Settlement shall apply to each CDS Contract for which the Fallback Settlement Method is applicable. Capitalized terms in this Chapter not otherwise defined in this Chapter shall have the meaning given to such terms in the other Chapters of these Rules.

80502. Matched Pairs

80502.A. Matched Pair Notice

If CME CDS Physical Settlement is applicable to a CDS Contract (a "Physical Settlement Contract") following a Failure to Pay or Bankruptcy Credit Event, then the Clearing House shall match (with respect to each relevant Scheduled Termination Date) each Buyer under a Physical Settlement Contract with one or more Sellers under a fungible Physical Settlement Contract in a manner such that the Floating Rate Payer Calculation Amount related to each Buyer under a Physical Settlement Contract is fully allocated to one or more Sellers under a fungible Physical Settlement Contract.

A matched Buyer and Seller pursuant to the preceding paragraph is a "Matched Pair" where the Buyer is the "Matched Pair Buyer", the Seller is the "Matched Pair Seller", and the portion of the Floating Rate Payer Calculation Amount allocated to such Matched Pair is the "Matched Notional Amount". Prior to 10a.m. (Chicago time) on the Business Day immediately following the date on which CME CDS Fallback Settlement becomes applicable to a CDS Contract, the Clearing House will issue a notice to the Matched Pair (the "Matched Pair Notice") indicating the relevant Physical Settlement Contract, Matched Pair Buyer, Matched Pair Seller, Matched Notional Amount and Credit Event. With respect to a Physical Settlement Contract, the date as of which the Clearing House first issues a Matched Pair Notice in respect of a Credit Event applicable to any Physical Settlement Contract shall be the "Matched Pair Notice Date".

If the Clearing House has delivered a Matched Pair Notice that specifies a Matched Notional Amount that is less than the then outstanding Floating Rate Payer Calculation Amount applicable to a Physical Settlement Contract to which such Matched Pair Notice relates, the rights and obligations of the parties to such Physical Settlement Contract shall, with effect from the date such Matched Pair Notice is effective, be construed as if the parties had entered into two CDS Contracts, one of which has a Floating Rate Payer Calculation Amount equal to the Matched Notional Amount and the other of which will have a Floating Rate Payer Calculation Amount equal to the Floating Rate Payer Calculation Amount outstanding prior to delivery of such Matched Pair Notice minus the Matched Notional Amount and will continue in effect with such modifications required as determined by the Calculation Agent (to preserve the economic effects of the two CDS Contracts considered in the aggregate). Each CDS Contract between the Clearing House and each of the Matched Pair Buyer and Matched Pair Seller respectively, shall be a "Matched Pair CDS Contract", and such Matched Pair CDS Contracts collectively, a "Matched Pair CDS Contract Pair".

The methodology used by the Clearing House for purposes of allocating **Matched Pairs** under this Rule shall minimize, to the extent reasonably practicable, each of the following:

- (a) the number of Matched Pairs in respect of which the Matched Notional Amount is less than USD 1,000,000 or not an integral multiple of such amount;
- (b) the number of Matched Pairs into which an individual CDS Clearing Member is matched; and
- (c) the overall number of Matched Pairs.

80502.B. Appointment of designee by the Clearing House

With respect to a Matched Pair CDS Contract and the Clearing House only, the reference to "any of its Affiliates" in the first line of Section 9.2(c)(iv) of the Credit Derivatives Definitions shall be construed as a reference to "any third party".

With respect to a Matched Pair CDS Contract Pair and a Matched Pair CDS Contract the Clearing House shall be deemed to have designated, pursuant to Section 9.2(c)(iv) of the Credit Derivatives Definitions:

- (a) the Matched Pair Seller as its designee:
 - (i) to receive on its behalf from the relevant Matched Pair Buyer in the Matched Pair Notices of Physical Settlement (and any NOPS Amendment Notices) in relation to such Matched Pair CDS Contract;
 - (ii) other than in respect of the Physical Settlement Amount relating to the settlement of Non DVP Obligations as referred to in Rule 80503 below, to pay, on behalf of the Clearing House, the applicable Physical Settlement Amount in respect of such Matched Pair CDS Contract;
 - (iii) to take Delivery, on behalf of the Clearing House, of Deliverable Obligations from the Matched Pair Buyer
 - (iv) to receive from, or deliver to, the relevant Matched Pair Buyer, on behalf of the Clearing House, any notices in accordance with Sections 9.3, 9.8, 9.9 or 9.10 of the Credit Derivatives Definitions;
- (b) the Matched Pair Buyer as its designee:
 - (i) to deliver on its behalf to the relevant Matched Pair Seller in the Matched Pair Notices of Physical Settlement (and any NOPS Amendment Notices) in relation to such Matched Pair CDS Contract;
 - (ii) other than in respect of the Physical Settlement Amount relating to the settlement of Non DVP Obligations as referred to in Rule 80503 below, to receive, on behalf of the Clearing House, the applicable Physical Settlement Amount in respect of such Matched Pair CDS Contract;
 - (iii) to Deliver, on behalf of the Clearing House, Deliverable Obligations to the Matched Pair Seller; and
 - (iv) to receive from, or deliver to, the relevant Matched Pair Seller, on behalf of the Clearing House, any notices in accordance with Sections 9.3, 9.8, 9.9 or 9.10 of the Credit Derivatives Definitions.

Upon receipt of a Matched Pair Notice, the Matched Pair Buyer and Matched Pair Seller shall be deemed to have been notified of the above designation and shall assume the obligations specified above as designee.

References to "Buyer" and "Seller" in Sections 9.3, 9.8, 9.9 and 9.10 of the Credit Derivatives Definitions shall be construed as being references to the Matched Pair Buyer or the Matched Pair Seller, as applicable and the relevant CDS Contracts shall be construed accordingly.

Where the Clearing House is the Buyer in respect of a Match Pair CDS Contract, references in Section 9.2 of the Credit Derivatives Definitions to "Buyer shall be deemed to represent to Seller" shall be deemed to be references to "Buyer shall be deemed to covenant to Seller".

80502.C. Conditions to Settlement

All of the Conditions to Settlement in respect of a Matched Pair CDS Contract Pair shall be deemed to be satisfied by the delivery by Matched Pair Buyer of a Notice of Physical Settlement to both the Clearing House and the Matched Pair Seller under the Matched Pair CDS Contract Pair that is effective,

subject, where applicable, to the Physical Settlement process being tolled pursuant to Rule 80504, on or before the thirtieth calendar day following the earlier of (a) the Auction Cancellation Date or No Auction Announcement Date and (b) the date on which a Declaration of Credit Event in respect of the relevant CDS Contracts was issued by the Clearing House. For purposes of determining whether the Notice of Physical Settlement Condition to Settlement has been satisfied, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used. Section 3.2 of the Credit Derivatives Definitions shall not apply.

80502.D. Notices

Neither the Clearing House nor any CDS Clearing Member will be entitled to deliver a Notice of Physical Settlement or a NOPS Amendment Notice in respect of a CDS Contract prior to the relevant Matched Pair Notice Date.

Any Notice of Physical Settlement, NOPS Amendment Notice and any notice delivered pursuant to Sections 9.3, 9.9, 9.9 and 9.10 of the Credit Derivatives Definitions shall be delivered to both the Clearing House and the Matched Pair Seller. For the avoidance of doubt, Section 1.10 of the Credit Derivatives Definitions will apply to any notices delivered by Matched Pair Buyer and Matched Pair Seller in respect of a Matched Pair CDS Contract, provided that any notice to the Clearing House may not be given by telephone and may be given as provided in Rule 80002.

If a CDS Clearing Member delivers a Notice of Physical Settlement (or NOPS Amendment Notice) in relation to a Matched Pair CDS Contract in respect of a Floating Rate Payer Calculation Amount exceeding the relevant Matched Notional Amount then such notice will be effective only in respect of a Floating Rate Payer Calculation Amount equal to the relevant Matched Notional Amount. This requirement will apply separately in relation to each Matched Pair in respect of which the CDS Clearing Member is matched.

80503. Physical Settlement of Non DVP Obligations

In respect of any Matched Pair CDS Contract Pair, if any Deliverable Obligations to be Delivered by the Matched Pair Buyer to the Matched Pair Seller are reasonably believed by the Matched Pair Buyer not to settle standardly on a delivery-versus-payment basis (such Deliverable Obligations, "**Non DVP Obligations**") (as notified by the Matched Pair Buyer to the Matched Pair Seller and to the Clearing House upon delivering any Notice of Physical Settlement or NOPS Amendment Notice), Delivery of such Non DVP Obligations and payment of the related portion of the Physical Settlement Amount (the "**Physical Settlement Amount Portion**") shall take place as follows:

- (a) the Matched Pair Buyer shall notify the Clearing House that it is ready to Deliver to the Matched Pair Seller the Non DVP Obligations;
- (b) following receipt of the notification referred to in paragraph (a) above, the Clearing House shall request that the Matched Pair Seller pay to the Clearing House the full Physical Settlement Amount Portion;
- (c) following receipt of the request referred to in paragraph (b) above the Matched Pair Seller shall transfer to the Clearing House the full Physical Settlement Amount Portion;
- (d) following receipt by the Clearing House of the full Physical Settlement Amount Portion in cleared funds, the Clearing House shall notify the Matched Pair Buyer that it is holding the relevant Physical Settlement Amount Portion from the Match Pair Seller;
- (e) following receipt of the notification referred to in paragraph (d) above, the Matched Pair Buyer shall deliver the relevant Non DVP Obligations to the Matched Pair Seller with an outstanding principal balance at least equal to the relevant Physical Settlement Amount Portion;
- (f) following its receipt of Delivery of the relevant Deliverable Obligations, the Matched Pair Seller shall deliver a notice to the Clearing House in the form required by the Clearing House from time to time specifying that the Delivery has occurred, in full or, if in part, the percentage of the Physical Settlement Amount Portion (the "**Delivered Percentage**") in respect of which Delivery has occurred;

(g) following its receipt of the notification referred to in paragraph (f) above the Clearing House shall pay to the Matched Pair Buyer an amount equal to the Physical Settlement Amount Portion (or, where the Matched Pair Seller notified the Clearing House of Delivery in part only, an amount equal to the product of the Delivered Percentage of the Physical Settlement Amount Portion) received from the Matched Pair Seller; and

(h) if the Matched Pair Buyer does not Deliver the Non DVP Obligations with an outstanding principal balance at least equal to the Physical Settlement Amount Portion to the Matched Pair Seller within 3 Business Days of receipt by the Matched Pair Buyer of the notice referred to in paragraph (d) above, the Matched Pair Seller may request that the Clearing House repay to the Matched Pair Seller the Physical Settlement Amount in respect of the Physical Settlement Amount Portion, less the product of the Delivered Percentage and the Physical Settlement Amount Portion, if any.

The process set out above may be repeated in relation to any Non DVP Obligations not in fact delivered as specified above.

80504. Deliverable Obligations

Prior to accepting Delivery of a particular obligation pursuant to a Notice of Physical Settlement or NOPS Amendment Notice, a Matched Pair Seller may challenge whether the obligation is a Deliverable Obligation under the terms of a Matched Pair CDS Contract, unless the CME Determinations Board has previously issued a Declaration confirming that such obligation is a Deliverable Obligation applicable to that Matched Pair CDS Contract as of the applicable Delivery Date for such Deliverable Obligation. Such challenge may only be made by submission of (a) a request to ISDA, as DC Secretary, to convene the relevant Credit Derivatives Determinations Committee to resolve whether such obligation is a Deliverable Obligation or (b) subject to Rule 80401 submission of an Issue to the CME Determinations Board regarding whether such obligation is a Deliverable Obligation. Any Matched Pair Seller proposing to refuse to accept Delivery and who has submitted a request to ISDA or an Issue to the CME Determinations Board as described above must give notice forthwith to the Clearing House and to the Matched CDS Buyer in the relevant Matched Pair, specifying the Matched Pair CDS Contracts Pair and obligation to which the refusal relates and details of the request to ISDA or Issue submitted to the CME Determinations Board, as applicable (the date of delivery of such notice being the "**DO Question Notice Date**" and the relevant obligation to which such notice relates a "**Disputed DO**").

With respect to a Matched Pair CDS Contract Pair, to the extent an effective Notice of Physical Settlement or NOPS Amendment Notice is delivered referencing Disputed DO, all time periods and related rights and remedies relating to settlement, for example, under Sections 9.9 and 9.10 of the Credit Derivatives Definitions and any applicable cap on settlement, in respect of such Matched Pair CDS Contract Pair shall be tolled for the time period from the DO Question Notice Date until the earlier of (a) the date that the CME Determinations Board makes a Determination related to the relevant Disputed DO or (b) the date on which ISDA publicly announces that the Credit Derivatives Determinations Committee has Resolved whether or not the relevant Disputed DO constitutes a Deliverable Obligation (such date the "**Disputed DO Resolution Date**"). An obligation shall cease to constitute a Disputed DO from, and including, the relevant Disputed DO Resolution Date. A Matched Pair Seller of a Matched Pair CDS Contract Pair shall be entitled to refuse Delivery of any obligation for so long as it constitutes a Disputed DO.

80505. Fallback Cash Settlement

80505.A. Failure to Pay Physical Settlement Amount

If a Match Pair Seller fails to pay all or part of a Physical Settlement Amount to a Matched Pair Buyer or the Clearing House, as applicable (such amount the "**Unpaid Amount**") then:

- (a) the relevant Matched Pair Buyer may give notice in writing to the Clearing House, giving all material details of the Matched Pair CDS Contract Pair involved, the failure to pay and the Unpaid Amount and any material details of the amount of any Physical Settlement Amount paid in part;
- (b) such failure to pay shall not constitute or be deemed to constitute a default or breach by the Clearing House under the relevant Matched Pair CDS Contract, the Rules or otherwise;
- (c) the Matched Pair Seller will be deemed to have failed to pay an amount equal to the Unpaid Amount to the Clearing House under the relevant Matched Pair CDS Contract;
- (d) the Matched Pair CDS Contract between the relevant Matched Pair Buyer and the Clearing House shall be settled as though the partial cash settlement provisions set out in Section 9.8 of the Credit Derivatives Definitions applied to the relevant Matched Pair CDS Contract with respect to the Deliverable Obligations corresponding to the Unpaid Amount as though:
 - (i) the Deliverable Obligations not Delivered were Undeliverable Obligations;
 - (ii) the Latest Permissible Physical Settlement Date were the date on which the Matched Pair Buyer gave the relevant notice to the Clearing House as referred to in paragraph (a) above;
 - (iii) Indicative Quotations were not applicable; and
 - (iv) the Matched Pair Buyer were the Calculation Agent.

80505.B. Non-Deliverable Obligations

If a Matched Pair Buyer is not permitted to Deliver one or more Deliverable Obligations (such Deliverable Obligations, the "**Non-Deliverable Obligations**") specified in the relevant Notice of Physical Settlement or NOPS Amendment Notice to its Matched Pair Seller in the relevant Matched Pair because:

- (a) the amount of such Deliverable Obligation is less than the relevant minimum denomination of such Deliverable Obligation; or
- (b) such Matched Pair Seller is not a permitted transferee under such Deliverable Obligation or the Matched Pair Buyer does not obtain any requisite consent with respect to delivery of Deliverable Obligations,

such occurrence shall be treated, in relation to the Matched Pair CDS Contract Pair, as an illegality or impossibility outside the parties' control for the purpose of Section 9.3 of the Credit Derivatives Definitions. The Matched Pair Buyer shall deliver a notice describing in reasonable detail the facts giving rise to such deemed illegality or impossibility to its Matched Pair Seller and the Clearing House. Upon such notice being given to the Clearing House the partial cash settlement provisions set out in Section 9.8 of the Credit Derivatives Definitions shall be deemed to apply to the relevant Matched Pair CDS Contract Pair with respect to the Non-Deliverable Obligations as though:

- (a) the Non-Deliverable Obligations not Delivered were Undeliverable Obligations;
- (b) the Latest Permissible Physical Settlement Date were the date on which the Matched Pair Buyer gave the relevant notice to the Clearing House as referred to above;
- (c) Indicative Quotations were not applicable; and

(d) the Matched Pair Buyer were the Calculation Agent.

80505.C. Quotations

For the purposes of Rules 80505.A. and 80505.B. in addition to the requirements of Section 7.10 of the Credit Derivatives Definitions and notwithstanding Section 9.8(k) of the Credit Derivatives Definitions, each firm Quotation shall:

(A) be for a transaction with the Matched Pair Buyer (or its designee) (the "Relevant Buyer") in which, the Relevant Buyer agrees to Deliver the Deliverable Obligations to the Dealer submitting the firm quotation (the "Quoting Dealer"), (which transaction shall be governed by documentation that is consistent with market practice applicable to the sale and purchase of Deliverable Obligations on the Valuation Date, including without limitation a representation that the Quoting Dealer has completed all "know your customer" or similar requirements under all applicable laws, regulations and internal compliance procedures relating to a transaction with the Relevant Buyer and on the Reference Entity) and such Quoting Dealer agrees to pay the settlement amount (calculated and payable for this purpose in accordance with the relevant market standard documentation and based on the price so quoted) that would be payable for such Deliverable Obligations to the Relevant Buyer; and

(B) be capable of acceptance by the Relevant Buyer (for such purposes, each firm Quotation must, inter alia, be obtained from a Dealer with whom the Relevant Buyer in its sole and absolute discretion determines that it is able in accordance with all its internal compliance and policy requirements to transact and to Deliver the Deliverable Obligations) and be open for acceptance to the relevant party for at least 30 minutes.

80506. Alternative Bilateral Settlement

A Matched Pair Buyer and Matched Pair Seller may, in respect of the relevant Matched Pair CDS Contract Pair, elect to settle their rights and obligations in relation to such Matched Pair CDS Contract Pair between each other outside of the Clearing House by providing notice to the Clearing House specifying the relevant Matched Pair CDS Contract Pair and confirming their intent to settle such Matched Pair CDS Contract Pair outside of the Clearing House. If the Clearing House consents to such settlement (such consent not be unreasonably withheld or delayed), then, with effect from the date of the Clearing House consent, such Matched Pair CDS Contract Pair will be deemed to be terminated and the Clearing House will have no further obligations with respect to such Matched Pair CDS Contract Pair and, accordingly, the Clearing House guarantee shall cease to apply.

80507. Clearing House Guarantee of Matched Pair CDS Contracts

For the avoidance of doubt, save as provided in Rule 80506, Matched Pair CDS Contracts shall be guaranteed by the Clearing House pursuant to Rule 8F05.

80508. Failure to Perform under Matched Pair CDS Contracts

If at any time after the creation of a Matched Pair CDS Contract the Matched Pair Buyer or the Matched Pair Seller, as applicable, fails to perform its obligations in respect of such Matched Pair CDS Contract in accordance with these Rules, then, in addition to any obligations or liabilities under this Chapter 805, such Matched Pair Buyer or Matched Pair Seller, as applicable, may be subject to disciplinary action by the Clearing House pursuant to these Rules, which shall include without limitation, potential suspension of the clearing privileges of such Matched Pair Buyer or Matched Pair Seller.

