

SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 14-491

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/21/2014 Filing Description: Acceptance of iTraxx for Clearing

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name: iTraxx

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

November 21, 2014

VIA E-MAIL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: CFTC Regulation 39.5(b) Submission – Acceptance of iTraxx for Clearing
CME Submission No. 14-491**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME”), a registered derivatives clearing organization (“DCO”) under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (“CFTC” or “Commission”), pursuant to Commission Rule 39.5(b), its proposal to accept for clearing certain iTraxx Europe index untranching credit default swap (“CDS”) contracts on indices administered by Markit (“iTraxx Contracts”) as well as its proposal to add certain iTraxx product rules to its existing CDS product rules (the “CDS Product Rules”). CME has concurrently submitted to the Commission pursuant to Commission Rule 40.6(a) (Submission No. 14-492) for the acceptance of certain amendments to its existing CDS Product Rules.

The proposed changes are intended to become effective on December 8, 2014, subject to receiving all regulatory approvals, or on such later date that CME otherwise determines. The proposed rules recognize the transition of the credit derivatives market to the revised Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) on February 21, 2014 and as implemented on October 6, 2014 (the “2014 ISDA Definitions”).

All capitalized terms not defined herein shall have the meaning given to them in the CDS Product Rules, the 2014 ISDA Definitions, or the 2003 Credit Derivatives Definitions published by ISDA and as supplemented in 2009 (the “2003 ISDA Definitions”), as applicable.

Eligibility to Clear

Regulation 39.5(b)(3)(i): "A statement that the derivatives clearing organization is eligible to accept the swap, or group, category, type, or class of swaps for clearing and describes the extent to which, if the Commission were to determine that the swap, or group, category, type, or class of swaps is required to be cleared, the derivatives clearing organization will be able to maintain compliance with section 5b(c)(2) of the Act"

Currently, CME offers clearing of (i) the Markit CDX North American Investment Grade Index Series 8 and forward and (ii) the Markit CDX North American High Yield Index Series 13 and forward ((i) and (ii) collectively, the "CDX Contracts"). Upon Commission approval, CME intends to provide for the clearance of the following European Indices:

- Markit iTraxx Europe Main 3Y: Series 17 and all subsequent Series, up to and including the current on-the-run Series,
- Markit iTraxx Europe Main 5Y: Series 17 and all subsequent Series, up to and including the current on-the-run Series,
- Markit iTraxx Europe Main 7Y: Series 17 and all subsequent Series, up to and including the current on-the-run Series,

- Markit iTraxx Europe Main 10Y: Series 17 and all subsequent Series, up to and including the current on-the-run Series, and
- Markit iTraxx Europe Crossover 5Y: Series 17 and all subsequent Series, up to and including the current on-the-run Series.

CME has identified iTraxx Contracts as products that have become increasingly important for market participants to manage risk with respect to European corporate and financial entities' credit risk. In addition, CME notes that the Commission has determined that the iTraxx Contracts that are subject to a 5Y or 10Y tenor are subject to mandatory clearing under Section 2(h) of the Act. CME believes that the addition of clearing iTraxx Contracts will be an important part of its credit default swap offering. As contemplated by CFTC Regulation 39.5(a)(1), iTraxx Contracts are in the same group, category, type or class of CDX Contracts currently cleared by CME. Accordingly, the proposed rules largely mirror the CME rules for CDX Contracts, with certain modifications that reflect the differing underlying reference entities, different standard currencies and other logistical differences in how the markets and documentation for iTraxx Contracts operate. The iTraxx Contracts reference the iTraxx Europe index, the current series of which consists of 125 European corporate reference entities. The credit protection offered by iTraxx Contracts and any Restructuring European Single Name CDS Contract consistent with market convention and widely used standard terms documentation, can be triggered by credit events including failure to pay, bankruptcy, restructuring and, in respect of transactions that will reference the 2014 ISDA Definitions (such transactions, "2014 Definitions Transactions") governmental intervention. iTraxx Contracts will be denominated in Euro. Further, the clearance of iTraxx Contracts presents similar risks to CME, its clearing participants and market participants as the clearance of CDX Contracts.

For the above reasons, and pursuant to Commission Regulation 39.5(b)(3)(i), CME states that it is eligible to accept iTraxx Contracts for clearing consistent with section 5b(c)(2) of the Act.

Statements and Information (Product Execution and Clearing)

Regulation 39.5(b)(3)(ii) – "A statement that includes, but is not limited to, information that will assist the Commission in making a quantitative and qualitative assessment of the following factors:"

"(A) The existence of significant outstanding notional exposures, trading liquidity, and adequate pricing data"

"(B) The availability of rule framework..."

Regulation 39.5(b)(3)(iii) – "Product specifications, including copies of any standardized legal documentation, generally accepted contract terms, standard practices for managing any life cycle events associated with the swap, and the extent to which the swap is electronically confirmable"

Regulation 39.5(b)(3)(v) – "Pricing sources, models, and procedures, demonstrating an ability to obtain sufficient price data to measure credit exposures in a timely and accurate manner, including any agreements with clearing members to provide price data and copies of executed agreements with third-party price vendors, and information about any price reference index used, such as the name of the index, the source that calculates it, the methodology used to calculate the price reference index and how often it is calculated, and when and where it is published publicly"

39.5(b)(3)(ii)(A) Statement on Outstanding Derivatives Notional Exposure, Trading Liquidity and Pricing Data

As a general matter, CME notes that the Commission has conducted an analysis of the existence of outstanding notional exposures, trading liquidity, and adequate pricing data in the CDS market in its clearing requirement determination (see Clearing Requirement Determination Under Section 2(h) of the Act at 74294).¹

¹ 77 Fed. Reg. 74284 (Dec. 13, 2012) (codified at 17 C.F.R. pt. 50).

The table set forth below information regarding the relevant iTraxx Contracts outstanding notional exposures and trading liquidity (as applicable), as of June 27, 2014.

For purposes of the table set forth below:

Index and Series: Describes the index and series traded.

Gross Notional Outstanding: Describes the gross notional of the positions reported in the Depository Trust & Clearing Corporation ("DTCC") Trade Information Warehouse ("TIW"), as of June 27, 2014, across all market participants.

12-Month Average Weekly Transaction Activity: Describes the market risk transfer activity among all market participants. The first column describes the average weekly gross notional traded, and the second column describes the average weekly transactions traded. The transaction types include new trades, a termination of an existing transaction, or the new leg of an assignment representing the trade between the step-in party and the remaining party.

Index	Series	Gross Notional Outstanding ¹	12-Month Average Weekly Transaction Activity ²	
			Gross Notional/Week	Transactions/Week
iTraxx Europe	21	448,392	144,610	2473
iTraxx Europe	20	427,745	113,712	1802
iTraxx Europe	19	401,360	45,484	697
iTraxx Europe	18	296,498	3,092	37
iTraxx Europe	17	170,359	1,721	21
iTraxx Europe Crossover	21	131,932	32,114	1648
iTraxx Europe Crossover	20	96,625	25,598	1337
iTraxx Europe Crossover	19	74,182	10,238	581
iTraxx Europe Crossover	18	52,066	606	25
iTraxx Europe Crossover	17	34,001	287	13

¹ Source: DTCC Weekly Stock and Volume Reports, Section 1, Table 7, June 27, 2014

² Source: DTCC Weekly Stock and Volume Reports, Section 4, Week Ending June 28, 2013 – Week Ending June 27, 2014

With respect to the end of day settlement price process, CDS Clearing Members are required to submit price levels for any CDS Contract in which they or their customer(s) hold open interest.

39.5(b)(3)(ii)(B) Statement on Swap Product Rule Framework

The rule framework for iTraxx Contracts can be found in Chapters 800 (Part B), 804 (Part B), 805 (Parts B and C) and Chapter 806 (Parts A and B), which are the proposed CDS Product Rules for iTraxx Contracts attached as an exhibit to this submission (see Exhibit 1). Upon Commission approval, CME will update its list of products eligible for clearing which is available on its website at <http://www.cmegroup.com/trading/cds/cleared-cds-product-specs.xls>, to incorporate the additional cleared products. Also relevant to the rule framework are the Manual of Operations for CME Cleared Credit Default Swaps, a copy of which is attached and which has been designated for confidential treatment (see Exhibit 2) (the "CDS Manual") and changes provided in CME Submission no. 14-492. The document entitled "CME Clearing Financial Safeguards" contains information regarding CME's capacity, expertise, resources and financial safeguards system.²

39.5(b)(3)(ii)(B) Swap Product Specifications

CME have provided in the tables set forth below the product-specifications that describe the iTraxx Contracts that are the subject of this submission.