APPENDIX 1

CDX Indices

CDX Index	Series	Termination Date (Scheduled Termination Date)
CDX North America Investment Grade (CDX.NA.IG)	12	20 Jun 2014
CDX North America Investment Grade (CDX.NA.IG)	13	20 Dec 2014

APPENDIX 2

North American Single Name Reference Entities

	Reference Entity	Clearing Code
1	ACE LIMITED	ACERXU
2	AETNA INC.	AETRXU
3	ALCOA INC.	AARXU
4	THE ALLSTATE CORPORATION	ALLRXU
5	ALTRIA GROUP INC.	MORXU
6	AMERICAN ELECTRIC POWER COMPANY INC.	AEPRXU
7	AMERICAN EXPRESS COMPANY	AXPRXU
8	AMERICAN INTERNATIONAL GROUP INC.	AIRXU
9	AMGEN INC.	AMGRXU
10	ANADARKO PETROLEUM CORPORATION	APCRXU
11	ARROW ELECTRONICS INC.	ARWRXU
12	AT&T INC.	ATRXU
13	AT&T MOBILITY LLC	ATTRXU
14	AUTOZONE INC.	AZORXU
15	AVNET INC.	AVTRXU
16	BARRICK GOLD CORPORATION	ABXRXU
17	BAXTER INTERNATIONAL INC.	BAXRXU
18	THE BLACK & DECKER CORPORATION	BDKRXU
19	BOEING CAPITAL CORPORATION	BARXU
20	BOSTON PROPERTIES LIMITED PARTNERSHIP	BXPRXU
21	BRISTOL-MYERS SQUIBB COMPANY	BMYRXU
22	BURLINGTON NORTHERN SANTA FE CORPORATION	BNIRXU
23	CAMPBELL SOUP COMPANY	CPBRXU
24	CANADIAN NATURAL RESOURCES LIMITED	CNQRXU
25	CAPITAL ONE BANK (USA) NATIONAL ASSOCIATION	COFRXU
26	CARDINAL HEALTH INC.	CAHRXU
27	CARNIVAL CORPORATION	CCLRXU
28	CATERPILLAR INC.	CATRXU
29	CBS CORPORATION	CBSRXU
30	CENTURYTEL INC.	CTLRXU
31	THE CHUBB CORPORATION	CBRXU
32	CIGNA CORPORATION	CIRXU
33	CISCO SYSTEMS INC.	CISRXU
34	COMCAST CORPORATION	CMRXU
35	COMPUTER SCIENCES CORPORATION	CSCRXU

	Reference Entity	Clearing
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		Code
1	ACE LIMITED	ACERXU
2	AETNA INC.	AETRXU
3	ALCOA INC.	AARXU
4	THE ALLSTATE CORPORATION	ALLRXU
5	ALTRIA GROUP INC.	MORXU
6	AMERICAN ELECTRIC POWER COMPANY INC.	AEPRXU
7	AMERICAN EXPRESS COMPANY	AXPRXU
8	AMERICAN INTERNATIONAL GROUP INC.	AIRXU
9	AMGEN INC.	AMGRXU
10	ANADARKO PETROLEUM CORPORATION	APCRXU
11	ARROW ELECTRONICS INC.	ARWRXU
12	AT&T INC.	ATRXU
13	AT&T MOBILITY LLC	ATTRXU
14	AUTOZONE INC.	AZORXU
15	AVNET INC.	AVTRXU
16	BARRICK GOLD CORPORATION	ABXRXU
17	BAXTER INTERNATIONAL INC.	BAXRXU
18	THE BLACK & DECKER CORPORATION	BDKRXU
19	BOEING CAPITAL CORPORATION	BARXU
20	BOSTON PROPERTIES LIMITED PARTNERSHIP	BXPRXU
21	BRISTOL-MYERS SQUIBB COMPANY	BMYRXU
22	BURLINGTON NORTHERN SANTA FE CORPORATION	BNIRXU
23	CAMPBELL SOUP COMPANY	CPBRXU
24	CANADIAN NATURAL RESOURCES LIMITED	CNQRXU
25	CAPITAL ONE BANK (USA) NATIONAL ASSOCIATION	COFRXU
26	CARDINAL HEALTH INC.	CAHRXU
27	CARNIVAL CORPORATION	CCLRXU
28	CATERPILLAR INC.	CATRXU
29	CBS CORPORATION	CBSRXU
30	CENTURYTEL INC.	CTLRXU
31	THE CHUBB CORPORATION	CBRXU
32	CIGNA CORPORATION	CIRXU
33	CISCO SYSTEMS INC.	CISRXU
34	COMCAST CORPORATION	CMRXU
35	COMPUTER SCIENCES CORPORATION	CSCRXU
36	CONAGRA FOODS INC.	CAGR XU
37	CONOCOPHILLIPS	COPRXU
38	CONSTELLATION ENERGY GROUP INC.	CEGR XU
39	COX COMMUNICATIONS INC.	COXR XU
	Reference Entity	Clearing Code

40	CSX CORPORATION	CSXR XU
41	CVS CAREMARK CORPORATION	CVSR XU
42	DARDEN RESTAURANTS INC.	DRIR XU
43	DEERE & COMPANY	DER XU
44	DELL COMPUTER CORPORATION	DLR XU
45	DEVON ENERGY CORPORATION	DVNR XU
46	DIRECTV HOLDINGS LLC	DTVR XU
47	DOMINION RESOURCES INC.	DR XU
48	THE DOW CHEMICAL COMPANY	DOWR XU
49	DUKE ENERGY CAROLINAS LLC	DUKR XU
50	E. I. DU PONT DE NEMOURS AND COMPANY	DDR XU
51	EASTMAN CHEMICAL COMPANY	EMNR XU
52	ERP OPERATING LIMITED PARTNERSHIP	EQRR XU
53	FIRSTENERGY CORP.	FER XU
54	FORTUNE BRANDS INC.	FOR XU
55	GATX CORPORATION	GMTR XU
56	GENERAL ELECTRIC CAPITAL CORPORATION	GER XU
57	GENERAL MILLS INC.	GISR XU
58	GOODRICH CORPORATION	GRR XU
59	HALLIBURTON COMPANY	HALR XU
60	THE HARTFORD FINANCIAL SERVICES GROUP INC.	HIGR XU
61	HEWLETT-PACKARD COMPANY	HPQR XU
62	THE HOME DEPOT INC.	HDR XU
63	HONEYWELL INTERNATIONAL INC.	HONR XU
64	INGERSOLL-RAND COMPANY	IRR XU
65	INTERNATIONAL BUSINESS MACHINES CORPORATION	IBMR XU
66	INTERNATIONAL LEASE FINANCE CORPORATION	AIGR XU
67	INTERNATIONAL PAPER COMPANY	IPR XU
68	J. C. PENNEY COMPANY INC.	JCPR XU
69	JOHNSON CONTROLS INC.	JCIR XU
70	KINDER MORGAN ENERGY PARTNERS L.P.	KMPR XU
71	KOHL'S CORPORATION	KSSR XU
72	KRAFT FOODS INC.	KFTR XU
73	THE KROGER CO.	KRR XU
74	LOCKHEED MARTIN CORPORATION	LMTR XU
75	LOEWS CORPORATION	LTRR XU
76	LOWE'S COMPANIES INC.	LOWR XU
77	M.D.C. HOLDINGS INC.	MDCR XU
78	MACY'S INC.	MR XU
	Reference Entity	Clearing Code
79	MARRIOTT INTERNATIONAL INC.	MARR XU

80	MARSH & MCLENNAN COMPANIES INC.	MMCRXU
81	MASCO CORPORATION	MASRXU
82	MCDONALD'S CORPORATION	MCDRXU
83	MCKESSON CORPORATION	MCKRXU
84	METLIFE INC.	METRXU
85	MOTOROLA INC.	MOTRXU
86	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION	NRURXU
87	NEWELL RUBBERMAID INC.	NWLRXU
88	NEWS AMERICA INCORPORATED	NWSRXU
89	NORDSTROM INC.	JWNRXU
90	NORFOLK SOUTHERN CORPORATION	NSCRXU
91	NORTHROP GRUMMAN CORPORATION	NOCRXU
92	OMNICOM GROUP INC.	OMCRXU
93	PFIZER INC.	PFERXU
94	PROGRESS ENERGY INC.	PGNRXU
95	QUEST DIAGNOSTICS INCORPORATED	DGXRXU
96	R.R. DONNELLEY & SONS COMPANY	DNYRXU
97	RAYTHEON COMPANY	RTNRXU
98	REYNOLDS AMERICAN INC.	RAIDXU
99	RYDER SYSTEM INC.	RRXU
100	SAFEWAY INC.	SWYRXU
101	SARA LEE CORPORATION	SLERXU
102	SEMPRA ENERGY	SRERXU
103	THE SHERWIN-WILLIAMS COMPANY	SHWRXU
104	SIMON PROPERTY GROUP L.P.	SPGRXU
105	SOUTHWEST AIRLINES CO.	LUVRXU
106	STAPLES INC.	SPLRXU
107	TARGET CORPORATION	TGTRXU
108	TEXTRON FINANCIAL CORPORATION	TXTRXU
109	TIME WARNER CABLE INC.	TWRXU
110	TIME WARNER INC.	TWWRXU
111	THE TJX COMPANIES INC.	TJXRXU
112	TOLL BROTHERS INC.	TOLRXU
113	TRANSOCEAN INC.	RIGRXU
114	UNION PACIFIC CORPORATION	UNPRXU
115	UNITED PARCEL SERVICE INC.	UPSRXU
116	UNITEDHEALTH GROUP INCORPORATED	UNHRXU
	Reference Entity	Clearing Code
117	UNIVERSAL HEALTH SERVICES INC.	UHSRXU
118	VALERO ENERGY CORPORATION	VLORXU

119	VERIZON COMMUNICATIONS INC.	VRZR XU
120	VIACOM INC.	VIAR XU
121	VORNADO REALTY L.P.	VNOR XU
122	WAL-MART STORES INC.	WMTR XU
123	THE WALT DISNEY COMPANY	DSRX XU
124	WELLS FARGO & COMPANY	WFCR XU
125	WEYERHAEUSER COMPANY	WYRX XU
126	WHIRLPOOL CORPORATION	WHRX XU
127	XEROX CORPORATION	XRXR XU
128	XL CAPITAL LTD	XLRX XU
129	XTO ENERGY INC.	XTOR XU
130	YUM! BRANDS INC.	YUMR XU

Chapter 800

OVER-THE-COUNTER DERIVATIVES

~~Over the Counter Derivatives~~[†]

80000. _____ DEFINITIONS

In Chapters 800-806 the capitalized terms listed below shall have the meaning ascribed to them below. All other capitalized terms used in this Chapter 800 which are not otherwise defined in these Rules shall have the meaning ascribed to them in the Credit Derivatives Definitions and the DC Rules.

80000.A. Acceptance Date

Has the meaning given to such term in Rule 80103.D.

80000.B. Acceptance Time

Has the meaning given to such term in Rule 80103.D.

80000.C. Buyer

In respect of a CDS Contract, the Fixed Rate Payer.

80000.D. CAB

Has the meaning given to such term in Rule 80105.

80000.E. ~~80000.B.~~ CDS Clearing Member

A Clearing Member of ~~the Clearing House~~CME that is authorized to enter into CDS Contracts pursuant to these Rules.

80000.F. ~~80000.C.~~ CDS Contract

Any CDX Untranchet CDS Contract ~~(including any CDX Component Transaction thereof), iTraxx Europe Untranchet CDS Contract or North American Single Name CDS Contract.~~

80000.G. ~~80000.D.~~ CDS Dealer

A CDS Clearing Member that is, or is an Affiliate of, a primary member of ISDA and that regularly engages in the business of making ~~continuous~~ offers to customers to either buy or sell positions in Credit Default Swaps ~~Contracts.~~

80000.H. ~~80000.E.~~ CDS Participant ("Participant")

A market participant on whose behalf a CDS Clearing Member holds a position in a CDS Contract.

80000.I. CDX Component Transaction

Has the meaning given to such term in Rule 80201.

[†]Adopted June 2009.

80000.J. CDX Index Untranchcd CDS Contract

Has the meaning given to such term in Rule 80201.

80000.K. CDX Untranchcd Terms

Has the meaning given to such term in Rule 80201.

80000.L.80000.F. CMDX

Credit Market Derivatives Exchange, LLC, its successors and assigns.

80000.G. CMDX Platform

The trading system and platform provided by or on behalf of CMDX for the electronic execution, matching, reporting and confirmation of transactions in CMDX products, transmission and display of data, messages and content, and provision of related billing, administrative and other services.

80000.H. CME Determinations Board

A CME Board that has the right and obligation to make Determinations which are applicable to CME's clearing of CDS Contracts, the composition, powers and duties of which are set out in Chapter 804, Contracts.

80000.M. Contract Elections

In respect of a CDS Contract the elections made by the relevant CDS Clearing Members (both expressly and pursuant to the selection of a clearing product code from the Product Reference File on the relevant Acceptance Date as required by the Clearing House) when the relevant bilateral CDS transaction is submitted to the Clearing House for clearing by them.

80000.I. Confirmation

In respect of a CDS Contract, the applicable form of Confirmation as depicted in Appendix 1.

80000.N.80000.J. Credit Default Swap Contract ("CDS")

A transaction in which one party pays either a single fixed amount and/or periodic fixed amounts determined by reference to a specified notional amount, and the other party assumes settlement payment obligations contingent upon the occurrence of certain defined credit events with respect to one or more a third party reference entities (or obligations thereof) entity and the satisfaction of certain conditions to settlement. Following the occurrence of a credit event the transaction may be cash settled, auction settled or physically settled.

80000.O.K. Credit Derivatives Definitions

The 2003 ISDA Credit Derivatives Definitions as supplemented by the 2005 Matrix Supplement to the 2003 Credit Derivatives Definitions and the 2009 ISDA Credit Derivatives Determinations Committees, and Auction Settlement and Restructuring Supplement (the "March 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions (published on July 14, 2009)."), each as published by ISDA.

80000.P. DB Party

Each of the Clearing House, the Board Chairman, a Board Member and any CDS Participant or CDS Clearing Member (or any Affiliate of such CDS Participant or CDS Clearing Member) that designated any Board Member.

80000.Q.~~80000.L.~~ DC Rules

The Credit Derivatives Determinations Committees Rules, defined as the "Rules" in Section 1.22 of the Credit Derivatives Definitions.

80000.R. Determination

~~A DC Resolution, as such term is defined in the Credit Derivatives Definitions.~~

80000.M. Determination

A decision by the CME Determinations Board related to an Issue.

80000.S.~~80000.N.~~ Eligible Contract Participant ("ECP")

~~An Eligible Contract Participant as defined in section 1a(12) of the Commodity Exchange Act, as amended, Act.~~

80000.T. ~~80000.O.~~ ISDA

~~The International Swaps and Derivatives Association, Inc. or its successor.~~

80000.U.~~80000.P.~~ ISDA Terms

~~The CDX Untranchured Terms, iTraxx Untranchured Terms and ISDA Single Name Terms, as defined in Chapters 802, 803 and 804 respectively.~~

80000.Q. Issue

Shall have the meaning given to such term in Rule 80401.

~~**80000.V.** An issue (i) that is a DC Issue (as such term is defined in the Credit Derivative Definitions), and/or (ii) related to the interpretation or application of the terms of a CDS Contract that is not a DC Issue and with respect to which the CME Determinations Board elects to make a determination.~~

80000.R. Launch Date

~~The date upon which the Clearing House begins clearing CDS Contracts, for commercial purposes.~~

80000.X. North American Single Name CDS Contract

Has the meaning given to such term in Rule 80301.

80000.Y. Product Reference File

On any day, a comprehensive list published by the Clearing House on or immediately prior to such day, that identifies CDS Contracts eligible for clearing on such day and the clearing product code of each such CDS Contracts.

80000.Z. ~~80000.S.~~ Markit Authorized Licensee

~~An entity that holds an Index Financial Product and Trademark License from Markit North America Inc. for CDX Indices or International Index Company Ltd. for iTraxx Indices, as applicable.~~

80000.T. Proposal

~~A proposal submitted in writing by a CDS Participant or a CDS Clearing Member, to address and resolve an Issue being considered by the CME Determinations Board, pursuant to the Determination process set forth in Rule 80405.B.80507.B.~~

80000.AA, 80000.U. Seller

In respect of a CDS Contract, the Floating Rate Payer.

80000.V. Trade Booking Facility

~~Trade Booking Facility shall have the meaning as set forth in Rule 80103.B.~~

80001. INTERPRETATION

For the purposes of any CDS Contract, references in the Credit Derivatives Definitions or the CDX Untranching Terms to:

~~(a) to a "Confirmation" shall be deemed to be references to the terms of the relevant CDS Contract as set out in these Rules; Rules.~~

~~(b) "Physical Settlement" shall be deemed to be references to CME CDS Physical Settlement pursuant to Chapter 805Section 4.10 of these Rules;~~

~~(c) a "Credit Derivative Transaction" shall be deemed to be references to a CDS Contract; and~~

~~(d) "Trade Date" shall be deemed to be references to the relevant Acceptance Date.~~

80002. NOTICES

Any notice, document, communication, filing or form to be served on, filed with, made to or provided by the Clearing House to a CDS Clearing Member pursuant to these Rules or in relation to any CDS Contract shall be served, filed, made in accordance with these Rules at the address, fax number or e-mail address and shall be marked for the attention of the person or department last specified by such CDS Clearing Member to the Clearing House.

Any notice, document, communication, filing or form to be served on, filed with, made to or provided to the Clearing House pursuant to these Rules or in relation to any CDS Contract shall be served, filed, made or provided in accordance with these Rules at the address, fax number or e-mail address and shall be marked for the attention of the person or department last specified by the Clearing House to CDS Clearing Members for such purpose.

80003. ISDA DISCLAIMER

ISDA® bears no responsibility or liability arising from the reproduction, public display, incorporation, dissemination or reference to all or any of the 2003 ISDA Credit Derivatives Definitions, © 2003 International Swaps and Derivatives Association, Inc. -shall apply to any notices delivered in connection with a CDS Contract.

Chapter 801 CDS CONTRACTS⁴

80101.80100. SCOPE OF CHAPTER

~~The~~This scope of this Chapter is limited in application to CDS Contracts. The procedures for trading, clearing ~~and~~, settlement of CDS Contracts and any other matters not specifically covered herein shall be governed by the other Chapters of these Rules, including Chapter 8-F (Over-the-Counter Derivatives Clearing), ~~to the extent applicable.~~ Capitalized terms in this Chapter not otherwise defined in this Chapter shall have the meaning given to such terms in the other Chapters of these Rules, the Credit Derivatives Definitions or the DC Rules.~~Rules.~~

80102. ELIGIBLE CONTRACT PARTICIPANT

In order to transact in CDS Contracts, a CDS Participant must be an ECP. A CDS Clearing Member that clears CDS Contracts must confirm that each CDS Participant for which it provides clearing services is an ECP at all times clearing services are provided for such CDS Participant. If a CDS Clearing Member becomes aware that a CDS Participant for which it provides clearing services no longer qualifies as an ECP, the CDS Clearing Member must notify the Clearing HouseCME and work with the CDS Participant to close out any open CDS Contracts as soon as possible.

CDS Clearing Members and CDS Participants must register with the Clearing HouseCME in order to participate in the clearing of CDS Contracts through the Clearing House. CDS Clearing Members and CDS Participants must complete all applicable on-boarding agreements required by the Clearing HouseCME to satisfy the registration process.

80103. SUBMISSION OF CDS CONTRACTS TO THE CLEARING HOUSE

80103.A. Trade Booking~~RFQ Facility of the CMDX Platform~~

Bilateral

~~CDS transactions~~Contracts may be submitted to the Clearing House through a trade booking facility (the request for quotes ("RFQ") facility of the CMDX Platform. The RFQ facility permits participants on the CMDX Platform to send RFQs on CDS Contracts to select liquidity providers, and then negotiate the terms of the trade, and execute it in the form of a binding transaction.

80103.B. CMDX Platform Trade Booking Facility

~~CDS Contracts may be submitted to the Clearing House through the CMDX Platform Trade Booking Facility ("Trade Booking Facility"). The Trade Booking Facility permits participants to submit bilateral CDS transactions, which are executed on the date of submission, to the Clearing House~~trades in CDS Contracts privately negotiated between a selected liquidity provider and another CMDX Platform Participant outside the CMDX Platform to the CMDX Platform for further trade processing and clearing through the Clearing House.~~Only CMDX Platform Participants may utilize the Trade Booking Facility.~~

80103.C. Migration Utility

~~CDS may be submitted to the Clearing House through the CMDX Platform's Migration Utility ("Migration Utility"). The Migration Utility of the CMDX Platform permits participants to submit existing bilateral positions in CDS to the Clearing House through conversion of such bilateral CDS transactions contracts to CDS Contracts. Upon acceptance of the contracts by the Clearing House for clearing pursuant to Rule 80103.D.the Rules, new CDS Contracts are created with the Clearing House as the central counterparty in accordance with these Rules.~~

80103.B. Migration Utility

Bilateral CDS transactions may be submitted to the Clearing House through a migration (the "Migration Utility"). The Migration Utility permits participants to submit bilateral transactions, which were not executed on the date of submission to the Clearing House

⁴-Adopted June 2009.

further trade processing and clearing through the Clearing House through conversion of bilateral CDS transactions to CDS Contracts. The Migration Utility includes pre-credit checks on the relevant CDS Clearing Members. Upon acceptance of the bilateral CDS transaction by the Clearing House for clearing pursuant to Rule 80103.D., new CDS are created with the Clearing House as the central counterparty in accordance with Rules.

80103.C. ~~80103.D.~~ Other CDS Submission Methods

Bilateral~~Privately negotiated~~ CDS transactions may be submitted to the Clearing House for clearing from all standard sources including: (a) the ~~Clearing House~~CME ClearPort GUI and API; (b) other broker or trade-negotiation platforms approved by the Clearing House; and (c) directly from CDS Clearing Members.

**80103.D. Acceptance of CDS by the Clearing House and creation~~Regardless of~~
CDS Contracts**

Any bilateral CDS transaction submitted to the Clearing House for clearing will be accepted for clearing and will result in two CDS Contracts each between the Clearing House and the applicable CDS Clearing Member at the point when (i) the bilateral CDS transaction and all required elections have been received and accepted by the Clearing House and (ii) both CDS Clearing Members have explicitly accepted the resulting CDS Contracts (provided that where CDS Clearing Members are using a trade platform that has been approved by the Clearing House for straight through trade processing such approval will be deemed to have been given when the bilateral CDS transactions are~~how~~ submitted to the Clearing House) (the date on which such conditions are satisfied being the "Acceptance Date" and time at which such conditions are satisfied being the "Acceptance Time"). From the relevant Acceptance Time a CDS Clearing Member will be deemed to have entered into a CDS Contract with the Clearing House, provided that, where the Clearing House determines in good faith, based upon its internal risk management standards, that a bilateral CDS transaction submitted to the Clearing House for clearing was not negotiated at prevailing market prices or results from a bilateral CDS transaction submitted for clearing through the Migration Utility (a) the Clearing House guarantee does not apply until settlement banks for both CDS Clearing Members have approved the payment of any initial cash flows and/or initial performance bond collateral calls relating to such CDS Contracts and (b) if settlement banks for both CDS Clearing Members have not approved the payment of any initial cash flows and/or initial performance bond collateral calls relating to such CDS Contracts the Clearing House may reject such CDS Contracts by notice to the relevant CDS Clearing Members prior to 9 a.m. (Chicago time) on the Business Day immediately following the date of such CDS Contracts Data~~only~~ only be for accounts registered by the relevant CDS Clearing Members, and must be explicitly accepted by the relevant CDS Clearing Members if not submitted via a platform or other facility approved by the Clearing House that~~which~~ performs pre-submission credit checks according to limits specified by each CDS Clearing Member.

Notwithstanding any provision to the contrary in the Rules or in the Exchange User License Agreement (as may be amended from time to time), the parties to a bilateral CDS transaction submitted for clearing for which the conditions for clearing by the Clearing House pursuant to these Rules have not been satisfied may separately agree that such trade is a valid, binding agreement between the parties which is un-cleared and which has no affiliation with the Clearing House.

80103.E. Eligible CDS

On any day the only contracts eligible for clearing by the Clearing House will be those identified by clearing product code in the Product Reference File in respect of such day.

Any bilateral single name CDS transaction that would otherwise be eligible for clearing shall eligible if it would give rise to North American Single Name CDS Contracts on clearing in respect

which (a) a No Auction Announcement Date or an Auction Cancellation Date has occurred or Declaration of Credit Event has been issued or (b) an Auction Final Price Determination Date has occurred.

Any bilateral index CDS transaction that would otherwise be eligible for clearing shall cease to be eligible if it would give rise to CDX Index Untranching CDS Contracts on clearing in respect of which (a) a No Auction Announcement Date or an Auction Cancellation Date has occurred or Declaration of Credit Event has been issued or (b) an Auction Final Price Determination Date has occurred.

~~New CDS Contract transactions negotiated at prevailing market prices will be guaranteed by the Clearing House upon receipt and acceptance by the Clearing House, and either passage of the relevant credit check on both sides or explicit acceptance by both CDS Clearing Members. New CDS Contract transactions that are not negotiated at prevailing market prices and CDS Contract transactions resulting from migration of existing bilateral positions, which may be at prices substantially different from prevailing market prices at the time of submission to the Clearing House, will only be guaranteed by the Clearing House after all of the following criteria have been satisfied: (i) the CDS Contract transaction has been received and accepted by the Clearing House; (ii) relevant credit checks have been passed on both sides or CDS Clearing Members have explicitly accepted the trade; and (iii) settlement banks for both CDS Clearing Members have confirmed at the next settlement cycle the payment of any initial cash flows and/or performance bond collateral calls resulting from such transactions.~~

80104 _____ CDS REFERENCE ENTITY CLEARING SELFREFERENCING CDS CONTRACTS

80104.A. Clearing Through Clearing Member's House (or Proprietary) Account

North American Single Name CDS Contracts

A CDS Clearing Member is prohibited from clearing may not clear through its house (or proprietary) account a North American Single Name CDS Contract cleared through the Clearing House where the Reference Entity specified in respect of such North American Single Name CDS Contract is such CDS Clearing Member or an Affiliate of such CDS Clearing Member (any such CDS Contract an "Affected CDS Contract" and the relevant CDS Clearing Member an "Affected CDS Clearing Member"). Any breach of this Rule by a CDS Clearing Member shall not, subject as provided below, be considered a default but may be subject to Clearing House disciplinary action, including the imposition of a fine or, for continuing or serious violations of this Rule, review by the Clearing House Risk Committee of the CDS Clearing Member's compliance with clearing member eligibility criteria.

A CDS Clearing Member shall notify the Clearing House as soon as reasonably practicable if any bilateral single name CDS transaction submitted by it for clearing is, or prior to the relevant Acceptance Time becomes, ineligible for clearing pursuant to this paragraph. Any bilateral single name CDS transaction which is submitted for clearing but which is, or becomes before the relevant Acceptance Time, ineligible for clearing may be rejected by the Clearing House.

Any Affected CDS Contract which arises from a bilateral single name CDS transaction submitted by a CDS Clearing Member which was ineligible for clearing pursuant to these Rules must be closed out within one Business Day from the date on which such CDS Clearing Member becomes aware of the fact of such ineligible North American Single Name CDS Contract. Any breach of this Rule by a CDS Clearing Member shall not be considered a default but may, at the discretion of the Clearing House, result in the Clearing House imposing a daily fine on such Clearing Member for so long as such breach is continuing.

A CDS Clearing Member shall, subject to any restrictions on such disclosure imposed by applicable laws or regulations, notify the Clearing House as soon as reasonably practicable if such CDS Clearing Member or a Reference Entity in respect of a CDS Contract (a "Relevant Reference Entity") consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Relevant Reference Entity or such CDS Clearing Member, as applicable, or such CDS Clearing Member and a Relevant Reference Entity are the same entity or are or become Affiliates, or such CDS Clearing Member is subject to an agreement that has been publicly disclosed and pursuant to which any of the foregoing is reasonably likely to occur.

Where any Affected CDS Contract has not been closed out within 5 Business Days of a request from the Clearing House to the Affected CDS Clearing Member to close out such Affected CDS Contract (or such longer period as the Clearing House, acting in consultation with the Default Management Committee, determines), the Clearing House will, to the extent permitted in accordance with these Rules, net positions in the Affected CDS Contracts within the Affected Clearing Member. The remaining positions in the Affected CDS Contracts after such netting process may be transferred to an eligible CDS Clearing Member or liquidated through transactions with an eligible CDS Clearing Member. In order to determine the price at which Affected CDS Contracts will be transferred or liquidated the Clearing House shall conduct an auction by requesting firm quotations from all CDS Clearing Members (each auction in such process, a "Single Name Auction"). The Clearing House shall determine the timing and other particular characteristics of each Single Name Auction in consultation with the Default Management Committee, including determining the size of the bid/offer spread of the CDS Contracts to be auctioned, whether one or more Single Name Auctions are to be held and the timing and structure of such auctions (including the frequency at which firm bid and firm offer Quotations will be requested), the transaction size (i.e. the Floating Rate Payer Calculation Amount) and whether CDS Clearing Members (excluding the Affected CDS Clearing Member) will be required (as opposed to requested) to submit actionable quotations in a Single Name Auctions owed by the Affected CDS Clearing Member to (or receivable by it from) the Clearing House in connection with any such liquidation or transfer shall be determined by the Clearing House by reference to the Single Name Auction(s). In addition, any initial payments, margin or other payments or deliveries owed (including the dates of settlement with respect thereto) relating to the North American Single Name CDS Contracts increased, created, reduced or terminated pursuant to this paragraph shall be as determined by the Clearing House with reference to the Single Name Auction(s).

In the event that the Single Name Auction(s) fail, the Clearing House, in consultation with the Default Management Committee, will have the right to determine the appropriate fallback for establishing the price at which Affected CDS Contracts will be transferred or liquidated.

A CDS Clearing Member must fully collateralize its exposure in respect of any Affected CDS Contract. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is Seller under an Affected CDS Contract, the Floating Rate Payer Calculation Amount of such Affected CDS Contract and (b) if the CDS Clearing Member is Buyer under a Affected CDS Contract, the aggregate of all future Fixed Amounts which may become due under such Affected CDS Contract.

CDS Contracts Referencing Indices

A CDS Clearing Member may not clear through its house (or proprietary) account any CDX Index Untranchred CDS Contract or iTraxx Europe Untranchred CDS Contract which references an Index in which the CDS Clearing Member or any of its Affiliates are ascribed a Reference Entity Weighting in excess of 5%.

If, as a consequence of ~~CDX Index positions in CDX Index Untranching CDS Contracts and/or iTraxx Europe Untranching CDS Contracts~~, a CDS Clearing Member holds a net exposure in its house (or proprietary) account to itself or any of its Affiliates in excess of the lesser of either:

- i) \$50 million notional; or
- ii) 1% of its tentative net capital,

then, in addition to any existing collateral requirements (other than in relation to the CDX Component Transaction referencing the relevant Reference Entity), the CDS Clearing Member must fully collateralize its exposure in excess of this amount in accordance with the Rules. For this purpose exposure shall be deemed to be either (

~~Notwithstanding the above, a) if the CDS Clearing Member is Seller under a may not, as a consequence of positions in CDX Index Untranching CDS Contract, the portion of the Floating Rate Payer Calculation Amount of such CDX Index Contracts and/or iTraxx Europe Untranching CDS Contract attributable to the relevant Reference Entity and (b) if they, hold/have a net exposure to itself or any of its Affiliates in its house (or proprietary) account, in excess of either:~~

- i) ~~————~~ \$250 million notional; or
- ii) ~~————~~ 5% of its tentative net capital,

~~together, the "Exposure Limits". If at any time a CDS Clearing Member is Buyer under a CDX Index Untranching has a net exposure to itself or any of its Affiliates in excess of the Exposure Limits then such CDS Contract, the aggregate of the portion all future Fixed Amounts which may become due under Clearing Member shall, subject always to the Rules, take such CDX Index Untranching CDS Contract and which are attributable to the relevant Reference Entity, action as is necessary to ensure that compliance with the Exposure Limits is restored within 15 calendar days.~~

80104.B. Clearing Through Clearing Member's Customer Account

North American Single Name CDS Contracts

A CDS Clearing Member shall use reasonable efforts ~~may not to submit for clearing/clear~~ for a customer through such CDS Clearing Member's customer account a bilateral CDS transaction in respect of a proposed North American Single Name CDS Contract cleared through the Clearing House where the Reference Entity in respect of such North American specified Single Name CDS Contract is such customer firm or an Affiliate of such customer firm (any such CDS Contract an "Affected Customer CDS Contract"). Any breach of this Rule by a CDS Clearing Member shall not, subject as provided below, be considered a default but may be subject to Clearing House disciplinary action, including the imposition of a fine or, for continuing or serious violation of this Rule, review by the Clearing House Risk Committee of the CDS Clearing Member's compliance with clearing member eligibility criteria.

A CDS Clearing Member must fully collateralize its exposure in respect of any Affected Customer CDS Contract. For this purpose exposure shall be deemed to be either (a) if the CDS Clearing Member is Seller under an Affected Customer CDS Contract, the Floating Rate Payer Calculation Amount of such Affected Customer CDS Contract and (b) if the CDS Clearing Member is Buyer under a Affected Customer CDS Contract, the aggregate of all future Fixed Amounts which may become due under such Affected Customer CDS Contract.

CDS Contracts Referencing Indices

~~A CDS Clearing Member may not clear for a customer firm through such CDS Clearing Member's customer account a CDX Index Untranchéd CDS Contract or iTraxx Europe Untranchéd CDS Contract which references an Index in which such customer firm or an Affiliate of such customer firm are ascribed a Reference Entity Weighting in excess of 5%.~~

~~If a CDS Clearing Member clears positions in CDX Index Untranchéd CDS Contracts and/or iTraxx Europe Untranchéd CDS Contracts for a customer firm through such CDS Clearing Member's customer account and such positions result in a net exposure on the part of its customer to such customer or any of such customer's Affiliates in excess of the lesser of either:~~

- ~~i) \$25 million notional; or~~
- ~~ii) 0.5% of such CDS Clearing Member its tentative net capital,~~

~~then, in addition to any existing collateral requirements (other than in relation to the CDX Component Transaction referencing the relevant Reference Entity), the CDS Clearing Member must fully collateralize such customer's its exposure in excess of this amount in accordance with these Rules. For this purpose~~

~~Notwithstanding the above, a CDS Clearing Member may not clear positions in CDX Index Untranchéd CDS Contracts and/or iTraxx Europe Untranchéd CDS Contracts for a customer firm where such positions result in a net exposure shall be deemed on the part of its customer to be such or any of customer or any of such customer's Affiliates in excess of the lesser of either (a) if:~~

- ~~i) \$125 million notional; or~~
- ~~ii) 2.5% of its tentative net capital;~~

~~together, the "Customer Exposure Limits". If at any time a CDS Clearing Member is Seller under a CDX Index Untranchéd CDS Contract, the portion of the Floating Rate Payer Calculation Amount of such clear positions in CDX Index Untranchéd CDS Contract attributable to the relevant Reference Entity and (b) if the s and/or iTraxx Europe Untranchéd CDS Contracts for a customer firm where such positions result in a net exposure on the part of its customer to such or any of customer or any of such customer's Affiliates in excess of the Customer Exposure Limits then the relevant CDS Clearing Member is Buyer under a CDX Index Untranchéd CDS Contract, the aggregate of the portion all future Fixed Amounts which may become due under such CDX Index Untranchéd CDS Contract and which are attributable to the relevant Reference Entity, shall, subject always to the Rules, take such action as is necessary to ensure that compliance with the Customer Exposure Limits is restored within 15 calendar days.~~

80105. CDS ADVISORY BOARD

A. There shall be a CDS Advisory Board (the "CAB") which shall serve to provide guidance to the Clearing House and the Clearing House Risk Committee on issues relevant to CDS Contracts and shall meet at least quarterly. In addition to the advice provided above, the CAB shall have review and/or approval rights over aspects of CDS trading as detailed below. The CAB shall be comprised of each CDS Dealer Founding Member, CDS Clearing Members who achieve certain financial commitment criteria as may be established by the Clearing House (subject to a maximum of 12 CDS Clearing Members (including the CDS Dealer Founding Members)), and up to three other persons representative of the CDS Non-Dealer Founding Members. Unless otherwise specified in this Rule, actions of the CAB shall not be effected unless approved by a majority of the CDS Dealer Founding Members and CDS Clearing Members on the CAB (collectively, the "Clearing Voting Members") and by the affirmative vote of at least one CDS Non-Dealer Founding Member.

B. The CAB shall be provided advanced notice and be consulted prior to the implementation of or changes to the following: (i) the risk management model for CDS Contracts, (ii) default management rules and procedures for CDS Contracts, (iii) other clearing practices or procedures specific to CDS Contracts that are being submitted to the Clearing House Risk Committee for review and consideration, and (iv) termination of the ability of a market venue, or refusal to permit a market venue to submit transactions in CDS for clearing on behalf of CDS Clearing Members. This excludes changes that the Clearing House is making on an emergency basis (subject as provided below) or that the Clearing House is required to implement by any regulatory or governmental authority, although the Clearing House will still notify the CAB (and the Clearing House Risk Committee) of such changes as soon as practicable. The Clearing House Risk Committee will deliver any relevant recommendation of the CAB to the Clearing House Risk Committee for consideration, and a member of the CAB will have the opportunity to present the views of the CAB during the portion of the Clearing House Risk Committee meeting in which the matter is discussed. For the avoidance of doubt, any proposed material changes that have not been so disclosed to CAB, and on which the CAB has not been consulted, may not be implemented (except as required in emergencies or by any governmental or regulatory authority). The Clearing House shall not implement or enact the following measures unless the approval of the CAB is received. Only the Clearing Voting Members are permitted to vote with respect to items specified below. With respect to subsection (i) below, approval shall be received by unanimous approval of the Clearing Voting Members and with respect to subsections (ii) – (vi), approval shall be received by a simple majority of the Clearing Voting Members.

(i) a decision not to adhere to a DC Resolution, by either expressly overruling a DC Resolution or deciding upon an Issue prior to a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has resolved not to determine the matters relating to such Issue. Notwithstanding any provision to the contrary contained in these Rules, nothing in this subsection (i) shall be subject to the "emergency" authority of the Clearing House or any other emergency authority contemplated by the Rules;

(ii) a change to the CDS Clearing Member eligibility criteria that reduces the minimum net capital, minimum guaranty fund or minimum excess margin contributions that are required;

(iii) (x) a change to the default management structure or procedures that would reduce the amount or impair the availability of the guarantee fund or the Clearing House's assessment authority with respect to, or otherwise reduce to any material extent the credit support that is available for, satisfying losses to the Clearing House associated with the CDS product class or satisfying losses associated with the CDS product class or (y) a reduction in the Clearing House performance bond requirements for CDS products below the amount consistent with a 99% confidence level that such performance bond rates would provide 5-day coverage for cleared portfolios;

(iv) a change to the price quality auction methodology if such change would increase the calculation of notional size for forced "crossing" of trades or impose other new penalty provisions on, or otherwise increased the liabilities or obligations of, or

(v) a decision (x) not to provide market participants the option of having the Clearing House send information with respect to their transactions in CDS products to a transaction information warehouse in accordance with the framework set forth by the CAB, or (y) to change the arrangements established pursuant to such framework for the generation and maintenance of a "gold" record of each transaction submitted to the Clearing House for clearing (and/or resulting from the netting of such transactions).

D. The composition of the CAB may not be altered, nor its authority as set forth in this Rule reduced (by rule change or otherwise), except upon a 2/3 super-majority approval of the Clearing Voting Members, in addition to the affirmative vote of at least one of the CDS Non-Dealer Founding Members.

E. A Dealer Founding Member shall be allowed to discontinue its participation as a member of the CAB by notice to the Clearing House if it determines in good faith, based on the advice of external counsel, that it would be prudent to do so.


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Chapter 802

CDX Index Untranching CDS Contracts⁴

80201. SCOPE OF CHAPTER

This Chapter sets forth the terms and conditions of CDX Index untranching CDS Contracts ("CDX Index Untranching CDS Contracts"). The terms and conditions of each CDX Index Untranching CDS Contract ~~will be~~ shall be contained in the relevant Confirmation as supplemented and amended by (a) the CDX Untranching Transactions Standard Terms Supplement, as published by Markit North America, Inc. (formerly known as CDS IndexCo LLC) on March 20, 2008, ~~as amended and supplemented by the amendments to the~~ (the "CDX Untranching Terms"), (b) the amendments specified in Part 1344 (b) of Schedule 1 to the 2009 ISDA Credit Derivatives Determinations Committees, and Auction Settlement and Restructuring CDS Protocol (the "CDX Untranching Terms"), as supplemented pursuant to the relevant Contract Elections and as supplemented and amended by and (c) the provisions of these Rules. ~~For the purposes of each CDX Index Untranching CDS Contract, references in the Credit Derivatives Definitions and the CDX Untranching Terms to a "Credit Derivative Transaction" shall be deemed to be references to such CDX Index Untranching CDS Contract. All capitalized terms used in this Chapter which are not defined in the Rules shall have the meanings set forth in the CDX Untranching Terms.~~

In the event of any inconsistency between the CDX Untranching Terms and the provisions of these Rules, such documents and provisions ~~this Chapter, this Chapter shall prevail for the purposes of govern~~ with respect to CDX Index Untranching CDS Contracts ~~unless otherwise noted in the following order: first, these Rules; and second, the CDX Untranching Terms.~~ this Chapter.