² <http://www.cmegroup.com/clearing/files/financialsafeguards.pdf>

Specification	European Untranchd CDS Indices Class
Reference Entities	Corporate
Region	Europe
Indices	iTraxx Europe iTraxx Europe Crossover
Tenor	iTraxx Europe: 3Y, 5Y, 7Y, 10Y iTraxx Europe Crossover: 5Y
Applicable Series	iTraxx Europe 3Y: Series 17 and all subsequent Series, up to and including the current Series iTraxx Europe 5Y: Series 17 and all subsequent Series, up to and including the current Series iTraxx Europe 7Y: Series 17 and all subsequent Series, up to and including the current Series iTraxx Europe 10Y: Series 17 and all subsequent Series, up to and including the current Series iTraxx Europe Crossover 5Y: Series 17 and all subsequent Series, up to and including the current Series
Tranched	No

Index Classification				Index Name	Swap			
Type	Region	Rating	Spread Level		Series	Maturity	Tenor	Currency
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	17	6/20/2015	3Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	17	6/20/2017	5Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	17	6/20/2019	7Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	17	6/20/2022	10Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	18	12/20/2015	3Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	18	12/20/2017	5Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	18	12/20/2019	7Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	18	12/20/2022	10Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	19	6/20/2016	3Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	19	6/20/2018	5Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	19	6/20/2020	7Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	19	6/20/2023	10Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	20	12/20/2016	3Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	20	12/20/2018	5Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	20	12/20/2020	7Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	20	12/20/2023	10Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	21	6/20/2017	3Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	21	6/20/2019	5Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	21	6/20/2021	7Y	EUR
Europe Corporate Bonds	Europe	Investment Grade	n/a	iTraxx Europe	21	6/20/2024	10Y	EUR

Index Classification				Index Name	Swap			
Type	Region	Rating	Spread Level		Series	Maturity	Tenor	Currency
Crossover Corporate Bonds	Europe	High Yield	n/a	iTraxx XO	17	6/20/2017	5Y	EUR
Crossover Corporate Bonds	Europe	High Yield	n/a	iTraxx XO	18	12/20/2017	5Y	EUR
Crossover Corporate Bonds	Europe	High Yield	n/a	iTraxx XO	19	6/20/2018	5Y	EUR
Crossover Corporate Bonds	Europe	High Yield	n/a	iTraxx XO	20	12/20/2018	5Y	EUR
Crossover Corporate Bonds	Europe	High Yield	n/a	iTraxx XO	21	6/20/2019	5Y	EUR

39.5(b)(3)(ii)(B) Pricing Sources, Models and Procedures

Please see the attached documents, designated for confidential treatment:

- Price Quality Auction Methodology for Cleared CDS (see Exhibit 3).
- Credit Default Swaps Price Quality Auction – Daily Monitoring Procedure (see Exhibit 4).

Statements and Information (Product Clearing)

Regulation 39.5(b)(3)(ii) – "A statement that includes, but is not limited to, information that will assist the Commission in making a quantitative and qualitative assessment of the following factors:"

"(B) The availability of rule framework, capacity, operational expertise and resources, and credit support infrastructure to clear the contract on terms that are consistent with the material terms and trading conventions on which the contract is then traded"

"(C) The effect on the mitigation of systemic risk, taking into account the size of the market for such contract and the resources of the derivatives clearing organization available to clear the contracts"

"(D) The effect on competition, including appropriate fees and charges applied to clearing"

"(E) The existence of reasonable legal certainty in the event of the insolvency of the relevant derivatives clearing organization or one or more of its clearing members with regard to the treatment of customer and swap counterparty positions, funds, and property"

Regulation 39.5(b)(3)(iv) – "Participant eligibility standards, if different from the derivatives clearing organization's general participant eligibility standards"

Regulation 39.5(b)(3)(vi) – "Risk management procedures, including measurement and monitoring of credit exposures, initial and variation margin methodology, methodologies for stress testing and back testing, settlement procedures, and default management procedures"

Regulation 39.5(b)(3)(vii) – "Applicable rules, manuals, policies, or procedures"

39.5(b)(3)(ii)(B): Statement on Operational Expertise, Resources, and Credit Support Infrastructure

The document entitled "CME Clearing Financial Safeguards" contains information regarding CME's capacity, expertise, resources and financial safeguards system.