Notwithstanding the second paragraph of the CDX Untranching Terms, each party to an CDX Index Untranching CDS Contract agrees that each time they enter into an CDX Index Untranching CDS Contract, they enter into a separate and independent CDS ~~Contract~~ contract in respect of each Reference Entity listed in the Relevant Annex (each, a "CDX Component Transaction"). ~~Each CDX Transaction"), provided that, if, in respect of a Reference Entity, a Succession Event occurs the provisions of Section 2.2 of the Credit Derivatives Definitions (as amended by this Chapter) will apply in respect of such Reference Entity. Each Component Transaction constitutes an independent CDS Contract for the purposes of these Rules, shall not be affected by any other CDX Component Transaction entered into by the relevant Buyer and Seller and shall operate independently of each other CDX Component Transaction in all respects. Any reference in the CDX Untranching Terms~~

~~At least one of the counterparties to a Component Transaction shall be deemed to CDX Index Untranching CDS Contract must be a reference to a CDX Component Transaction. For the avoidance of doubt, no CDX Component Transaction will be fungible with a North American Single Name CDS Contract.~~ Markit Authorized Licensee.

All CDX and the CDX Indices are service marks of Markit North America Inc. and have been licensed for use by ~~the Clearing House, CME.~~ Each Index specified as applicable to a CDX Index Untranching CDS Contract is the property of Markit North America Inc. (the "Index Sponsor") and has been licensed for use by the Clearing House in connection with CDX Index Untranching CDS Contracts. Each CDS Participant or CDS Clearing Member acknowledges and agrees that CDX Index Untranching CDS Contracts are not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor make no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein.

⁴ Adopted June 2009.

The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of entering into, CDX Index Untranching CDS Contracts, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party entering into CDX Index Untranching CDS Contracts, nor the Index Sponsor, shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index. Each party acknowledges that the other party or one of its ~~Affiliates~~ affiliates may be, or may be affiliated with, ~~the~~ an Index Sponsor and, as such, may be able to affect or influence the determination, adjustment or maintenance of the Index. The Index Sponsor and its affiliates may deal in any obligations that compose the Index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the issuers of such obligations or their ~~Affiliates~~ affiliates, and may act with respect to such business as if the Index did not exist, regardless of whether such action might adversely affect the Index or any CDX Index Untranching CDS Contract. The Index Sponsor and its ~~Affiliates~~ affiliates may be in possession of information in relating to components of the Index that may or may not be publicly available or known to any other party, and each party entering into CDX Index Untranching CDS Contracts agrees that such CDX Index Untranching CDS Contract does not create any obligation on the part of the Index Sponsor or its ~~Affiliates~~ affiliates to disclose any such information.

80202. -CONTRACT TERMS

80202.A. Currency

The ~~settlement currency~~ Settlement Currency in respect of CDX Index Untranching CDS Contracts shall be USD. ~~All calculations and the Original Notional Amount determinations in respect of CDX Index Untranching CDS Contracts will shall be specified made with reference to USD and all payments shall be due in USD.~~

80202.B. CDX Indices

Each CDX Index Untranching CDS Contract ~~will~~ must reference one of the indices (the "CDX Indices") listed in Appendix 13 hereto. The "Relevant Annex" for each CDX Index Untranching CDS Contract ~~will shall be "Publisher" and will, on the Acceptance Date, shall be the list for the relevant Index and Version specified in the Confirmation. The Relevant Annex Date determined will be deemed to be amended from time to time to reflect any modifications required pursuant to the relevant Contract Elections, se Rules.~~

80202.C. Initial Payment

Notwithstanding ~~Section 5.8 of the Credit Derivatives Definitions and the CDX Untranching Terms, the Initial Payment Amount Payment Date will shall be the Business Day immediately following the Acceptance Trade Date.~~

80202.D. Calculation Agent

~~The Clearing House will CME shall be the sole Calculation Agent for all purposes in relation to CDX Index Untranching CDS Contracts and the Calculation Agent City will be New York. References in the Credit Derivatives Definitions to the Calculation Agent making determinations "after consultation with the parties" shall be deemed to be replaced with "after consultation with the parties and/or the CME Determinations Board". The Calculation Agent may consult with the CME Determinations Board in accordance with Chapter 804 in respect of any determination or calculation it is required to make in connection with a CDX Index Untranching CDS Contract. All determinations of the Calculation Agent in respect of a CDX Index Untranching CDS Contract shall be binding on the parties to such CDX Index~~

~~Untranch~~ed CDS Contract shall be Chicago. The Calculation Agent shall not be required to consult with the parties to a CDX Index Untranch~~ed~~ CDS Contract prior to making any determination.

80202.E. Fixed Rate

The Fixed Rate in respect of a CDX Index Untranch~~ed~~ CDS Contract ~~will be~~ shall be (i) the "Coupon" or other designation of the fixed rate for the relevant CDX Index and series~~Series~~ as specified by the Index Sponsor on its website or otherwise ~~at the~~from time ~~the relevant CDX~~ -to-time, or (ii) ~~to the extent that the Index series is established and identified for the relevant CDX Index Untranch~~ed CDS Contract Sponsor does not specify a rate pursuant to clause (i), as determined by CME and specified in Appendix 2 as the relevant Contract Elections, "Coupon Rate".

80202.F. ~~Conditions to Settlement~~

~~Notwithstanding Section 3.2(a) of the Credit Derivatives Definitions, all of the Conditions to Settlement shall be deemed satisfied by the issuance of a Declaration of Credit Event pursuant to Rule 80202.J below. Upon the issuance of such Declaration of Credit Event, the Conditions to Settlement shall be deemed to have been satisfied as of the relevant Event Determination Date.~~

80202.G. ~~Credit Event Backstop Date~~

~~For the purposes of a CDX Index Untranch~~ed CDS Contract:

"Credit Event Backstop Date" means for purposes of any event that constitutes~~Determination with respect to whether or not a Credit Event with respect to a CDX Component Transaction, has occurred,~~ the date that is 60 calendar days prior to the Credit Event Resolution Request Date related to such Credit Event (determined by reference to Greenwich Mean Time). The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

For the purposes of any determination as to whether a Credit Event has occurred in respect of a CDX Component Transaction and the relevant a Reference Entity (or an Obligation thereof):

(i) at any time up to but excluding June 20, 2009; or

(ii) if a Credit Event Resolution Request Date occurs before June 20, 2009,

the Credit Event Backstop Date with respect to such determination shall be deemed to be the effective date of the Relevant Annex applicable to the relevant CDX Index Untranched CDS Contracts.

Section 1.23 of the Credit Derivatives Definitions~~CDX Untranch~~ed Terms shall be deemed not to apply to CDX Index Untranch~~ed~~ CDS Contracts.

80202.G.80202.H. Settlement Method

The Settlement Method with respect to a CDX Component Transaction will be ~~Index Untranch~~ed CDS Contract shall be Auction Settlement, with clauses (c), (d) and (e) of Section 12.1 of the Credit Derivative Definitions being deemed deleted and replaced with "(c)(e) an Event Determination Date was determined as a result in accordance with Rule 80202.I (ii)". ~~Notwithstanding Section 6.4 of a Declaration of the Credit Event". For the avoidance of doubt, Derivatives Definitions the Fallback Settlement Method will~~shall be CME CDS Physical Settlement pursuant to Chapter ~~805.806~~.

80202.H. ~~80202.I.~~ Declaration of Credit Events

The Clearing House shall issue a Declaration of Credit Event with respect to a CDX Component Transaction if the CME Determinations Board determines pursuant to Chapter 804 that an event which constitutes a Credit Event for the purposes of such CDX Component Transaction has occurred with respect to the Reference Entity applicable to such CDX Component Transaction (or Obligation thereof)

on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior the Extension Date (determined by reference to Greenwich Mean Time). The relevant Declaration of Credit Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination. A Declaration of Credit Event will be deemed not to have been issued with respect to a CDX Component Transaction unless (i) the Credit Event Resolution Request Date with respect to the relevant Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period, including prior to the Acceptance Date (determined by reference to Greenwich Mean Time) and (ii) the Acceptance Date occurs on or prior to the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

80202.I. Event Determination Date

Section 1.8 of the Credit Derivatives Definitions shall be amended by the deletion of Section 1.8(a)(i) and the insertion of the words "or a Declaration of Credit Event has been issued" in the first sentence of Section 1.8(a)(ii) after the words "has occurred".

~~80202.J. CME shall issue a Declaration of Credit Event with respect to a CDX Index Untrancheds CDS Contract,~~

- ~~(i) to the extent the relevant Credit Derivatives Determinations Committee has Resolved the matters described in Section 1.26(d) of the Credit Derivatives Definitions (with such Section interpreted for the purposes of this Chapter as if the words "other than Restructuring" did not appear therein) with respect to a Trade Date in compliance with Section 1.26(b) and a Credit Event Resolution Request Date in compliance with Section 1.26(c) of the Credit Derivative Definitions, and such occurrence has been ratified by the CME Determinations Board pursuant to Rule 80506.A; or~~
- ~~(ii) where (a) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved either not to determine the matters described in Sections 1.24(a) and (b) of the Credit Derivatives Definitions or that no event that constitutes a Credit Event for purposes of the relevant CDX Index Untrancheds CDS Contract has occurred and (b) the CME Determinations Board determines pursuant to Rules 80506.B and 80506.C. that a Credit Event has occurred with respect to the relevant Reference Entity at or after 12:00 a.m., Greenwich Mean Time, on the Credit Event Backstop Date and at or prior to 11:59 p.m., Greenwich Mean Time on the Extension Date.~~

~~For the avoidance of doubt, more than one Declaration of Credit Event may be issued in respect of a CDX Index Untrancheds CDS Contract~~

~~80202.J. Event Determination Date~~

~~The Event Determination Date in respect of a Credit Event for which CME has determined to issue a Declaration of Credit Event in accordance with Rule 80202.I above shall be the relevant Credit Event Resolution Request Date. Each Declaration of Credit Event shall specify the related Event Determination Date. Notwithstanding the CDX Untrancheds Terms all of the Conditions to Settlement applicable to a Component Transaction will be deemed to have been satisfied by the occurrence of an Event Determination Date in respect of such Component Transaction.~~

~~Section 1.8 of the CDX Untrancheds Terms shall be deemed not to apply to CDX Index Untrancheds CDS Contracts.~~

80202.K. Succession Events

For the purposes of a CDX Index Untrancheds CDS Contract:

"Reference Entity" means the entity or entities identified as such in the Index and listed in the Relevant Annex for the purposes of the CDX Index Untranching CDS Contract. Any Successor to a Reference Entity either (a) specified in a Declaration of Succession Event effective Successor Event shall be the relevant Reference Entity for the relevant Component Transaction or following the Acceptance Date in respect of such a New CDX Index Untranching CDS Contract or (b) in as determined pursuant to such Section 2.2 of the CDX Untranching Terms.

~~"Succession Event" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event, or (B) with respect to which the legally effective date has occurred prior to the Succession Event Backstop Date applicable to the relevant a CDX Index Untranching CDS Contract (determined by reference to Greenwich Mean Time).~~

~~"Succession Event Backstop Date" means for purposes of any determination with respect to whether or not a Succession Event has occurred, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time). The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.~~

~~of which Section 2.1, 2.2(b) and 2.2(i) of the CDX Untranching Terms shall be deemed not to apply to CDX Index Untranching CDS Contracts.~~

~~80202.L. Declaration of Successor Events~~

~~CME shall issue a Declaration of Successor Event with respect to a CDX Index Untranching CDS Contract,~~

- ~~(i) to the extent ISDA publicly announces on or following the Acceptance Date in respect of such CDX Index Untranching CDS Contract relevant Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the DC Rules shall, in each case, be the relevant Reference Entity for the relevant CDX Component Transaction or a New CDX Component Transaction as determined pursuant to such Section 2.2 of the Credit Derivatives Definitions Rules (as such term is defined in the CDX Untranching Terms), and such occurrence has been ratified by the CME Determinations Board pursuant to Rule 80506.A; or~~

- ~~(ii) where (a) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved either not to determine a Successor in the relevant circumstances or that no event that constitutes a Succession Event with respect to a CDX Component Transaction, as determined by DC Resolution or a Determination of the CME Determinations Board, the date that is 90 calendar days prior to the Succession Event Resolution Request Date related to such Succession Event (determined by reference to Greenwich Mean Time), for The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.~~

~~For the purposes of any determination as to whether a Succession Event the relevant CDX Index Untranching CDS Contract has occurred in respect of a CDX Component Transaction and the relevant a Reference Entity (or an Obligation thereof):~~

- ~~(i) at any time up to but excluding June 20, 2009; or~~
- ~~(ii) if a Succession Event Resolution Request Date occurs before June 20, 2009,~~

~~the Succession Event Backstop Date with respect to such Reference Entity shall be deemed to be the effective date of the Relevant Annex applicable to the~~

relevant CDX Index Untranching CDS Contracts.

Section 2.1 and 2.2(i) of the Credit Derivatives Definitions shall be deemed not to apply to CDX Index Untranching CDS Contracts.

80202.K. Declaration of Succession Events

The Clearing House shall issue a Declaration of Succession Event with respect to a CDX Component Transaction if and (b) the CME Determinations Board determines pursuant to Chapter 804 Rules 80506.B and 80506.C, that a Succession Event has occurred on or following the Succession Event Backstop Date (determined by reference to Greenwich Mean Time) with respect to the relevant Reference Entity. The relevant Declaration of Succession Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination.

80202.L. Auction Settlement Date

For the purposes of a CDX Index Untranching CDS Contract:

"Auction Settlement Date" means a day selected by the Clearing House and notified to CDS Clearing Members falling in the period from, and including the Auction Final Price Determination Date to, and including, the date falling 5 Business Days after the Auction Final Price Determination Date.

Section 12.3 of the Credit Derivatives Definitions shall be deemed not to apply to CDX Index Untranching CDS Contracts.

80202.M. CDX Index versions

Where, in respect of a CDX Index Untranching CDS Contract, (a) the Index Sponsor publishes one or more subsequent versions or annexes of the relevant CDX Index series following a Credit Event or a Succession Event with respect to a Reference Entity included in such CDX Index series, and (b) in the case of publication of one or more subsequent versions or annexes of the relevant CDX Index series following a Credit Event, the Clearing House determines that an Auction Settlement Date has occurred in respect of the relevant CDX Component Transaction or the relevant CDX Component Transaction has otherwise settled in accordance with the applicable Settlement Method then such CDX Index Untranching CDS Contract referencing the earlier version or annex of such CDX index series shall become a CDX Index Untranching CDS Contract referencing the latest version or annex of such CDX Index series, as the case may be.

80202.N. CDX Untranching Terms

Paragraphs 6.5 and 6.6 of the CDX Untranching Terms shall be deemed not to apply to CDX Index Untranching CDS Contracts.

80203. CONTRACT MODIFICATIONS

80203.A. Rules-CDX Methodology

Subject CDX Indices shall be subject to satisfaction adjustment as cited in the Markit Index Methodology for the CDX Indices published as of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the August 31, 2007 (the "CDX Index Methodology"), with such adjustment to become part of these Rules and be applicable to all CDX Index Untranching CDS Contracts that are entered into subsequent to the relevant date of adjustment.

80203.B

~~_____~~ CME Rules

~~The terms of any CDX Index Untranching CDS Contract may be modified by CME in accordance with the Clearing House Rules, with such modification to become part of these Rules and be applicable to such existing or future CDX Index Untranching CDS Contracts as the Clearing House shall determine. For the avoidance of doubt, where such modification applies to future all CDX Index Untranching CDS Contract any such CDX Index Untranching CDS Contract entered into after the relevant date of modification shall not be fungible with any CDX Index Untranching CDS Contracts that are entered prior into subsequent to the relevant date of modification.~~

80203.B, 80203.C. Change in Law or Regulation

If any governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, the Clearing House may, subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, CME shall make such amendments and modifications to these Rules as it deems appropriate in its sole discretion in order to reflect the application of such order, ruling, directive or law, and such changes to these Rules shall be applicable to all CDX Index Untranching CDS Contracts that are open as of, or entered into subsequent to, the relevant date of issuance.

80203.C, 80203.D. Industry Protocol

~~Subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the _____~~ The terms of any CDX Index Untranching CDS Contract may be modified by the Clearing House CME in accordance with any relevant CDS industry-sponsored protocol (or other multilateral agreement process) or any Resolution of a Convened DC relating to the matters described in section 3.8(a) of the DC Rules, to the extent ratified by the CME Determinations Board, with such modification to become part of these Rules and be applicable to such existing or future all CDX Index Untranching CDS Contracts that are open as the Clearing House of, or entered into subsequent to, the relevant date of modification.

~~80204. _____~~ **DISPUTE RESOLUTION**

Section 9.1(c)(iii) of the CDX Untranching Terms shall determine.

~~be deemed not to apply to CDX Index Untranched CDS Contracts. Any dispute with respect to a CDX Index Untranched CDS Contract may be referred to the CME Determinations Committee in accordance with the Rules. Any Determination shall be final and binding on the parties to a CDX Index Untranched CDS Contract.~~

Chapter 803804 North American Single Name CDS Contracts⁴

80301.80401. SCOPE OF CHAPTER

This Chapter sets forth the terms and conditions of North American single name CDS Contracts ("North American Single Name CDS Contracts"). The terms and conditions of each North American Single Name CDS Contract will shall be as set outecontained in the relevant Confirmation as supplemented and amended by (a) the definitions and provisions of the Credit Derivatives Definitions andas supplemented by the provisions of the Credit Derivatives Physical Settlement Matrix published by ISDA on April 8 2009 which apply to the Transaction Type specified in the Confirmation of a Single Name CDS Contract (the "ISDA Matrix", and together with the Credit Derivatives Definitions, the "ISDA Single Name Terms") and (b) the provisions of these Rules, as supplemented pursuant to the relevant Contract Elections Rules. For the purposes of each Single Name CDS Contract, references in the ISDA Single Name Terms to a "Credit Derivative Transaction" shall be deemed to be a reference to a Single Name CDS Contract. All capitalized terms which are not defined in these Rules shall have the meanings set forth in the ISDA Single Name Terms.

In the event of any inconsistency between the Credit Derivatives Definitions ISDA Single Name Terms and the provisions of these Rules, such documents and provisions this Chapter, this Chapter shall prevail for the purposes of North American govern with respect to Single Name CDS Contracts unless otherwise noted in the following order: first, these Rules; and second, the Credit Derivatives Definitions, this Chapter.

80302.80402. CONTRACT TERMS

80302.A.80402.A. Currency

The settlement currency in respect of North American Single Name CDS Contracts will be USD. Settlement Currency in respect of Single Name CDS Contracts shall be the "Quote Currency" with respect to the Reference Entity that such Single Name CDS Contract references, as depicted in Appendix 4. All calculations and determinations in respect of any Single Name CDS Contract shall be performed in the relevant Quote Currency and all payments shall be due in the relevant Quote Currency.

80302.B.80402.B. Reference Entity

Each North AmericanThe Reference Entity in respect of a Single Name CDS Contract will reference shall only be one of the Reference Entities listed in Appendix 2 (or any Successor thereto) 4, as amended from time to time.

80302.C.80402.C. Initial Payment

Notwithstanding Section 5.8 of the Credit Derivatives Definitions, the The Initial Payment Amount Payment Date willshall be the Business Day immediately following the AcceptanceTrade Date.

80302.D.80402.D. Calculation Agent

The Clearing House will CME shall be the sole Calculation Agent for all purposes in relation to North American Single Name CDS Contracts and the Calculation Agent City will be New York. References in the Credit Derivatives Definitions to the shall be Chicago. The Calculation Agent making determinations "after consultation with the parties" shall be deemed to be replaced with "after consultation with the parties and/or the CME Determinations Board". The Calculation Agent may shall not be required to consult with the CME Determinations Board in accordance with Chapter 804 in respect of a parties to a Single Name CDS Contract prior to making any determination or calculation it is required to make in connection with a North American Single Name CDS Contract. All determinations of the Calculation Agent in respect of a North American Single Name CDS Contract shall be binding on the parties to such North American Single Name CDS Contract.

⁴ -Adopted June 2009.

80302.E.80402.E. Fixed Rate Payer Payment Dates

Each March 20, June 20, September 20 and December 20 in each year ~~will~~ shall be the Fixed Rate Payer Payment Dates.

80302.F.80402.F. Initial —Fixed Rate Payer Calculation Period

~~Notwithstanding Section 2.9 of the Credit Derivatives Definitions, Each period from, and including, one Fixed Rate Payer Payment Date to, but excluding, the next following Fixed Rate Payer Payment Date, except that (i) the initial Fixed Rate Payer Calculation Period shall commence on, and include, the Fixed Rate Payer Payment Date falling on or immediately prior to earlier of (a) the calendar day immediately following the Acceptance Date. For purposes of this provision, Section 2.10 of Trade Date, and (b) if the Credit Derivatives Definitions shall be deemed amended by deleting the words "during the term the calendar day immediately following the Trade Date does not fall on a calendar day corresponding to the specified calendar day of any Fixed Rate Payer Payment Date, the date falling on the first day immediately preceding the Trade Date that does correspond to the specified calendar day of any Fixed Rate Payer Payment Date, and (ii) the final Fixed Rate Payer Calculation Period will end on, and include, the earlier to occur of the transaction." Scheduled Termination Date and the Event Determination Date.~~

80302.G.80402.G. Fixed Rate

The Fixed Rate in respect of a North American Single Name CDS Contract ~~will~~ shall be 5.0% or 1.0% as determined pursuant to specified in the relevant Contract Elections Confirmation. The Day Count Fraction in respect of each North American Single Name CDS Contract ~~will~~ shall be Actual/360

80302.H. Transaction Type

The Transaction Type in respect of a North American Single Name CDS Contract will be Standard North American Corporate.

80302.I.80402.H. Conditions to Settlement

~~Notwithstanding Section 3.2(a) of the Credit Derivatives Definitions, all of the Conditions to Settlement shall be deemed satisfied by the issuance of a Declaration of Credit Event pursuant to Rule 80402.L below. Upon the issuance of such Declaration of Credit Event, the Conditions to Settlement shall be deemed to have been satisfied as of the relevant Event Determination Date.~~

80402.I. Credit Event Backstop Date

For the purposes of a North American Single Name CDS Contract:

"Credit Event Backstop Date" means for purposes of any event that constitutes a Credit Event Determination with respect to a North American Single Name CDS Contract, whether or not a Credit Event has occurred, the date that is 60 calendar days prior to the Credit Event Resolution Request Date (determined by reference to Greenwich Mean Time). The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Section 1.23 of the Credit Derivatives Definitions ~~SDA Single Name Terms~~ shall be deemed not to apply to North American Single Name CDS Contracts.

80302.J. ~~If "Modified Restructuring" is specified in Appendix 4 as applicable to the relevant Reference Entity, then "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" shall apply~~

to the relevant Single Name CDS Contract. If "Modified Modified Restructuring" is specified in Appendix 4 as applicable to the relevant Reference Entity, then "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" shall apply to the relevant Single Name CDS Contract.

80402.J. Settlement Method

The Settlement Method with respect to a North American Single Name CDS Contract will shall be Auction Settlement, with clauses (c), (d) and (e) of Section 12.1 of the Credit Derivative Definitions being deemed deleted and replaced with "~~(c)~~(e) an Event Determination Date was determined as a result of a Declaration of Credit Event", in accordance with Rule 80402-K(ii). Notwithstanding Sections 6.4 of the Credit Derivatives Definitions the Fallback Settlement Method shall be CME CDS Physical Settlement pursuant to Chapter 806. For the avoidance of doubt, the Fallback Settlement Method will be CME CDS Physical Settlement pursuant to Chapter 805, shall apply following any Declaration of Credit Event in respect of a Restructuring Credit Event.

80302.K, 80402.K. Declaration of Credit Events

The Clearing House shall issue a Declaration of Credit Event with respect to a North American Single Name CDS Contract if the CME Determinations Board determines pursuant to Chapter 804 that an event which constitutes a Credit Event for the purposes of such North American Single Name CDS Contract has occurred with respect to the Reference Entity applicable to a North American Single Name CDS Contract (or Obligation thereof) on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time). The relevant Declaration of Credit Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination. A Declaration of Credit Event will be deemed not to have been issued with respect to a North American Single Name CDS Contract unless (i) the Credit Event Resolution Request Date with respect to the relevant Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period including prior to the Acceptance Date (determined by reference to Greenwich Mean Time) and (ii) the Acceptance Date occurs on or prior to the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

80302.L. Event Determination Date

Section 1.8 of the Credit Derivatives Definitions shall be amended by the deletion of Section 1.8(a)(i) and the insertion of the words "or a Declaration of Credit Event has been issued" in the first sentence of Section 1.8(a)(ii) after the words "has occurred".

80302.M. Succession Events

For the purposes of a North American Single Name CDS Contract:

"Reference Entity" means the entity or entities identified as such pursuant to the relevant Contract Elections for the purposes of the North American Single Name CDS Contract. Any Successor to a Reference Entity either (a) specified in a Declaration of Succession Event effective on or following the Acceptance Date in respect of such North American Single Name CDS Contract or (b) in respect of which ISDA publicly announces on or following the Acceptance Date in respect of such North American Single Name CDS Contract. CME shall issue a Declaration of Credit Event with respect to a Single Name CDS Contract,

- (i) to the extent the relevant Credit Derivatives Determinations Committee has Resolved the matters described in Section 1.26(d) of the Credit Derivatives Definitions (with such Section interpreted for the purposes of this Chapter as if the words "other than Restructuring" did not appear therein) with respect to a Trade Date in compliance with Section 1.26(b) and a Credit Event Resolution Request Date in compliance with Section 1.26(c) of the Credit Derivative Definitions, and such occurrence has been ratified by the CME Determinations Board pursuant

to Rule 80506.A, in which event the Event Determination Date in respect of such Single Name CDS Contract shall be the Credit Event Resolution Request Date, or

- (ii) ~~where (a) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the DC Rules shall, either not to determine the matters described in each case, Sections 1.24(a) and (b) of the Credit Derivatives Definitions or that no event that constitutes a Credit Event for purposes of the relevant Single Name CDS Contract has occurred and (b) the CME Determinations Board determines pursuant to Rules 80506.B and 80506.C, that a Credit Event has occurred with respect to the relevant Reference Entity at or after 12:00 a.m., Greenwich Mean Time, on the Credit Event Backstop Date and at or prior to 11:59 p.m., Greenwich Mean Time on the Extension Date, in which event the Event Determination Date in respect of such Single Name CDS Contract shall be the relevant Credit Event Resolution Request Date.~~

~~For the avoidance of doubt, more than one Declaration of Credit Event may be issued in respect of a Single Name CDS Contract.~~

~~80402.L. Event Determination Date~~

~~The Event Determination Date in respect of a Credit Event for which CME has determined to issue a Declaration of Credit Event in accordance with Rule 80202.L above shall be the relevant Credit Event Resolution Request Date. Each Declaration of Credit Event shall specify the related Event Determination Date. Notwithstanding the ISDA Single Name Terms all of the Conditions to Settlement applicable to a Single Name CDS Contract will be deemed to have been satisfied by the occurrence of an Event Determination Date in respect of such Single Name CDS Contract.~~

~~Section 1.8 of the ISDA Single Name Terms shall be deemed not to apply to Single Name CDS Contracts.~~

~~80402.M. Succession Events~~

~~For the purposes of a Single Name CDS Contract:~~

~~"Reference Entity" means the entity or entities identified as such in the relevant Confirmation for the purposes of the Single Name CDS Contract. Any Successor to a Reference Entity specified in a Declaration of Succession Event shall be the relevant Reference Entity for the relevant North American Single Name CDS Contract or a New Single Name CDS Contract as determined pursuant to such Section 2.2 of the Credit Derivatives Definitions, ISDA Single Name Terms.~~

~~"Succession Event" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (B) with respect to which the legally effective date has occurred prior to the Succession Event Backstop Date" means for purposes of any event that constitutes a Succession Event with respect to a North American applicable to the relevant Single Name CDS Contract as (determined by DC Resolution reference to Greenwich Mean Time).~~

~~"Succession Event Backstop Date" means for purposes of any determination with respect to whether or a Determination of the CME Determinations Board, not a Succession Event has occurred, the date that is 90 calendar days prior to the Succession Event Resolution Request Date related to such Succession Event (determined by reference to Greenwich Mean Time). The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.~~

Section 2.1, ~~2.2(b)~~ and 2.2(i) of the Credit Derivatives Definitions ISDA Single Name Terms shall be deemed not to apply to North American Single Name CDS Contracts.

80302.N.80402.N. **Declaration of Succession ~~Successor~~ Events**

~~The Clearing House CME shall issue a Declaration of Successor Event with respect to a Single Name CDS Contract;~~

- (i) ~~to the extent ISDA publicly announces on or following the relevant Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules (as such term is defined in the ISDA Single Name Terms), and such occurrence has been ratified by the CME Determinations Board pursuant to Rule 80506.A; or~~
- (ii) ~~where (a) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved either not to determine a Successor in the relevant circumstances or that no event that constitutes a Succession Event with respect to a North American for purposes of the relevant Single Name CDS Contract if has occurred and (b) the CME Determinations Board determines pursuant to Chapter 804 Rules 80506.B and 80506.C. that a Succession Event has occurred on or following the Succession Event Backstop Date (determined by reference to Greenwich Mean Time) with respect to the relevant Reference Entity. The relevant Declaration of Succession Event will be issued as soon as reasonably practicable but no later than the Business Day immediately following the date that the CME Determinations Board makes the relevant Determination.~~

80302.O.80402.O. **Merger of Reference Entity and Seller**

~~In the event that Seller or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, the Reference Entity or the Seller, as applicable, then CME shall designate a Termination Date with respect to such Single Name CDS Contract and an amount determined by CME by reference to the relevant daily closing price will be payable by Buyer or Seller, as applicable.~~

~~For the purposes of this Chapter 804, Section 2.31 of the Credit Derivatives Definitions ISDA Single Name Terms shall be deemed not to apply to North American Single Name CDS Contracts.~~

80302.P. **Auction Settlement Date**

~~For the purposes of a North American Single Name CDS Contract:~~

~~"Auction Settlement Date" means a day selected by the Clearing House and notified to CDS Clearing Members falling in the period from, and including the Auction Final Price Determination Date to, and including, the date falling 5 Business Days after the Auction Final Price Determination Date."~~

~~Section 12.3 of the Credit Derivatives Definitions shall be deemed not to apply to North American Single Name CDS Contracts.~~

80302.Q. **Physical Settlement Matrix Updates**

Whenever ISDA publishes a version of the Credit Derivatives Physical Settlement Matrix (a "New Matrix") that is subsequent to the version of the Credit Derivatives Physical Settlement Matrix that is applicable to any North American Single Name CDS Contract (the "Existing Matrix"), and the Clearing House determines that a North American Single Name CDS Contract referencing the New Matrix would be fungible with a North American Single Name CDS Contract referencing the Existing Matrix (the date of such determination, the "Matrix Update Date") and so notifies CDS Clearing Members, any such

North American Single Name CDS Contract referencing the Existing Matrix shall, as of the close of business on the Matrix Update Date, become a North American Single Name CDS Contract referencing the New Matrix.

80304. Contract Modifications

80304.A. 80403. CONTRACT MODIFICATIONS

80403.A. CME Rules

Subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the The terms of any North American Single Name CDS Contract may be modified by CME in accordance with the Clearing House Rules, with such modification to become part of these Rules and be applicable to such existing or future North Americanall Single Name CDS Contracts as that are entered into subsequent to the Clearing House shall determine. For the avoidance relevant date of doubt, where such modification applies to future North American Single Name CDS Contracts any such North American Single Name CDS Contract entered into after the relevant date of modification shall not be fungible with any North American Single Name CDS Contract entered prior to the relevant date of modification.

80304.B. 80403.B. Change in Law or Regulation

If any governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, the Clearing House may, subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, CME shall make such amendments and modifications to these Rules as it deems appropriate in its sole discretion in order to reflect the application of such order, ruling, directive or law, and such changes to these Rules shall be applicable to all North American Single Name CDS Contracts that are open as of, or entered into subsequent to, the relevant date of issuance.

80304.C. 80403.C. Industry Protocol

Subject to satisfaction of any applicable notification, consultation and/or approval obligations prescribed by these Rules, the The terms of any North American Single Name CDS Contract may be modified by the Clearing HouseCME in accordance with any relevant CDS industry-sponsored protocol (or other multilateral agreement process) or any Resolution of a Convened DC relating to the matters described in section 3.8(a) of the DC Rules, to the extent ratified by the CME Determinations Board, with such modification to become part of these Rules and be applicable to such existing or future North Americanall Single Name CDS Contracts that are open as the Clearing Houseof, or entered into subsequent to, the relevant date of modification.

80404. DISPUTE RESOLUTION

Section 9.1(c)(iii) of the ISDA Single Name Terms shall determine, be deemed not to apply to Single Name CDS Contracts. Any dispute with respect to a Single Name CDS Contract may be referred to the CME Determinations Board in accordance with the Rules. Any Determination shall be final and binding on the parties to a Single Name CDS Contract.

Chapter 804 Single Name CDS Contracts⁴

CME DETERMINATIONS BOARD

80401. Overview of — SCOPE OF CHAPTER

~~This Chapter sets forth the terms and conditions of single name CDS Contracts ("Single Name CDS Contracts"). The terms and conditions of each Single Name CDS Contract shall be contained in the relevant Confirmation as supplemented and amended by (a) the definitions and provisions of the Credit Derivatives Definitions as supplemented by the provisions of the Credit Derivatives Physical Settlement Matrix published by ISDA on April 8 2009 which apply to the Transaction Type specified in the Confirmation of a Single Name CDS Contract (the "ISDA Matrix", and together with the Credit Derivatives Definitions, the "ISDA Single Name Terms") and (b) the provisions of these Rules. For the purposes of each Single Name CDS Contract, references in the ISDA Single Name Terms to a "Credit Derivative Transaction" shall be deemed to be a reference to a Single Name CDS Contract. All capitalized terms which are not defined in these Rules shall have the meanings set forth in the ISDA Single Name Terms.~~

~~In the event of any inconsistency between the ISDA Single Name Terms and this Chapter, this Chapter shall govern with respect to Single Name CDS Contracts unless otherwise noted in this Chapter.~~

80402. CONTRACT TERMS

80402.A. — Currency

~~The Settlement Currency in respect of Single Name CDS Contracts shall be the "Quote Currency" with respect to the Reference Entity that such Single Name CDS Contract references, as depicted in Appendix 4. All calculations and determinations in respect of any Single Name CDS Contract shall be performed in the relevant Quote Currency and all payments shall be due in the relevant Quote Currency.~~

80402.B. — Reference Entity

~~The Reference Entity in respect of a Single Name CDS Contract shall only be one of the Reference Entities listed in Appendix 4, as amended from time to time.~~

80402.C. — Initial Payment

~~The Initial Payment Amount Payment Date shall be the Business Day immediately following the Trade Date.~~

80402.D. — Calculation Agent

~~CME shall be the sole Calculation Agent for all purposes in relation to Single Name CDS Contracts and the Calculation Agent City shall be Chicago. The Calculation Agent shall not be required to consult with the parties to a Single Name CDS Contract prior to making any determination.~~

80402.E. — Fixed Rate Payer Payment Dates

~~Each March 20, June 20, September 20 and December 20 in each year shall be the Fixed Rate Payer Payment Dates.~~

80402.F. — Fixed Rate Payer Calculation Period

~~Each period from, and including, one Fixed Rate Payer Payment Date to, but excluding, the next following Fixed Rate Payer Payment Date, except that (i) the initial Fixed Rate Payer Calculation shall commence on, and include, the earlier of (a) the calendar day immediately following the~~

⁴ -Adopted June 2009.

Date, and (b) if the the calendar day immediately following the Trade Date does not fall on a day corresponding to the specified calendar day of any Fixed Rate Payer Payment Date, the date on the first day immediately preceding the Trade Date that does correspond to the specified day of any Fixed Rate Payer Payment Date, and (ii) the final Fixed Rate Payer Calculation Period end on, and include, the earlier to occur of the Scheduled Termination Date and the Event Determination Date.

~~80402.G. Fixed Rate~~

~~The Fixed Rate in respect of a Single Name CDS Contract shall be 5.0% or 1.0% as specified in the relevant Confirmation. The Day Count Fraction in respect of each Single Name CDS Contract shall be Actual/360~~

~~80402.H. Conditions to Settlement~~

~~Notwithstanding Section 3.2(a) of the Credit Derivatives Definitions, all of the Conditions to Settlement shall be deemed satisfied by the issuance of a Declaration of Credit Event pursuant to Rule 80402.L below. Upon the issuance of such Declaration of Credit Event, the Conditions to Settlement shall be deemed to have been satisfied as of the relevant Event Determination Date.~~

~~80402.I. Credit Event Backstop Date~~

~~For the purposes of a Single Name CDS Contract:~~

~~"Credit Event Backstop Date" means for purposes of any Determination with respect to whether or not a Credit Event has occurred, the date that is 60 calendar days prior to the Credit Event Resolution Request Date (determined by reference to Greenwich Mean Time). The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.~~

~~Section 1.23 of the ISDA Single Name Terms shall be deemed not to apply to Single Name CDS Contracts.~~

~~If "Modified Restructuring" is specified in Appendix 4 as applicable to the relevant Reference Entity, then "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" shall apply to the relevant Single Name CDS Contract. If "Modified Modified Restructuring" is specified in Appendix 4 as applicable to the relevant Reference Entity, then "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" shall apply to the relevant Single Name CDS Contract.~~

~~80402.J. Settlement Method~~

~~The Settlement Method with respect to a Single Name CDS Contract shall be Auction Settlement, with clause (e) of Section 12.1 of the Credit Derivative Definitions being deemed deleted and replaced with "(e) an Event Determination Date was determined in accordance with Rule 80402.K(ii)". Notwithstanding Sections 6.4 of the Credit Derivatives Definitions the Fallback Settlement Method shall be CME CDS Physical Settlement pursuant to Chapter 806. For the avoidance of doubt, the Fallback Settlement Method shall apply following any Declaration of Credit Event in respect of a Restructuring Credit Event.~~

~~80402.K. Declaration of Credit Events~~

~~CME shall issue a Declaration of Credit Event with respect to a Single Name CDS Contract,~~

- ~~(i) to the extent the relevant Credit Derivatives Determinations **Board Function and Authority** Committee has Resolved the matters described in Section 1.26(d) of the Derivatives Definitions (with such Section interpreted for the purposes of this Chapter words "other than Restructuring" did not appear therein) with respect to a Trade Date in compliance with Section 1.26(b) and a Credit Event Resolution Request Date in~~

with Section 1.26(e) of the Credit Derivative Definitions, and such occurrence has been by the CME Determinations Board pursuant to Rule 80506.A, in which event the Event Determination Date in respect of such Single Name CDS Contract shall be the Credit Resolution Request Date, or

- (ii) where (a) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved either not to determine the matters described in Sections 1.24(a) and (b) of the Credit Derivatives Definitions or that no event that constitutes a Credit Event for purposes of the relevant Single Name CDS Contract has occurred and (b) the CME Determinations Board determines pursuant to Rules 80506.B and 80506.C that a Credit Event has occurred with respect to the relevant Reference Entity at or after 12:00 a.m., Greenwich Mean Time, on the Credit Event Backstop Date and at or prior to 11:59 p.m., Greenwich Mean Time on the Extension Date, in which event the Event Determination Date in respect of such Single Name CDS Contract shall be the relevant Credit Event Resolution Request Date.

For the avoidance of doubt, more than one Declaration of Credit Event may be issued in respect of a Single Name CDS Contract.

80402.L. Event Determination Date

The Event Determination Date in respect of a Credit Event for which CME has determined to issue a Declaration of Credit Event in accordance with Rule 80202.I above shall be the relevant Credit Event Resolution Request Date. Each Declaration of Credit Event shall specify the related Event Determination Date. Notwithstanding the ISDA Single Name Terms all of the Conditions to Settlement applicable to a Single Name CDS Contract will be deemed to have been satisfied by the occurrence of an Event Determination Date in respect of such Single Name CDS Contract.

Section 1.8 of the ISDA Single Name Terms shall be deemed not to apply to Single Name CDS Contracts.

80402.M. Succession Events

For the purposes of a Single Name CDS Contract:

"Reference Entity" means the entity or entities identified as such in the relevant Confirmation for the purposes of the Single Name CDS Contract. Any Successor to a Reference Entity specified in a Declaration of Successor Event shall be the relevant Reference Entity for the relevant Single Name CDS Contract or a New Single Name CDS Contract as determined pursuant to such Section 2.2 of the ISDA Single Name Terms.

"Succession Event" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event, or (B) with respect to which the legally effective date has occurred prior to the Succession Event Backstop Date applicable to the relevant Single Name CDS Contract (determined by reference to Greenwich Mean Time).

"Succession Event Backstop Date" means for purposes of any determination with respect to whether or not a Succession Event has occurred, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time). The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

Section 2.1, 2.2(b) and 2.2(i) of the ISDA Single Name Terms shall be deemed not to apply to Single Name CDS Contracts.