39.5(b)(3)(ii)(C): Statement on the Mitigation of Systemic Risk

As a central counterparty, CME interposes itself between counterparties to the swaps (and other derivatives products) that it clears, becoming the buyer to every seller and the seller to every buyer. For each swap that it clears, CME provides all clearing house services, including a mark-to-market valuation function, risk management function and collateral management function, on a daily basis.

The benefits associated with clearing iTraxx Contracts are considerable and include:

- ***Centralized clearing.*** Market participants would have the ability to clear an expanded range of CDS products through CME's central counterparty clearing model with all the recognized benefits associated with that model. Clearing iTraxx Contracts through CME allows market participants to free up counterparty credit lines. The daily mark-to-market process employed by CME enhances customer risk management;

- *Operational efficiencies.* Centralized clearing of swaps reduces operational burdens in several ways. Standardization and centralized clearing enables consolidation of collateral management and cash flows and eliminates the need for novations or tear-ups. The addition of iTraxx Contracts to CME's current clearing offering will facilitate the prompt and accurate settlement of CDS swaps and contribute to the safeguarding of securities and funds associated with those CDS swap transactions; and
- *Ease of position adjustment.* In non-cleared markets, the only means to completely eliminate the risk of a swap is to (i) enter into a tear-up agreement with the original swap counterparty, or (ii) enter into a novation (i.e., find another entity willing to assume its side of the swap). In either case, the tear-up or the novation must be approved by the bilateral swap counterparty. For most asset classes, central clearing may be used to offset by a contra trade.

As further described in the document entitled "CME Clearing Financial Safeguards" and as reflected in the enclosed CDS Manual, CME has the necessary resources available to clear iTraxx Contracts.

39.5(b)(3)(ii)(D): Statement on Competition and Appropriate Fees and Charges

CME does not believe that the clearance of iTraxx Contracts will have any negative impact, or impose any burden, on competition. On the contrary, the clearance of iTraxx Contracts will promote competition since some of CME's competitors, including ICE Clear Credit LLC, ICE Clear Europe Limited and LCH.Clearnet S.A., already offer clearing of iTraxx Contracts. CME will therefore be able to provide market participants with an expanded choice for clearing iTraxx Contracts.

39.5(b)(ii)(E): Statement on Legal Certainty and Insolvency

The bankruptcy of a DCO is governed by subchapter IV of Chapter 7 of the U.S. Bankruptcy Code (11 U.S.C. §§ 761-767), and by Part 190 (Bankruptcy) of the Commission's regulations. Also relevant in the event that CME were to enter into bankruptcy proceedings is CME Rule 818 (Close-Out Netting) included in Chapter 8 (Clearing House and Performance Bonds) of the CME Rulebook. CME Rule 818 (Close-Out Netting) is included in CME Rulebook Chapter 8.³

The bankruptcy of a clearing member that is a U.S. futures commission merchant ("FCM") would be governed by subchapter IV of Chapter 7 of the U.S. Bankruptcy Code (11 U.S.C. §§ 761-767) and Part 190 (Bankruptcy) of the Commission's regulations. If an FCM is registered as a broker-dealer, certain aspects of its insolvency proceeding may also be governed by the Securities Investor Protection Act. For further details regarding the legal certainty provided under the relevant U.S. insolvency laws, please see CME Clearing Financial Safeguards.

39.5(b)(3)(iv): Participant Eligibility Standards

CDS Clearing Member participation standards are set forth in the following documents: (i) CME Chapter 8H, (ii) CDS Manual and (iii) CME Handbook for OTC Clearing Membership.⁴ CME notes that the proposed CDS Product Rules for iTraxx Contracts provide that each CDS Clearing Member shall ensure that it has adequate operational capacity to access and use DTCC and shall ensure that its CDS Participants have the adequate operational capacity to access and use DTCC to ensure efficient and market standard life cycle processing for iTraxx Contracts.

39.5(b)(3)(vi): Risk Management, Rules, Policies and Procedures

Matters related to risk management and applicable rules, manual, policies and procedures are specifically discussed in CME's Annual Compliance Report (Fiscal Year 2013) a copy of which is attached and which has been designated for confidential treatment (see Exhibit 5).

³ <http://www.cmegroup.com/rulebook/CME/I/8/8.pdf>

⁴ <http://www.cmegroup.com/company/membership/files/CME-OTC-Clearing-Membership-Handbook.pdf>
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A. CDS Risk Model

CME has submitted to the Commission a proposed rule change to enhance its risk model for CDS, Submission No. 14-291, as amended (the "CDS Risk Model") for the purposes of enabling CME to offer clearing of additional CDS instruments, including iTraxx Contracts, within the CDS Risk Model. CDS Risk Model enhancements applicable to clearing iTraxx Contracts include, in particular, changes to address self-referencing risk and foreign exchange risk. CME has received a letter of non-objection from the Commission. Further, CME has submitted to the Commission a proposed rule change (Submission No. 14-448) describing a further enhancement to the CDS Risk Model to address self-referencing risk arising from contracts that include component transactions for which the reference entity is a CDS Clearing Member or one of its affiliates.

B. 2014 ISDA Credit Derivatives Definitions

CME has implemented the rule changes amend its CDS Product Rules to incorporate references to the 2014 ISDA Definitions as certified to the Commission in Submission No. 14-307, as amended (the "2014 Filing").

Certain iTraxx Contracts which CME proposes to clear will be bifurcated such that certain iTraxx Component Transactions will continue to reference the 2003 ISDA Definitions (such transactions, "2003 Definitions Transactions"), and certain other iTraxx Component Transactions will be 2014 Definitions Transactions. CME will position iTraxx Component Transactions that do not incorporate the same set of credit derivatives definitions as separate cleared CDS Contracts upon the occurrence of a restructuring credit event in respect of such iTraxx Component Transactions.

The computation of the spread risk, interest rate risk, and liquidity and concentration risk components in CME's risk model framework will be agnostic to whether the 2003 ISDA Definitions or the 2014 ISDA Definitions are applicable, therefore allowing risk offsets across iTraxx Component Transactions that refer to the same reference entity but that do not incorporate the same set of credit derivatives definitions. No risk offsets will be provided for computation of idiosyncratic risk requirements for iTraxx Component Transactions which refer to the same reference entity but that do not incorporate the same set of credit derivatives definitions. The applicability of the post credit event risk requirement will be based on whether a credit event occurs by reference to the relevant credit derivatives definitions (2003 ISDA Definitions or the 2014 ISDA Definitions) and the relevant transaction type that is applicable to an iTraxx Component Transaction. The post credit event risk requirement will be computed on a net notional basis for a particular reference entity within an iTraxx index where a Credit Event has been determined under the relevant credit derivatives definitions.

C. Restructuring European Single Name CDS Contract

CME notes that upon the occurrence of a restructuring credit event with respect to a reference entity that is a component of an iTraxx Contract, such reference entity will be "spun out" and maintained as a separate Restructuring European Single Name CDS Contract until settlement. If neither of the counterparties elects to trigger settlement, the positions in the Restructuring European Single Name CDS Contract will be maintained at CME until maturity of the index or the occurrence of a subsequent credit event for the same reference entity. However, CME will not permit market participants to increase, close out (other than due to the occurrence of a credit event) or otherwise affect the size of a position in a Restructuring European Single Name CDS Contract and CME has included language in its proposed rule changes to this effect. CME notes that it may impose an increase or decrease in the position of a Restructuring European Single Name CDS Contract only through its default management process.

39.5(b)(3)(vii): Rules, manuals, policies, or procedures

In order to offer clearing of iTraxx Contracts, CME is proposing to amend its CDS Product Rules by adding new Chapters 800: Part B, 804: Part B, 805: Part C, 806: Part B and Appendix 805: Part B (collectively, the "iTraxx Chapters"). CME is also proposing to add new Chapters 805: Part B, 806: Part A and Appendix 805: Part A (together, the "2014 iTraxx Chapters"). CME is proposing to split Chapters 800,

804 and 805 of its current rules into separate sub-parts and to introduce a new Chapter 806 and a new Appendix to Chapter 805 (each of which will also be split into sub-parts) to allow for the separate treatment of iTraxx Component Transactions depending on whether such transactions are 2014 Definitions Transactions or 2003 Definitions Transactions.