~~80402.N. Declaration of Successor Events~~~~CME shall issue a Declaration of Successor Event with respect to a Single Name CDS Contract,~~

- ~~(i) to the extent ISDA publicly announces on or following the relevant Trade Date that the Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Resolution Request Date, a Successor in accordance with the Rules (as such term is the ISDA Single Name Terms), and such occurrence has been ratified by the CME Determinations Board pursuant to Rule 80506.A; or~~

(ii)

The CME Determinations Board (the "CME Board") shall be comprised of CDS Participants and CDS Clearing Members, including both Dealer Board Members and Non-Dealer Board Members (as defined in Rule 80402).

Subject as provided below, the CME Board is generally responsible for making Determinations in respect of the following (each an "Issue"):

(a) determining whether a Reference Entity under a CDS Contract has been the subject of a Succession Event and, if so, determining the legally effective date of the Succession Event and the identity of the Reference Entity's Successor(s), if any, provided that such determination will only be made where sufficient information is made available to the CME Board to make such determination;

(b) where necessary in respect of a CDS Contract, determining whether a Reference Obligation no longer satisfies the applicable requirements under a CDS Contract and, if so, identifying any Substitute Reference Obligation, provided that such determination will only be made where sufficient information is made available to the CME Board to make such determination;

(c) determining whether a Credit Event for which there is Publicly Available Information has occurred with respect to a CDS Contract on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time)

(d) if a Credit Event occurred with respect to a Reference Entity (or Obligation thereof) referenced in a CDS Contract and the CDS Contract is to be settled in accordance with the Fallback Settlement Method, resolving any questions of (i) whether a particular obligation is a Deliverable Obligation; (ii) with respect to a Deliverable Obligation, any specific assignment, novation or other document or any other action that may be necessary, customary or desirable and reasonably requested by either party to a Matched Pair for the purpose of effecting physical settlement, and, with respect to a Deliverable Obligation that is a Loan, the documentation customarily used in the relevant market for Delivery of any Deliverable Obligation that is a Loan at that time (iii) the number of days in a Physical Settlement Period; or (iv) the Accreted Amount or any Accreting Obligation;

(e) with respect to a CDS Contract, making any determination requested of it by the ISDA publicly announces Calculation Agent.

In the event an Issue relates in any way to the risk management of CDS Contracts or otherwise may impact the financial safeguards package of the Clearing House, the Clearing House and/or the CME Board may determine to consult with the Clearing House Risk Committee. The Determination of the CME Board shall not in any way impair the ability of the Clearing House or the Clearing House Risk Committee to take other action with respect to risk management matters.

Except in the case of a unanimous vote to the contrary of all Board Members eligible to vote and with the consent of the CAB pursuant to Rule 80105.C., no Issue shall be submitted to the CME Board, and the CME Board shall not have authority to consider, or make a Determination in respect of, any Issue (including where new information, relevant to the Issue to be considered, has become available) unless a request has previously been submitted to ISDA, as DC Secretary, to convene the relevant Credit Derivatives Determinations Committee to resolve the answer to such Issue for the purposes of the relevant CDS Contract (and where new information as aforesaid has become available, that information has been made available to the DC Secretary with such a request) and ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has resolved not to determine the answer to such question or the relevant Credit Derivatives Determinations Committee is deemed to have rejected such question as the DC Secretary does not effectively receive agreement from a Convened DC Voting Member to deliberate such question in accordance with Section 2.2(a) of the DC Rules. Resolved either not to determine a Successor in the relevant circumstances or that no event that constitutes a Succession Event for purposes of the relevant Single Name CDS Contract has occurred and (b) the CME Determinations Board determines pursuant to Rules 80506.B and 80506.C. that a Succession Event has occurred with respect to the relevant Reference Entity.

~~80402.O. Merger of Reference Entity and Seller~~

~~In the event that the DC Secretary publishes on its Website notice of a Committee being convened to deliberate a question which is Seller or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, the Reference Entity or the same Seller, as a question which has previously been presented applicable, then CME shall designate a Termination Date with respect to the CME Board as such Single Name CDS Contract and an Issue and is being considered by the amount determined by CME by reference to the relevant daily closing price will be payable by Buyer or Seller, as applicable.~~

~~For the purposes of this Chapter 804, Section 2.31 of the ISDA Single Name Terms shall be deemed not to apply to Single Name CDS Contracts.~~

80403. CONTRACT MODIFICATIONS

~~80403.A. Board at such time the — CME Board shall cease considering Rules~~

~~The terms of any Single Name CDS Contract may be modified by CME in accordance with the with such modification to become part of these Rules and be applicable to all Single Name CDS Contracts that are entered into subsequent to the relevant date of modification.~~

~~80403.B. question. Any — Change in Law or Regulation~~

~~If any governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these Rules, the CME shall make such question may only be raised again amendments and modifications to the CME Board se Rules as a new Issue, it deems appropriate in its sole discretion in order to reflect the application of such order, ruling, directive or law, and such changes to these Rules shall be applicable to all Single Name CDS Contracts that are open as of, or entered into subsequent to, the relevant date of issuance.~~

Except in the case of a unanimous vote to the contrary of all Board Members eligible to vote and with the consent of the CAB pursuant to Rule 80105.C., in accordance with Section 9.1(c)(iii) of the Credit Definitions, any DC Resolution applicable to a CDS Contract in respect of which the Settlement Date has occurred shall be binding on the parties to such CDS Contract and shall supersede any Determination respect to the same matters (except as expressly stated otherwise in Section 9.1(c)(iii)(B) of the Credit Derivatives Definitions as if such Determination were being made by the Calculation Agent).

80402. Board Membership**80402.A. Board Chairman**

The Chief Executive Officer of the Clearing House shall, prior to the Launch Date and every two (2) years thereafter, appoint the chairman of the CME Board (the "Board Chairman") to a term of two (2) years. The Board Chairman shall be affiliated with the Clearing House or its affiliates and shall be an individual whom the Chief Executive Officer of the Clearing House determines in his/her sole and absolute discretion to have appropriate experience as to the issues that it anticipates may arise in clearing CDS Contracts. The Board Chairman shall not have any material economic interest in any CDS Participant or CDS Clearing Member. The Board Chairman shall be a non-voting member of the CME Board. The responsibilities of the Board Chairman include without limitation:

- a) Selecting an initial group of CDS Participants or CDS Clearing Members who are not CDS Dealers ("Non-Dealer CDS Participants") to designate Non-Dealer Board Members, as set forth in Rule 80402.B, and alternate Non-Dealer CDS Participants, if required at any point due to removal of a Non-Dealer Board Member;
- b) Selecting an initial group of CDS Clearing Members who are CDS Dealers to designate Dealer Board Members, as set forth in Rule 80402.C, and alternate CDS Clearing Members who are CDS Dealers, if required at any point due to the removal of a Dealer Board Member;
- c) Approving designated Non-Dealer Board Members and Dealer Board Members;
- d) Establishing minimum cleared volume criteria for Non-Dealer Board Members and certain Dealer Board Members as discussed in Rule 80402.E;
- e) Convening meetings of the CME Board, as set forth in Rule 80405.A;
- f) Conducting the review of Proposals, as set forth in Rule 80405.B;
- g) Calling for votes of the CME Board, as set forth in Rule 80405.C; and
- h) Making a determination of a conflict of interest as set forth in Rule 80405.D.

80402.B. Non-Dealer Board Members

The Clearing House shall select an initial group of up to five (5) Non-Dealer CDS Participants, not affiliated with each other to each designate a board member (the "Non-Dealer Board Members"), each to a term of one (1) year on the CME Board. The Non-Dealer Board Members must include those persons representative of the CDS non-Dealer Founding Members who serve on the CAB pursuant to Rule 80105.A. The Non-Dealer Board Members shall be individuals who are employees of such Non-Dealer CDS Participants (or their Affiliates). Upon the first anniversary of the Launch Date and every one (1) year thereafter, a new group of Non-Dealer Board Members shall be appointed. Each such Non-Dealer CDS Participant shall have the authority to replace its designated Board Member, during his or her term, upon written notice to the Board Chairman. Individuals serving as Non-Dealer Board Members are subject to approval of the Board Chairman, such approval not to be unreasonably withheld or delayed. There shall be no limitations on particular individuals serving as Non-Dealer Board Members for successive years.

Each Non-Dealer Board Member shall have one (1) vote on matters for which a vote is called. Save as provided in Rule 80504.D., Non-Dealer Board Members may not abstain from voting when a vote is called unless the Issue directly involves the Non-Dealer CDS Participant of which such Non-Dealer Board Member is an employee or director, or one of its Affiliates as a Reference Entity under a CDS Contract, in which case such Non-Dealer Board Member must abstain from voting on the Issue.

80402.C. Dealer Board Members

The Clearing House shall select an initial group of up to ten (10) CDS Clearing Members to each designate a board member ("Dealer Board Members"), each to a term of two (2) years on the CME Board. The Dealer Board Members shall be individuals who are employees or directors of such Dealer Founding Members or other CDS Clearing Members (or their Affiliates) who achieve certain financial performance criteria as may be established by the Clearing House. Each such Dealer Founding Member or other CDS Clearing Member shall have the authority to replace its designated Board Member, during his or her term, upon written notice to the Board Chairman. Individuals serving as a Dealer Board Members are subject to approval of the Board Chairman, not to be unreasonably withheld or delayed. There shall be no limitations on particular individuals serving as Dealer Board Members for successive terms.

Each Dealer Board Member shall have one (1) vote on matters for which a vote is called. Save as provided in Rule 80405.D., Dealer Board Members may not abstain from voting when a vote is called unless the Issue directly involves the CDS Clearing Member of which such Dealer Board Member is an employee or director, or one of its Affiliates as a Reference Entity under a CDS Contract, in which case such Dealer Board Member must abstain from voting on the Issue.

80402.D. Commencement of the Board

The CME Board shall be created and commence its responsibilities as described herein in these Rules on the Launch Date.

80402.E. Board Membership Requirements

The Non-Dealer CDS Participant or CDS Clearing Member of which a Board Member is an employee or director must meet minimum cleared volume requirements for CDS Contracts, as reasonably determined by the Clearing House and evaluated six (6) months after the Launch Date and every six (6) months thereafter. The Clearing House may set different minimum requirements for Non-Dealer CDS Participants, on the one hand, and CDS Clearing Members, on the other hand. The Board Chairman may, but shall not be required to, remove a Board Member during his or her term if the minimum cleared volume requirements are not satisfied. In relation to CDS Clearing Members, only CDS Contracts cleared through a CDS Clearing Member's house (or proprietary) account will be relevant for the purposes of satisfying the relevant minimum cleared volume requirements.

80402.F. Resignation or Removal

A Board Member may resign his or her position upon giving not less than 21 calendar days written notice to the Board Chairman. If a Board Member resigns his or her position, the Non-Dealer CDS Participant or the CDS Clearing Member that designated such Board Member, as applicable, shall designate a replacement board member.

A Board Member may be immediately removed by the Board Chairman in circumstances where either (a) such Board Member and/or the CDS Participant or CDS Clearing Member that designated such Board Member has breached these Rules in any material respect or (b) an event under section 5(a)(vii) of the ISDA 2002 Master Agreement has occurred and is continuing with respect to the CDS Participant or CDS Clearing Member that designated such Board Member. If a Board Member is removed the Board Chairman shall promptly select a Non-Dealer CDS Participant or CDS Clearing Member that is a CDS Dealer, as applicable, to designate a successor board member.

80402.G. Board Membership Size

The CME Board shall be comprised of up to sixteen (16) members representing: (1) the Board Chairman (as set forth in Rule 80402.A), Dealer Board Members (as set forth in Rule 80402.C) non-Dealer Board Members (as set forth in Rule 80402.B). At all times, the Clearing House shall

endeavor to the extent practicable to maintain a ratio of one (1) Non-Dealer Board Member for two (2) Dealer Board Members.

80403. Issue Submission

CDS Participants, CDS Clearing Members, the Clearing House, Board Members and third-party platforms that are commercial partners of the Clearing House for purposes of clearing CDS Contracts may, subject to Rule 80401, submit a request to the Board Chairman to convene a meeting of the CME Board to consider a particular Issue. In addition, the Board Chairman may also choose to address Issues proactively. All requests to the Board Chairman should include a reasonably detailed description of the Issue that the relevant party believes the CME Board should deliberate and, if applicable, information consistent with the definition of Publicly Available Information. For the avoidance of doubt, an Issue regarding the potential occurrence of a Credit Event may relate to a potential Credit Event that is not continuing at the time of the request to convene the CME Board. The Board Chairman shall forward each request for a meeting of the CME Board to the relevant Board Members in substantially the same form as the request was originally submitted to the Board Chairman.

80403.A. Publicly Available Information

For each Issue relating to whether a Credit Event has occurred, the Board shall not be required deliberate the Issue until the CME Board determines that Publicly Available Information has provided to the Board Chairman; provided that (i) the references to "a party" or "the parties" in 3.5(a) of the Credit Derivatives Definitions shall be deemed to refer to the party submitting the information, (ii) the references to "Credit Event Notice" in Section 3.5(a) of the Definitions shall be deemed to refer to requests in respect of Issues submitted to the Board Chairman, (iii) for Section 3.5(a)(i) of the Credit Derivatives Definitions, the Specified Number is two and (iv) the to Buyer and Seller in Section 3.5(b) of the Credit Derivatives Definitions shall be deemed to party submitting the information and the Board Chairman, respectively. The entity submitting information to the Board shall be deemed to represent and warrant that such information has disclosed and can be made public without violating any law, agreement or understanding confidentiality of such information and the Board Chairman and each Board Member may rely representation in addition to the assumption of Section 3.5(c) of the Credit Derivatives

80403.B. Confidentiality

Except as (i) expressly contemplated by these Rules or (ii) as may be required by applicable law or court order or requested by a regulatory, self-regulatory or supervising authority having appropriate jurisdiction, each Board Member agrees to maintain confidentiality as to all non-public deliberations occurring under these Rules, including, without limitation, any discussions, deliberations or proceedings relating to an Issue or Determination, the results of any non-binding vote and the location, timing and/or access details for any meeting (the "Confidential Material"). Following publication by the Board Chairman of any Confidential Material, a Board Member shall have no duty of confidentiality with respect to such Confidential Material. Following publication by the Board Chairman of the outcome of a Determination, a Board Member shall have no duty of confidentiality with respect to Confidential Material relating to such Determination.

80404. Board Rights and Responsibilities Related to Determinations

A Determination by the CME Board shall be made public and be deemed conclusive with regard related Issue for the purposes of affected CDS Contracts. The CME Board is responsible for publishing to all CDS Participants and CME Clearing Members the majority opinion, which analysis and reasoning behind the Determination. In addition, the vote or abstention of each Member with respect to an Issue will be published to all CDS participants and CDS Clearing not more than 30 days after the relevant vote. Any Determination by the CME Board in

this Chapter 804 shall, subject to the provisions of these Rules, be binding on the parties to a Contract.

80405. Determination Process

80405.A. Initial Meeting

Upon identification or submission of an Issue requiring a Determination by the CME Board the Board Chairman shall convene a meeting of the CME Board. The Board Chairman shall make reasonable efforts to allow for the attendance of all Board Members (such as through video or telephone conference), provided, however, that the meeting must occur no more than one (1) business day after the Board Chairman determines that the requirements for convening a meeting have been satisfied. At the initial meeting, the Board Members shall review and discuss the Issue, but shall not make a Determination absent exigent circumstances (as determined by the Board Chairman).

80405.B. Proposals; Reviewing and Voting Period

Prior to or simultaneously with the initial meeting, the Board Chairman shall issue a request for Proposals. Proposals must have clear, unambiguous, and actionable recommendations, and Proposals should be accompanied by relevant analysis and reasoning. Proposals must be submitted in writing to the Board Chairman no later than the Business Day immediately following the request for Proposals. The Board Chairman shall promptly deliver Proposals to all Board Members. The Board Chairman shall, acting reasonably, specify to the Board at the initial meeting the time period (the "Reviewing and Voting Period") in which Board Members will have an opportunity to review Proposals, which shall be not more than two (2) Business Days from the date on which the Board Chairman delivered Proposals to the Board Members. During the Reviewing and Voting Period, Board Members may solicit outside counsel and expert opinions to help them in deliberations and forming opinions. Board Members may discuss the Issue and Proposals with other Board Members, CDS Participants and CDS Clearing Members and their respective Affiliates. Board Members may also submit additional or refined Proposals and related information. The Board Chairman shall be responsible for facilitating formal and informal discussion among Board Members during the Reviewing and Voting Period.

80405.C. Voting; Final Meeting

The Board Chairman shall be responsible for calling for a vote no later than the Business Day immediately following the end of the Reviewing and Voting Period, as he/she deems necessary and appropriate. Board Members may also request that the Board Chairman call for a vote at any time during the Reviewing and Voting Period, but the ultimate authority to call for a vote rests with the Board Chairman. If no Determination has been made by the Business Day immediately following the end of the Reviewing and Voting Period, the Board Chairman shall convene a final meeting of the CME Board, at which a final vote shall be called. If the CME Board is fully constituted and no Board Member has abstained from a vote, at least nine (9) affirmative votes (including three (3) Non-Dealer Board Member votes) are required to make a Determination (for avoidance of any doubt, the Chairman is not allowed to vote). In the event that the CME Board is not fully constituted or a Board Member has abstained from a vote, then a majority plus one vote (a "Supermajority"), is required to make a Determination. For example, if the CME Board has 8 voting members, then a Supermajority is 6 votes. If the CME Board has 7 voting members, then a Supermajority is 5 votes. The Board Chairman may call for multiple votes on a Proposal during the Reviewing and Voting Period. The CME Board shall be required at the end by the Business Day immediately following the end of the Reviewing and Voting Period to reach a decision, which shall be final and binding.

80405.D. Conflicts of Interest

(i) With respect to any Issue requiring a Determination by the CME Board and any Board Member, the Board Chairman may determine in his/her absolute discretion that a material conflict of interest exists or is foreseeable with respect to either the relevant Issue or the related questions which may be deliberated by the Board. In the event the Board Chairman so determines, the relevant Board Member must abstain from voting on any Determination related to such Issue. 80403.C. Industry Protocol

~~The terms of any Single Name CDS Contract may be modified by CME in accordance with any relevant CDS industry-sponsored protocol or other multilateral agreement process to the extent ratified by the CME Determinations Board, with such modification to become part of these Rules and be applicable to all Single Name CDS Contracts that are open as of, or entered into subsequent to, the relevant date of modification.~~

80404. DISPUTE RESOLUTION

~~Section 9.1(c)(iii) of the ISDA Single Name Terms shall be deemed not to apply to Single Name CDS Contracts. Any dispute with respect to a Single Name CDS Contract may be referred to the CME Determinations Board in accordance with the Rules. Any Determination shall be final and binding on the parties to a Single Name CDS Contract.~~

(ii) Subject to paragraph (i) above, a Determination shall be valid and binding on CDS Participants and CDS Clearing Members notwithstanding any actual or perceived conflict of interest on the part of a Board Member, legal counsel or other third-party professional hired by such Board Member in connection with such Board Member's performance of his or her duties under these Rules.

80406 Limitation of Liability**80406.A. Limitation of Liability in respect of Board Members, the Board Chairman and Third Party Professionals**

No DB Party and no legal counsel or other third-party professional hired by or engaged by any DB Party in connection with such DB Party's performance of its duties set out in this Chapter 804 shall undertake any duty of care or otherwise be liable, whether for negligence or otherwise, for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with such DB Party's performance of its duties set out in this Chapter 804, or any advice given by legal counsel or any other third-party professional hired or engaged by such DB Party in connection with such DB Party's performance of its duties, set out in this Chapter 804, except in the case of fraud or wilful misconduct on the part of such DB Party, legal counsel or third party professional, provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired or engaged by a DB Party may still be liable to such DB Party.

80406.B. Waiver of Liability in respect of Board Members, the Board Chairman, the Clearing House and third party professionals

Each CDS Participant and CDS Clearing Member waives any claim, whether for negligence or otherwise, that may arise against a DB Party and any legal counsel or other third-party hired or engaged by such DB Party in connection with such DB Party's performance of its duties in this Chapter 804 or any advice given by legal counsel or any other third-party professional engaged by such DB Party in connection with such DB Party's performance of its duties, set out Chapter 804, except in the case of fraud or wilful misconduct on the part of such DB Party, legal counsel or other third-party professional provided that, notwithstanding the foregoing, legal

counsel or any other third-party professional hired or engaged by a DB Party may still be liable to such DB Party.