A. Chapter 800 (Credit Default Swaps: Part B)

CME proposes to add a sub-part to Chapter 800 entitled "Credit Default Swaps: Part B." Chapter 800: Part B provides the meanings of capitalized terms that are used but not defined within the proposed rules and the location of the meanings of any terms used in the proposed rules but not defined within Chapter 800: Part B. In addition, CME has included CME Rule 80002.B (Interpretation) which provides for the interpretation of certain contractual terms used within the proposed rules and CME Rule 80003.B (Notices and Clearing House System Failures) which provides for how notices are to be provided by, or to, CME and also for the extension of applicable deadlines for the delivery of notices if CME, or any of its CDS Clearing Members, is unable to deliver or receive notices due to a failure of the relevant CME internal system. CME notes that CME Rule 80002.B and CME Rule 80003.B (each as described in the aforementioned sentence) are substantially similar to CME Rule 80002 and CME Rule 80003, respectively, that are provided in the currently published Chapter 800.

B. Chapter 804 (CME CDS Risk Committee: Part B)

CME proposes to add a sub-part to Chapter 804 entitled "CME CDS Risk Committee: Part B" to apply only in connection with 2003 Definitions Transactions. Chapter 804: Part B will not contain any iTraxx specific provisions, but will be created in line with the updates made to Chapter 804 pursuant to the 2014 Filing. Chapter 804: Part B is substantially similar to the currently published Chapter 804 with the exception that Chapter 804: Part B grants an additional authority to the CDS RC to determine matters of contractual interpretation relevant to market standard documentation incorporated into the terms of a CDS Contract. In addition, modifications have been made in order to ensure alignment of the CDS Product Rules with the current market practices (as proposed by ISDA) to clarify the circumstances under which the CDS RC may make such determinations to avoid determinations that are inconsistent with DC determinations, and other conforming, clarification changes and drafting improvements.

C. Chapter 805 (CME CDS Physical Settlement: Part B), Chapter 805 (CME CDS Physical Settlement: Part C) and CDS Participant Provisions Appendix

CME proposes to add two sub-parts to Chapter 805 entitled "CME CDS Physical Settlement: Part B" and "CME CDS Physical Settlement: Part C". CME notes that the currently published Chapter 805 will be amended and referred to as "Part A" as part of CME's amendments to its CDS Product Rules to incorporate the 2014 ISDA Definitions pursuant to the 2014 Filing, but that such amendments will not take into account the required iTraxx specific changes that would need to be made to Chapter 805 in order for CME to clear iTraxx Contracts. Chapter 805: Part B will apply only in connection with 2014 Definitions Transactions and Chapter 805: Part C will apply only in connection with 2003 Definitions Transactions. In general, both Chapter 805: Part B and Chapter 805: Part C provide for the physical settlement process that will apply as the fallback settlement method with respect to iTraxx Contracts and Restructuring European Single Name CDS Contracts in circumstances where auction settlement does not apply. The substance of the new provisions is based on the fallback physical settlement provisions that apply for CDX Contracts, with some additional features addressing the product terms particular to iTraxx Contracts and some further clarification and detail in light of the increased likelihood of physical settlement being applicable to iTraxx Contracts and Restructuring European Single Name CDS Contracts. These additional features are described in further detail below.

CME Rules 80502.B.A and 80502.C.A (Matched Pair Notice) provide additional detail in relation to the matching process. The additions do not substantively alter the CDS Product Rules but rather, seek to provide greater clarity with respect to the current matching process and how such process will work in respect of iTraxx Contracts.

CME Rules 80502.B.C and 80502.C.D (Notices) have been updated to provide additional detail around the notice procedures in light of the more complex notice requirements following a restructuring credit event with respect to an iTraxx Component Transaction or a Restructuring European Single Name CDS Contract. As a result of the more complex notice requirements, CME proposes to insert in CME Rule

80502.B.D and 80502.C.E (Disputes as to Notices) a more comprehensive dispute process in relation to the effective delivery of notices to preserve more accurately the economic effect of the delivery of certain notices.

CME Rule 80503.B and 80503.C (Physical Settlement of Non DVP Obligations) provide greater clarity with respect to the timing of the delivery of Non DVP Obligations and payment of the related portion of the Physical Settlement Amount. In addition, the allocation of any expenses incurred in connection with physical settlement is now expressly contemplated.

CME Rule 80507.B and 80507.C (Clearing House Guarantee of Matched Pair CDS Contracts) and CME Rule 80508.B and 80508.C (Failure to Perform Under Matched Pair CDS Contracts) have been updated to align the matching process with the general physical settlement provisions of CME as set out in Chapter 7 (Delivery Facilities and Procedures).

CME also proposes to add an Appendix to Chapter 805 which will be split into two sub-parts. Appendix: Part A will apply only in connection with 2014 Definitions Transactions and Appendix: Part B will apply only in connection with 2003 Definitions Transactions. The Appendix primarily sets out provisions dealing with physical settlement and the delivery of notices between clearing members and their customers. The provisions are intended to facilitate the delivery of notices and physical settlement. The Appendix is intended to apply to all CDS contracts; however, the provisions are for the convenience of the clearing members and their customers and will not bind CME. The Appendix includes provisions addressing (i) the timing of the delivery of physical notices in a chain of transactions between the clearing house, the clearing members and their customers, (ii) when notices, requests or instructions between a clearing member and its customer are effective, (iii) the delivery of deliverable obligations between a clearing member and its customer, (iv) circumstances where a fallback to cash settlement will be deemed to apply, (v) buy-in of bonds not delivered and the circumstances around the effective delivery of a buy-in notice, and (vi) alternative procedures relating to loans not delivered and the circumstances around the effective delivery of an alternative loan buyer notice. The Appendix will only be relevant to CME CDS Physical Settlement, and not when auction settlement applies and is therefore unlikely to be applicable to settlement in most cases.

D. Chapter 806 (iTraxx Europe Index Untranchéd CDS Contracts: Part A) and Chapter 806 (iTraxx Europe Index Untranchéd CDS Contracts: Part B)

CME proposes to add Chapter 806 which will be split into two sub-parts entitled "iTraxx Europe Index Untranchéd CDS Contracts: Part A" and Chapter 806 "iTraxx Europe Index Untranchéd CDS Contracts: Part B". Chapter 806: Part A will apply only in connection with 2014 Definitions Transactions and Chapter 806: Part B will apply only in connection with 2003 Definitions Transactions.

CME Rules 80601.A and 80601.B (Scope of Chapter) set forth the applicable standard terms relevant for iTraxx Component Transactions and where the terms and conditions for Restructuring European Single Name CDS Contracts are set out. Further, it is clarified that unless a restructuring credit event occurs, no iTraxx Component Transaction will be fungible with a European single name CDS contract.

CME Rules 80602.A and 80602.B (Contract Terms) reflect or incorporate the basic contract specifications for iTraxx Contracts and Restructuring European Single Name CDS Contracts and are substantially similar to CME Rule 80202 (Contract Terms) for CDX Contracts. Similarly CME Rules 80603.A and 80603.B (Contract Modifications) are substantially similar to CME Rule 80203 (Contract Modifications) for CDX Contracts, except for conforming changes.

In addition, CME Rule 80604.A and 80604.B (Restructuring) have been added to reflect the fact that restructuring is a credit event for iTraxx Contracts and Restructuring European Single Name CDS Contracts, that governmental intervention is a credit event for certain 2014 Definitions Transactions, and that Restructuring European Single Name CDS Contracts may be created. In addition CME has inserted (i) a notice delivery procedure to address the delivery of restructuring credit event notices and notices to exercise movement options (ii) a process to separate any matched restructuring pairs following an announcement that a restructuring credit event did not in fact occur (iii) provisions relating to the identification of the reference obligation for a Restructuring European Single Name CDS Contract (iv) a comprehensive dispute process in relation to the effective delivery of restructuring credit event notices and notices to exercise movement options that are delivered directly (not via DTCC) and (v) a procedure

for CME to communicate certain information received from DTCC, or from its clearing members, as applicable, to the relevant clearing members via reports.