Each Board Member waives any claim, whether for negligence or otherwise, that may arise against any other Board Member, the Board Chairman or the Clearing House and any legal counsel or other third-party professional hired or engaged by such other Board Member or the Board Chairman or the Clearing House in connection with such other Board Member's, the Board Chairman's or the Clearing House's performance of its duties under these Rules or any advice given by legal counsel or any other third-party professional hired or engaged by such entity in connection with its performance of its duties under these Rules, except in the case of fraud or wilful misconduct on the part of such other Board Member, the Board Chairman or the Clearing House, legal counsel or other third-party professional.

80406.C. Limitation of Board Members' and Board Chairman's duties

No DB Party is (a) under any obligation to research, investigate, supplement, or verify the veracity of, any information on which it bases its decision, (b) acting as a fiduciary for, or as an advisor to, any party in connection with the relevant CDS Contract and (c) in relation to any Determination, under any obligation to consult with, or individually notify, any party to a CDS Contract.

80406.D. Mitigation of Liability

The Clearing House will provide Directors and Officers (D&O) liability insurance to each of the Board Members. In addition, Board Members will be indemnified by the Clearing House on the terms set out in the other Chapters of these Rules.

Chapter 805806

CME CDS Physical Settlement⁴

80501. Scope of Chapter

These Rules~~80601.~~ **SCOPE OF CHAPTER**

The ~~rules~~ in this Chapter ~~805806~~ set out the terms of "CME CDS Physical Settlement". CME CDS Physical Settlement shall apply to each CDS Contract for which ~~(i) the Fallback Settlement Method is applicable,~~ applicable, and ~~(ii) the CME Determinations Board has not rendered inapplicable or modified such Fallback Settlement Method pursuant to Rule 80507.E.~~ Capitalized terms in this Chapter not otherwise defined in this Chapter shall have the meaning given to such terms in the other Chapters of these Rules.

80502. Matched Pairs

80502.A.~~80602.~~ **MATCHED PAIRS**

~~80602.A.~~ **Matched Pair Notice**

If CME CDS Physical Settlement is applicable to a CDS Contract (a "Physical Settlement Contract") following a Failure to Pay or Bankruptcy Credit Event, then the Clearing House~~CME~~ shall randomly match (with respect to each relevant Scheduled Termination Date) each Buyer~~Fixed-Rate Payer~~ under a Physical Settlement Contract with one or more Sellers~~Floating-Rate Payers~~ under a fungible Physical Settlement Contract in a manner such that the Floating Rate Payer Calculation Amount related to each Buyer~~Fixed-Rate Payer~~ under a Physical Settlement Contract is fully allocated to one or more Sellers~~Floating-Rate Payers~~ under a fungible Physical Settlement Contract.

A matched Buyer~~Fixed-Rate Payer~~ and Seller~~Floating-Rate Payer~~ pursuant to the preceding paragraph is a "Matched Pair" where the Buyer~~Fixed-Rate Payer~~ is the "Matched Pair Buyer", the Seller~~Floating-Rate Payer~~ is the "Matched Pair Seller", and the portion of the Floating Rate Payer Calculation Amount allocated to such Matched Pair is the "Matched Notional Amount". Prior to 10a.m. (Chicago time) on the Business Day immediately following the date on which CME CDS Fallback Settlement becomes applicable to a CDS Contract, the Clearing House~~CME~~ will issue a notice to the Matched Pair (the "Matched Pair Notice") indicating the relevant Physical Settlement Contract, Matched Pair Buyer, Matched Pair Seller, Matched Notional Amount and Credit Event. With respect to a Physical Settlement Contract, the date as of which the Clearing House~~CME~~ first issues a Matched Pair Notice in respect of a Credit Event applicable to any Physical Settlement Contract shall be the "Matched Pair Notice Date". With respect to a Physical Settlement Contract, if the Trade Date occurs after the Matched Pair Notice Date, then the CME will issue a Matched Pair Notice for such Physical Settlement Contract on the day after the Trade Date.

80602.B. **Decoupling of Matched Pairs**

CME reserves the Clearing House right to decouple any Matched Pair within five (5) Business Days of the Matched Pair Notice Date, provided that (i) neither the Matched Pair Buyer nor the Matched Pair Seller of such Matched Pair has delivered a Matched Pair Notice (A) Notice of Intent to Settle pursuant to Rule 80603 or (B) Notice of Physical Settlement, as specified in 80604.E.(iv), and (ii) subsequent to such decoupling, the CME creates Matched Pairs pursuant to 80602.A (as necessary). For the avoidance of doubt, this Rule 80602.B is intended to address situations where a Matched Pair Buyer or Matched Pair Seller enters into a new Physical Settlement Contract that offsets such Matched Pair Buyer's or Match Pair Seller's existing Physical Settlement Contract.

80603. NOTICE OF INTENT TO SETTLE AFTER RESTRUCTURING

⁴ -Adopted June 2009.

~~"Notice of Intent to Settle" means with respect to a Matched Pair in respect of a Physical Settlement Contract with respect to a Restructuring Credit Event, a notice (which must be (i) in writing (including by facsimile and/or email), and (ii) delivered within five (5) Business Days of the Matched Paired Notice Date), from Matched Pair Buyer or Matched Pair Seller (as applicable) to CME and Matched Pair Seller or Matched Pair Buyer (as applicable) that irrevocably confirms that Matched Pair Buyer or Matched Pair Seller (as applicable) intends to settle such Physical Settlement Contract in accordance with Rule 80604.~~

~~(i) — a Matched Pair Buyer and/or Matched Pair Seller may deliver multiple Notices of Intent to Settle, and each such Notice of Intent to Settle must indicate (a) the party delivering the notice, (b) the Matched Pair, and (c) the portion of the Matched Notional Amount to which such Notice of Intent to Settle applies (the "Matched Notional Exercise Amount").~~

~~(ii) — if the Matched Pair Buyer or Matched Pair Seller has delivered a Notice of Intent to Settle that specifies a Matched Notional Exercise Amount that is less than the then outstanding Matched Notional Amount, the rights and obligations of the Matched Pair Buyer and Matched Pair Seller in respect of the outstanding Matched Notional Amount shall, with effect from the date such Notice of Intent to Settle is delivered, be construed as if the CME had issued multiple Matched Pair Notices, one of which has a Matched Notional Amount equal to the Matched Notional Exercise Amount for which such Notice of Intent to Settle has been delivered, and the other of which has a Matched Notional Amount equal to the Matched Notional Amount outstanding prior to such Notice of Intent to Settle becoming effective minus the Matched Notional Exercise Amount and in respect of which a Notice of Intent to Settle has not been delivered. For the avoidance of doubt, the Matched Pair Notice for both Matched Pairs referred to in the preceding sentence will be deemed to have been delivered on the date that the original Matched Pair Notice was delivered by the CME.~~

~~80604. MATCHED PAIR CDS CONTRACTS~~

~~80604.A. Matched Pair CDS Contracts upon Bankruptcy or Failure to Pay Credit Event~~

~~Upon effectiveness of a Matched Pair Notice in respect of a Bankruptcy or Failure to Pay Credit Event, the Physical Settlement Contracts between the CME and each of the Matched Pair Buyer and the Matched Pair Seller respectively shall be deemed terminated and of no further force or effect in respect of a Floating Rate Payer Calculation Amount applicable equal to a Physical Settlement Contract to which such the Matched Pair Notice relates, the Notional Amount (without prejudice to any accrued rights prior to termination) and obligations of the parties to such Physical Settlement Contract shall, with effect from Matched Pair Buyer and the date such Matched Pair Notice is effective, Seller shall each respectively be construed as if the parties had deemed to have entered into two CDS Contracts, one of which has a a Single Name CDS Contract (as modified mutatis mutandis pursuant to Rule 80604.E) with (a) the same Reference Entity, Buyer, Seller, Scheduled Termination Date, Floating Rate Payer Clearing Firm and Fixed Rate Payer Clearing Firm as the relevant terminated Physical Settlement Contract (or portion thereof) and (b) with a Floating Rate Payer Calculation Amount equal to the Matched Notional Amount and the other of which will have a Floating Rate Payer Calculation Amount equal with respect to the Floating Rate Payer Calculation Amount outstanding prior to delivery of such Matched Pair Notice minus the Matched Notional Amount and will continue in effect with such modifications required as determined by the Calculation Agent (to preserve the economic effects of the two CDS Contracts considered in the aggregate). Each (the Single Name CDS Contract so created between the Clearing House CME and each of the Matched Pair Buyer and Matched Pair Seller respectively, shall be a "Matched Pair CDS Contract", and such Matched Pair CDS Contracts collectively, a "Matched Pair CDS Contract Pair").~~

~~The methodology used by the Clearing House for purposes of allocating 80604.B Matched Pairs under this CDS Contracts upon Restructuring Credit Event~~

~~Upon effectiveness of a Notice of Intent to Settle pursuant to Rule shall minimize, to 80603, the Physical Settlement Contracts between the extent reasonably practicable, CME and each of the following: Matched Pair Buyer and the Matched Pair Seller respectively shall be deemed terminated and~~

~~of no further force or effect in respect of a Floating Rate Payer Calculation Amount equal to the Matched Notional Exercise Amount related to such Notice of Intent to Settle (without prejudice to any accrued rights prior to termination) and the Matched Pair Buyer and the Matched Pair Seller shall each respectively be deemed to have entered into a Single Name CDS Contract (as modified mutatis mutandis pursuant to Rule 80604.E) with (a) the same Reference Entity, Buyer, Seller, Scheduled Termination Date, Floating Rate Payer Clearing Firm and Fixed Rate Payer Clearing Firm as the relevant terminated Physical Settlement Contract (or portion thereof) and (b) with a Floating Rate Payer Calculation Amount equal to the Matched Notional Exercise Amount related to such Notice of Intent to Settle (the Single Name CDS Contract so created between the CME and each of the Matched Pair Buyer and Matched Pair Seller respectively, a "Matched Pair CDS Contract", and such Matched Pair CDS Contracts collectively, a "Matched Pair CDS Contract Pair").~~

~~(a) the number 80604.C. ——— **No Notice of Intent to Settle**~~

~~With respect to a Matched Pairs in respect of which a Physical Settlement Contract resulting from a Declaration of Credit Event in respect of a Restructuring Credit Event, if neither the Matched Pair Buyer nor the Matched Pair Seller delivers a Notice of Intent to Settle in accordance with Rule 80603, then (i) the Conditions to Settlement will not have been met in respect of the Physical Settlement Contract between the CME and the Matched Pair Buyer and a Floating Rate Payer Calculation Amount equal to the Matched Notional Amount is less than USD 1,000,000 or not an integral multiple of such amount; and any Event Determination Date previously determined shall be deemed not to have occurred in respect of the Physical Settlement Contract and a Floating Rate Payer Calculation Amount equal to the Matched Notional Amount, and (ii) the Conditions to Settlement will not have been met in respect of the Physical Settlement Contract between the CME and the Matched Pair Seller and a Floating Rate Payer Calculation Amount equal to the Matched Notional Amount and any Event Determination Date previously determined shall be deemed not to have occurred in respect of the Physical Settlement Contract and a Floating Rate Payer Calculation Amount equal to the Matched Notional Amount.~~

~~(b) the number of Matched Pairs into which an individual CDS Clearing Member is matched; and~~

~~(c) the overall number of Matched Pairs.~~

~~**80502.B. 80604.D. ——— Appointment of designee by the Clearing HouseCME**~~

~~With respect to a Matched Pair CDS Contract and the Clearing HouseCME only, the reference to "any of its Affiliates" in the first line of Section 9.2(c)(iv)~~9(c)(iv)~~ of the Credit Derivatives Definitions shall be construed as a reference to "any third party".~~

~~With respect to a Matched Pair CDS Contract Pair and a Matched Pair CDS Contract the Clearing House shall be deemed to have designated, pursuant to Section 9.2(c)(iv) of the Credit Derivatives Definitions:~~

~~(a) CME may require the Matched Pair Seller or the Matched Pair Buyer, as applicable, to act as its designee;~~

~~(i) to receive on its behalf from the relevant Matched Pair Buyer in the Matched Pair Notices of Physical Settlement (and any NOPS Amendment Notices) in relation to for the purposes of Delivering or taking Delivery of Obligations in connection with such Matched Pair CDS Contract; Pair.~~

~~**80604.E. ——— Additional Terms for Matched Pair CDS Contracts**~~

~~(i) Settlement Method
Settlement Method shall be Physical Settlement.~~

~~(ii) other than Event Determination Date
An Event Determination Date will be deemed to have occurred in respect of the Physical Settlement Amount relating to the settlement of Non DVP Obligations as referred to in Rule~~

80503 below, to pay, a Matched Pair CDS Contract on the day on behalf of the Clearing House, the applicable Physical Settlement Amount in respect of such Matched Pair CDS Contract;

(iii) to take Delivery, on behalf of the Clearing House, of Deliverable Obligations from the Matched Pair Buyer

(iv) to receive from, or deliver to, the relevant Matched Pair Buyer, on behalf of the Clearing House, any notices in accordance with Sections 9.3, 9.8, 9.9 or 9.10 of the Credit Derivatives Definitions;

(b) the Matched Pair Buyer as its designee:

(i) to deliver on its behalf to the relevant Matched Pair Seller in the Matched Pair Notices of Physical Settlement (and any NOPS Amendment Notices) in relation to which such Matched Pair CDS Contract;

(ii) other than in respect of the Physical Settlement Amount relating to the settlement of Non DVP Obligations as referred to in Rule 80503 below, to receive, on behalf of the Clearing House, the applicable Physical Settlement Amount in respect of such Matched Pair CDS Contract;

(iii) to Deliver, on behalf of the Clearing House, Deliverable Obligations to the Matched Pair Seller; and

(iv) to receive from, or deliver to, the relevant Matched Pair Seller, on behalf of the Clearing House, any notices in accordance with Sections 9.3, 9.8, 9.9 or 9.10 of the Credit Derivatives Definitions.

Upon receipt of a Matched Pair Notice, the Matched Pair Buyer and Matched Pair Seller shall be is deemed to have been notified of the above designation and shall assume the obligations specified above as designee, entered into pursuant to this Rule 80604.

References to "Buyer" and "Seller" in Sections 9.3, 9.8, 9.9 and 9.10 of the Credit Derivatives Definitions shall be construed as being references to the Matched Pair Buyer or the Matched Pair Seller, as applicable and the relevant CDS Contracts shall be construed accordingly.

Where the Clearing House is the Buyer in respect of a Match Pair CDS Contract, references in Section 9.2 of the Credit Derivatives Definitions to " Buyer shall be deemed to represent to Seller" shall be deemed to be references to "Buyer shall be deemed to covenant to Seller".

80502.C. (iii) — Conditions to Settlement

All of the Conditions to Settlement in respect of a Matched Pair CDS Contract Pair shall be deemed to be satisfied by the delivery by Matched Pair Buyer of a Notice of Physical Settlement to both the Clearing House CME and the Matched Pair Seller under the Matched Pair CDS Contract Pair that is effective, subject, where applicable, to the Physical Settlement process being tolled pursuant to Rule 80504, 80605.A., on or before the later of (i) the thirtieth calendar day following the earlier of (a) (subject to adjustment in accordance with any applicable Business Day Convention) after the Auction Cancellation Date or No Auction Announcement Date and (b) the date on which a Declaration of Credit Event in respect of the relevant CDS Contracts was issued by the Clearing House, Determination Date. For purposes of determining whether the Notice of Physical Settlement Condition to Settlement has been satisfied, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used. Section 3.2 of the Credit Derivatives Definitions shall not apply.

80502.D. Notices

Neither the Clearing House nor any CDS Clearing Member will be entitled to deliver a Notice of Physical Settlement or a NOPS Amendment Notice in respect of a CDS Contract prior to the relevant Matched Pair Notice Date.

Any Notice of Physical Settlement, NOPS Amendment Notice and any notice delivered pursuant to Sections 9.3, 9.9, 9.9 and 9.10(iv) — Notice of Physical Settlement

Notwithstanding Section 3.4 of the Credit Derivatives Definitions, any Notice of Physical Settlement and NOPS Amendment Notice (as applicable) shall be delivered to both the Clearing House CME and the Matched Pair Seller. For the avoidance of doubt,

(v) — Restructuring Maturity Limitation and Fully Transferable Obligation

Section 1.102.32 (a) of the Credit Derivatives Definitions will apply to any notices delivered by Matched Pair Buyer and Matched Pair Seller in respect of a Matched Pair CDS Contract, provided that any notice to the Clearing House may not be given by telephone and may be given as provided in Rule 80002. is hereby deleted in its entirety and replaced with the following:

"(a) — If a CDS Clearing Member delivers a "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is applicable to a Matched Pair CDS Contract and the relevant Notice of Intent to Settle was delivered by Matched Pair Buyer, then a Deliverable Obligation may be specified (or deemed specified pursuant to Section 9.10) in the Notice of Physical Settlement (or NOPS Amendment Notice) in relation only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date."

(vi) — Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation

Section 2.33 (a) of the Credit Derivatives Definitions is hereby deleted in its entirety and replaced with the following:

"(a) — If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is applicable to a Matched Pair CDS Contract in respect of a Floating Rate Payer Calculation Amount exceeding the relevant Matched Notional Amount then such notice will be effective only in respect of a Floating Rate Payer Calculation Amount equal to and the relevant Matched Notional Amount. This requirement will apply separately in relation to each Matched Pair in respect of which the CDS Clearing Member is matched. Notice of Intent to Settle was delivered by Matched Pair Buyer, then a Deliverable Obligation may be specified (or deemed specified pursuant to Section 9.10) in the Notice of Physical Settlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date."

80503. Physical Settlement of Non DVP Obligations

In 80605. — RESOLUTION OF QUESTIONS RELATED TO DELIVERABLE OBLIGATIONS

80605.A. — Question Submission

With respect of any to a Matched Pair CDS Contract Pair, if any Deliverable Obligations to be Delivered by, from the date upon which such Matched Pair Buyer CDS Contract was created pursuant to Rule 80604 until the Matched Pair Seller are reasonably believed by earlier of (i) the Matched Pair Buyer not to settle standardly on a delivery-versus-payment basis (such Deliverable Obligations, "Non DVP Obligations") (as notified by date that is three calendar days after the Matched Pair Buyer to the Matched Pair Seller and to the Clearing House upon delivering any date that a Notice of Physical Settlement or a NOPS Amendment Notice), related to such Matched Pair CDS Contract is effective or (ii) any date that precedes Delivery of such Non DVP Obligations and payment of the related portion of the Physical Settlement Amount (the "Physical Settlement Amount Portion") shall take place as follows:

(a) the Matched Pair Buyer shall notify the Clearing House that it is ready to Deliver to the Matched Pair Seller the Non DVP Obligations;

(b) following receipt of the notification referred to an Obligation listed in paragraph (a) above, the Clearing House shall request that the Matched Pair Seller pay to the Clearing House the full Physical Settlement Amount Portion;

(c) following receipt of the request referred to in paragraph (b) above the Matched Pair Seller shall transfer to the Clearing House the full Physical Settlement Amount Portion;

(d) following receipt by the Clearing House of the full Physical Settlement Amount Portion in cleared funds, the Clearing House shall notify the Matched Pair Buyer that it is holding the relevant Physical Settlement Amount Portion from the Match Pair Seller;

(e) following receipt of the notification referred to in paragraph (d) above, the Matched Pair Buyer shall deliver the relevant Non DVP Obligations to the Matched Pair Seller with an outstanding principal balance at least equal to the relevant Physical Settlement Amount Portion;

(f) following its receipt of Delivery of the relevant Deliverable Obligations, the Matched Pair Seller shall deliver a notice to the Clearing House in the form required by the Clearing House from time to time specifying that the Delivery has occurred, in full or, if in part, the percentage of the Physical Settlement Amount Portion (the "Delivered Percentage") in respect of which Delivery has occurred;

(g) following its receipt of the notification referred to in paragraph (f) above the Clearing House shall pay to the Matched Pair Buyer an amount equal to the Physical Settlement Amount Portion (or, where the Matched Pair Seller notified the Clearing House of Delivery in part only, an amount equal to the product of the Delivered Percentage of the Physical Settlement Amount Portion) received from the Matched Pair Seller; and

(h) if the Matched Pair Buyer does not Deliver the Non DVP Obligations with an outstanding principal balance at least equal to the Physical Settlement Amount Portion to the Matched Pair Seller within 3 Business Days of receipt by the Matched Pair Buyer of the notice referred to in paragraph (d) above, the Matched Pair Seller may request that the Clearing House repay to the Matched Pair Seller the Physical Settlement Amount in respect of the Physical Settlement Amount Portion, less the product of the Delivered Percentage and the Physical Settlement Amount Portion, if any.

The process set out above may be repeated in relation to any Non DVP Obligations not in fact delivered as specified above.

80504. Deliverable Obligations

Prior to accepting Delivery of a particular obligation pursuant to a such Notice of Physical Settlement or such NOPS Amendment Notice, a Matched Pair Seller Floating Rate Payer or Fixed Rate Payer may challenge present to the Board Chairman an Issue relating to whether the obligation an Obligation of the relevant Reference Entity is a Deliverable Obligation under the terms of a such Matched Pair CDS Contract, unless Contract. Such Issue will be resolved by the CME Determinations Board has previously issued a Declaration confirming that such obligation is a Deliverable Obligation applicable to that Matched Pair CDS Contract as of the applicable Delivery Date for such Deliverable Obligation. Such challenge may only be made by submission of (a) a request to ISDA, as DC Secretary, to convene the relevant Credit Derivatives Determinations Committee to resolve whether such obligation is a Deliverable Obligation or (b) subject to Rule 80401 submission of an Issue to the CME Determinations Board regarding whether such obligation is a Deliverable Obligation. Any Matched Pair Seller proposing to refuse to accept Delivery and who has submitted a request to ISDA or an Issue to the CME Determinations Board as described above must give notice forthwith to the Clearing House and to the Matched CDS Buyer in the relevant Matched Pair, specifying the Matched Pair CDS Contracts Pair and obligation to which the refusal relates and details of the request to ISDA or Issue submitted to the CME Determinations Board, as applicable (the date of delivery of such notice being the "DO Question

Notice Date" and the relevant obligation to which such notice relates a "Disputed DO"), pursuant to Chapter 805.

With respect to a Matched Pair CDS Contract Pair, to the extent an effective Notice of Physical Settlement or NOPS Amendment Notice is delivered referencing Disputed DO, an Obligation for which there is an outstanding Issue, all time periods and related rights and remedies relating to settlement, for example, under Sections 9.9 and 9.10 of the Credit Derivatives Definitions and any applicable cap on settlement, in respect Physical Settlement of such Matched Pair CDS Contract Pair relevant to such Obligation shall be tolled for the time period from the DO Question Notice Date until the earlier of (a) date that such Issue was first presented to the Board Chairman until the date that the CME Determinations Board makes a Determination related to the relevant Disputed DO or (b) the date on which ISDA publicly announces that the Credit Derivatives Determinations Committee has Resolved whether or not the relevant Disputed DO constitutes a Deliverable Obligation (such date the "Disputed DO Resolution Date"). An obligation shall cease to constitute a Disputed DO from, and including, the relevant Disputed DO Resolution Date. A Matched Pair Seller of a Matched Pair CDS Contract Pair shall be entitled to refuse Delivery of any obligation for so long as it constitutes a Disputed DO, such Issue.

80505. Fallback Cash Settlement**80505.A. Failure to Pay Physical Settlement Amount**

If a Match Pair Seller fails to pay all or part of a Physical Settlement Amount to a Matched Pair Buyer or the Clearing House, as applicable (such amount the "Unpaid Amount") then:

(a) the relevant Matched Pair Buyer may give notice in writing to the Clearing House, giving all material details of the Matched Pair CDS Contract Pair involved, the failure to pay and the Unpaid Amount and any material details of the amount of any Physical Settlement Amount paid in part;

(b) such failure to pay shall not constitute or be deemed to constitute a default or breach by the Clearing House under the relevant Matched Pair CDS Contract, the Rules or otherwise;

(c) the Matched Pair Seller will be deemed to have failed to pay an amount equal to the Unpaid Amount to the Clearing House under the relevant Matched Pair CDS Contract;

(d) the Matched Pair CDS Contract between the relevant Matched Pair Buyer and the Clearing House shall be settled as though the partial cash settlement provisions set out in Section 9.8 of the Credit Derivatives Definitions applied to the relevant Matched Pair CDS Contract with respect to the Deliverable Obligations corresponding to the Unpaid Amount as though:

(i) the Deliverable Obligations not Delivered were Undeliverable Obligations;

(ii) the Latest Permissible Physical Settlement Date were the date on which the Matched Pair Buyer gave the relevant notice to the Clearing House as referred to in paragraph (a) above;

(iii) Indicative Quotations were not applicable; and

(iv) the Matched Pair Buyer were the Calculation Agent.

80505.B. Non-Deliverable Obligations

If a Matched Pair Buyer is not permitted to Deliver one or more Deliverable Obligations (such Deliverable Obligations, the "Non-Deliverable Obligations") specified in the relevant Notice of Physical Settlement or NOPS Amendment Notice to its Matched Pair Seller in the relevant Matched Pair because:

(a) the amount of such Deliverable Obligation is less than the relevant minimum denomination of such Deliverable Obligation; or

(b) such Matched Pair Seller is not a permitted transferee under such Deliverable Obligation or the Matched Pair Buyer does not obtain any requisite consent with respect to delivery of Deliverable Obligations,

such occurrence shall be treated, in relation to the Matched Pair CDS Contract Pair, as an illegality or impossibility outside the parties' control for the purpose of Section 9.3 of the Credit Derivatives Definitions. The Matched Pair Buyer shall deliver a notice describing in reasonable detail the facts giving rise to such deemed illegality or impossibility to its Matched Pair Seller and the Clearing House. Upon such notice being given to the Clearing House the partial cash settlement provisions set out in Section 9.8 of the Credit Derivatives Definitions shall be deemed to apply to the relevant Matched Pair CDS Contract Pair with respect to the Non-Deliverable Obligations as though:

(a) the Non-Deliverable Obligations not Delivered were Undeliverable Obligations;

(b) the Latest Permissible Physical Settlement Date were the date on which the Matched Pair Buyer gave the relevant notice to the Clearing House as referred to above;

(c) Indicative Quotations were not applicable; and

(d) the Matched Pair Buyer were the Calculation Agent.

80505.C. Quotations

For the purposes of Rules 80505.A. and 80505.B. in addition to the requirements of Section 7.10 of the Credit Derivatives Definitions and notwithstanding Section 9.8(k) of the Credit Derivatives Definitions, each firm Quotation shall:

(A) be for a transaction with the Matched Pair Buyer (or its designee) (the "Relevant Buyer") in which, the Relevant Buyer agrees to Deliver the Deliverable Obligations to the Dealer submitting the firm quotation (the "Quoting Dealer"), (which transaction shall be governed by documentation that is consistent with market practice applicable to the sale and purchase of Deliverable Obligations on the Valuation Date, including without limitation a representation that the Quoting Dealer has completed all "know your customer" or similar requirements under all applicable laws, regulations and internal compliance procedures relating to a transaction with the Relevant Buyer and on the Reference Entity) and such Quoting Dealer agrees to pay the settlement amount (calculated and payable for this purpose in accordance with the relevant market standard documentation and based on the price so quoted) that would be payable for such Deliverable Obligations to the Relevant Buyer; and

(B) be capable of acceptance by the Relevant Buyer (for such purposes, each firm Quotation must, inter alia, be obtained from a Dealer with whom the Relevant Buyer in its sole and absolute discretion determines that it is able in accordance with all its internal compliance and policy requirements to transact and to Deliver the Deliverable Obligations) and be open for acceptance to the relevant party for at least 30 minutes.

80506. Alternative Bilateral Settlement

A Matched Pair Buyer and Matched Pair Seller may, in respect of the relevant Matched Pair CDS Contract Pair, elect to settle their rights and obligations in relation to such Matched Pair CDS Contract Pair between each other outside of the Clearing House by providing notice to the Clearing House specifying the relevant Matched Pair CDS Contract Pair and confirming their intent to settle such Matched Pair CDS Contract Pair outside of the Clearing House. If the Clearing House consents to such settlement (such consent not be unreasonably withheld or delayed), then, with effect from the date of the Clearing House consent, such Matched Pair CDS Contract Pair will be deemed to be terminated and the Clearing House will have no further obligations with respect to such Matched Pair CDS Contract Pair and, accordingly, the Clearing House guarantee shall cease to apply.

80507. Clearing House Guarantee of Matched Pair CDS Contracts

For the avoidance of doubt, save as provided in Rule 80506,

For the avoidance of doubt, if there is a DC Determination related to an Issue raised pursuant to Rule 80605.A, then the CME Determinations Board will ratify such DC Determination except under extreme circumstances where the CME Determinations Board votes to reconsider such DC Determination pursuant to Rule 80506.B.

80605.B. Right to Refuse Delivery

Notwithstanding any other provision of the Credit Derivative Definitions or these Rules, to the extent the Board Chairman designates an Issue pursuant to Rule 80605.A relating to whether a particular Obligation of a Reference Entity is a Deliverable Obligation under the terms of a relevant Matched Pair CDS Contract Pair, unless and until the CME Determinations Board makes a Determination for such

~~Issue that such Obligation is a Deliverable Obligation under such Matched Pair CDS Contract Pair, a Floating Rate Payer of a Matched Pair CDS Contract Pair may refuse Delivery of such Obligation by the Fixed Rate Payer.~~

~~80606. COLLATERAL FOR MATCHED PAIR CDS CONTRACTS~~

~~Upon creation of a Matched Pair CDS Contract Pair pursuant to Rule 80604, CME will collect collateral (the "Matched Pair Collateral") from the Matched Pair Buyer and the Matched Pair Seller of such Matched Pair CDS Contract Pair on behalf of such parties. CME shall be solely responsible for determining the requirements related to the initial and ongoing value, frequency of transfer and release in respect of Matched Pair Collateral.~~

~~80607. CME GUARANTEE OF MATCHED PAIR CDS CONTRACTS~~

~~Matched Pair CDS Contracts shall be guaranteed by the Clearing HouseCME pursuant to Rule 8F05.~~

~~80508. Failure to Perform under Matched Pair CDS Contracts~~

~~80608. FAILURE TO PERFORM UNDER MATCHED PAIR CDS CONTRACTS~~

~~If at any time after the creation of a Matched Pair CDS Contract the Matched Pair Buyer or the Matched Pair Seller, as applicable, fails to perform its obligations in respect of such Matched Pair CDS Contract in accordance with these Rules, then, in addition to any obligations or liabilities under this Chapter 805,806, such Matched Pair Buyer or Matched Pair Seller, as applicable, may be subject to disciplinary action by the Clearing HouseCME pursuant to these Rules, which shall include without limitation, potential suspension of the clearing privileges of such Matched Pair Buyer or Matched Pair Seller.~~

APPENDIX 1**CDX Indices**

<u>CDX Index</u>	<u>Series</u>	<u>Termination Date (Scheduled Termination Date)</u>
CDX North America Investment Grade (CDX.NA.IG)	12	20 Jun 2014
CDX North America Investment Grade (CDX.NA.IG)	13	20 Dec 2014

APPENDIX 2

North American Single Name Reference Entities

	Reference Entity	Clearing Code
1	ACE LIMITED	ACERXU
2	AETNA INC.	AETRXU
3	ALCOA INC.	AARXU
4	THE ALLSTATE CORPORATION	ALLRXU
5	ALTRIA GROUP INC.	MORXU
6	AMERICAN ELECTRIC POWER COMPANY INC.	AEPRXU
7	AMERICAN EXPRESS COMPANY	AXPRXU
8	AMERICAN INTERNATIONAL GROUP INC.	AIRXU
9	AMGEN INC.	AMGRXU
10	ANADARKO PETROLEUM CORPORATION	APCRXU
11	ARROW ELECTRONICS INC.	ARWRXU
12	AT&T INC.	ATRXU
13	AT&T MOBILITY LLC	ATTRXU
14	AUTOZONE INC.	AZORXU
15	AVNET INC.	AVTRXU
16	BARRICK GOLD CORPORATION	ABXRXU
17	BAXTER INTERNATIONAL INC.	BAXRXU
18	THE BLACK & DECKER CORPORATION	BDKRXU
19	BOEING CAPITAL CORPORATION	BARXU
20	BOSTON PROPERTIES LIMITED PARTNERSHIP	BXPRXU
21	BRISTOL-MYERS SQUIBB COMPANY	BMYRXU
22	BURLINGTON NORTHERN SANTA FE CORPORATION	BNIRXU
23	CAMPBELL SOUP COMPANY	CPBRXU
24	CANADIAN NATURAL RESOURCES LIMITED	CNQRXU
25	CAPITAL ONE BANK (USA) NATIONAL ASSOCIATION	COFRXU
26	CARDINAL HEALTH INC.	CAHRXU
27	CARNIVAL CORPORATION	CCLRXU
28	CATERPILLAR INC.	CATRXU
29	CBS CORPORATION	CBSRXU
30	CENTURYTEL INC.	CTLRXU
31	THE CHUBB CORPORATION	CBRXU

32	CIGNA CORPORATION	CIRXU
33	CISCO SYSTEMS INC.	CISRXU
34	COMCAST CORPORATION	CMRXU
35	COMPUTER SCIENCES CORPORATION	CSCRXU

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1	ACE LIMITED	ACERXU
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9	AMGEN INC.	AMGRXU
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11	ARROW ELECTRONICS INC.	ARWRXU
12	AT&T INC.	ATRXU
13	AT&T MOBILITY LLC	ATTRXU
14	AUTOZONE INC.	AZORXU
15	AVNET INC.	AVTRXU
16	BARRICK GOLD CORPORATION	ABXRXU
17	BAXTER INTERNATIONAL INC.	BAXRXU
18	THE BLACK & DECKER CORPORATION	BDKRXU
19	BOEING CAPITAL CORPORATION	BARXU
20	BOSTON PROPERTIES LIMITED PARTNERSHIP	BXPRXU
21	BRISTOL-MYERS SQUIBB COMPANY	BMYRXU
22	BURLINGTON NORTHERN SANTA FE CORPORATION	BNIRXU
23	CAMPBELL SOUP COMPANY	CPBRXU
24	CANADIAN NATURAL RESOURCES LIMITED	CNQRXU
25	CAPITAL ONE BANK (USA) NATIONAL ASSOCIATION	COFRXU
26	CARDINAL HEALTH INC.	CAHRXU
27	CARNIVAL CORPORATION	CCLRXU
28	CATERPILLAR INC.	CATRXU
29	CBS CORPORATION	CBSRXU
30	CENTURYTEL INC.	CTLRXU
31	THE CHUBB CORPORATION	CBRXU
32	CIGNA CORPORATION	CIRXU

33	CISCO SYSTEMS INC.	CISR XU
34	COMCAST CORPORATION	CMRXU
35	COMPUTER SCIENCES CORPORATION	CSCR XU
36	CONAGRA FOODS INC.	CAGR XU
37	CONOCOPHILLIPS	COPR XU
38	CONSTELLATION ENERGY GROUP INC.	CEGR XU
39	COX COMMUNICATIONS INC.	COXR XU
	Reference Entity	Clearing Code
40	CSX CORPORATION	CSXR XU
41	CVS CAREMARK CORPORATION	CVSR XU
42	DARDEN RESTAURANTS INC.	DRIR XU
43	DEERE & COMPANY	DER XU
44	DELL COMPUTER CORPORATION	DLR XU
45	DEVON ENERGY CORPORATION	DVNR XU
46	DIRECTV HOLDINGS LLC	DTVR XU
47	DOMINION RESOURCES INC.	DR XU
48	THE DOW CHEMICAL COMPANY	DOWR XU
49	DUKE ENERGY CAROLINAS LLC	DUKR XU
50	E. I. DU PONT DE NEMOURS AND COMPANY	DDR XU
51	EASTMAN CHEMICAL COMPANY	EMNR XU
52	ERP OPERATING LIMITED PARTNERSHIP	EQRR XU
53	FIRSTENERGY CORP.	FER XU
54	FORTUNE BRANDS INC.	FOR XU
55	GATX CORPORATION	GMTR XU
56	GENERAL ELECTRIC CAPITAL CORPORATION	GER XU
57	GENERAL MILLS INC.	GISR XU
58	GOODRICH CORPORATION	GRR XU
59	HALLIBURTON COMPANY	HALR XU
60	THE HARTFORD FINANCIAL SERVICES GROUP INC.	HIGR XU
61	HEWLETT-PACKARD COMPANY	HPQR XU
62	THE HOME DEPOT INC.	HDR XU
63	HONEYWELL INTERNATIONAL INC.	HONR XU
64	INGERSOLL-RAND COMPANY	IRR XU
65	INTERNATIONAL BUSINESS MACHINES CORPORATION	IBMR XU
66	INTERNATIONAL LEASE FINANCE CORPORATION	AIGR XU
67	INTERNATIONAL PAPER COMPANY	IPR XU
68	J. C. PENNEY COMPANY INC.	JCPR XU
69	JOHNSON CONTROLS INC.	JCIR XU

70	KINDER MORGAN ENERGY PARTNERS L.P.	KMPRXU
71	KOHL'S CORPORATION	KSSRXU
72	KRAFT FOODS INC.	KFTRXU
73	THE KROGER CO.	KRRXU
74	LOCKHEED MARTIN CORPORATION	LMTRXU
75	LOEWS CORPORATION	LTRRXU
76	LOWE'S COMPANIES INC.	LOWRXU
77	M.D.C. HOLDINGS INC.	MDCRXU
78	MACY'S INC.	MRXU
	Reference Entity	Clearing Code
79	MARRIOTT INTERNATIONAL INC.	MARRXU
80	MARSH & MCLENNAN COMPANIES INC.	MMCRXU
81	MASCO CORPORATION	MASRXU
82	MCDONALD'S CORPORATION	MCDRXU
83	MCKESSON CORPORATION	MCKRXU
84	METLIFE INC.	METRXU
85	MOTOROLA INC.	MOTRXU
86	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION	NRURXU
87	NEWELL RUBBERMAID INC.	NWLRXU
88	NEWS AMERICA INCORPORATED	NWSRXU
89	NORDSTROM INC.	JWNRXU
90	NORFOLK SOUTHERN CORPORATION	NSCRXU
91	NORTHROP GRUMMAN CORPORATION	NOCRXU
92	OMNICOM GROUP INC.	OMCRXU
93	PFIZER INC.	PFERXU
94	PROGRESS ENERGY INC.	PGNRXU
95	QUEST DIAGNOSTICS INCORPORATED	DGXRXU
96	R.R. DONNELLEY & SONS COMPANY	DNYRXU
97	RAYTHEON COMPANY	RTNRXU
98	REYNOLDS AMERICAN INC.	RAIDXU
99	RYDER SYSTEM INC.	RRXU
100	SAFEWAY INC.	SWYRXU
101	SARA LEE CORPORATION	SLERXU
102	SEMPRA ENERGY	SRERXU
103	THE SHERWIN-WILLIAMS COMPANY	SHWRXU
104	SIMON PROPERTY GROUP L.P.	SPGRXU
105	SOUTHWEST AIRLINES CO.	LUVRXU

<u>106</u>	STAPLES INC.	SPLRXU
<u>107</u>	TARGET CORPORATIOM	TGTRXU
<u>108</u>	TEXTRON FINANCIAL CORPORATION	TXTRXU
<u>109</u>	TIME WARNER CABLE INC.	TWRXU
<u>110</u>	TIME WARNER INC.	TWWRXU
<u>111</u>	THE TJX COMPANIES INC.	TJXRXU
<u>112</u>	TOLL BROTHERS INC.	TOLRXU
<u>113</u>	TRANSOCEAN INC.	RIGRXU
<u>114</u>	UNION PACIFIC CORPORATION	UNPRXU
<u>115</u>	UNITED PARCEL SERVICE INC.	UPSRXU
<u>116</u>	UNITEDHEALTH GROUP INCORPORATED	UNHRXU
	Reference Entity	Clearing Code
<u>117</u>	UNIVERSAL HEALTH SERVICES INC.	UHSRXU
<u>118</u>	VALERO ENERGY CORPORATION	VLORXU
<u>119</u>	VERIZON COMMUNICATIONS INC.	VRZRXU
<u>120</u>	VIACOM INC.	VIARXU
<u>121</u>	VORNADO REALTY L.P.	VNORXU
<u>122</u>	WAL-MART STORES INC.	WMTRXU
<u>123</u>	THE WALT DISNEY COMPANY	DSRXU
<u>124</u>	WELLS FARGO & COMPANY	WFCRXU
<u>125</u>	WEYERHAEUSER COMPANY	WYRXU
<u>126</u>	WHIRLPOOL CORPORATION	WHRRXU
<u>127</u>	XEROX CORPORATION	XRXRXU
<u>128</u>	XL CAPITAL LTD	XLRXU
<u>129</u>	XTO ENERGY INC.	XTORXU
<u>130</u>	YUM! BRANDS INC.	YUMRXU