Communication to Members Regarding this Submission

Regulation 39.5(b)(3)(viii) – "A description of the manner in which the derivatives clearing organization has provided notice of the submission to its members and a summary of any views on the submission expressed by the members (a copy of the notice to members shall be included with the submission)"

39.5(b)(3)(viii): Notice of Submission

CME certifies these changes comply with the Act and regulations thereunder. There were no substantive opposing views to this action.

CME has posted this submission (absent confidential materials) on the CME website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

As set forth above, CME hereby notifies the Commission that it is accepting iTraxx Contracts for clearing pursuant to this submission, in accordance with the requirements CFTC Regulation 39.5(b).

If you require any additional information regarding this submission, please contact Jennifer Peve at 312-466-7472 or via e-mail at Jennifer.Peve@cmegroup.com, or contact me at 212-299-2228 or via e-mail at Jason.Silverstein@cmegroup.com. Please reference our CME Submission No. 14-491 in any related correspondence.

Sincerely,

/s/ Jason Silverstein
Executive Director & Associate General Counsel

Attachments: Exhibit 1 – CME Rulebook Changes (attached under separate cover)
Exhibit 2 – CDS Manual (designated for confidential treatment)
Exhibit 3 – PQA Methodology (designated for confidential treatment)
Exhibit 4 – CDS PQA Daily Monitoring Procedure (designated for confidential treatment)
Exhibit 5 – Annual Compliance Report for CME Clearing (Fiscal Year 2013) (designated for confidential treatment)

EXHIBIT 1

CME Rulebook Changes

(Attached Under Separate Cover)

EXHIBIT 2

CDS Manual

(Designated for Confidential Treatment)

EXHIBIT 3

PQA Methodology

(Designated for Confidential Treatment)

EXHIBIT 4

CDS PQA Daily Monitoring Procedure

(Designated for Confidential Treatment)

EXHIBIT 5

Annual Compliance Report for CME Clearing (Fiscal Year 2013)

(Designated for Confidential Treatment)

EXHIBIT 1

CHAPTER 800 **CREDIT DEFAULT SWAPS: PART B**

80001.B **DEFINITIONS**

Capitalized terms used in Chapters 800 (Part B), 801, 804 (Part B), 805 (Parts B and C), 806 (Parts A and B) and the Chapter 805 Appendix and not otherwise defined in this Chapter 800 (Part B) shall have the meaning given pursuant to the iTraxx Europe Untranchured Terms, the 2014 ISDA Credit Derivatives Definitions, the 2003 ISDA Credit Derivatives Definitions, the CME Rulebook, the CDS Manual or the DC Rules, as applicable.

In the event of any inconsistency between the aforementioned documents and provisions and the provisions of these Rules, such documents and provisions shall prevail in the following order: first, these Rules; second the CME Rulebook, third, the CDS Manual, forth, the 2014 ISDA Credit Derivatives Definitions or the 2003 ISDA Credit Derivatives Definitions (as applicable), fifth, the DC Rules; and sixth, the iTraxx Europe Untranchured Terms.

For purposes of Chapters 800 (Part B), 801, 804 (Part B), 805 (Parts B and C), 806 (Parts A and B) and the Chapter 805 Appendix of the CME Rulebook, the following capitalized terms shall, unless otherwise specified, have the meanings set forth below:

2003 ISDA Credit Derivatives Definitions

The 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2005 Matrix Supplement 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. © 2003 International Swaps and Derivatives Association, Inc.

2005 Matrix Supplement

The "2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions" (published on March 7, 2005), as published by ISDA.

2014 ISDA Credit Derivatives Definitions

The 2014 ISDA Credit Derivatives Definitions published by ISDA. © 2014 International Swaps and Derivatives Association, Inc.

2003 Definitions Transaction

An iTraxx Europe Index Untranchured CDS Contract, iTraxx Component Transaction or Restructuring European Single Name CDS Contract to the extent that it references a clearing product code from the Product Reference File which determines that such iTraxx Europe Index Untranchured CDS Contract, iTraxx Component Transaction or Restructuring European Single Name CDS Contract is subject to the 2003 ISDA Credit Derivatives Definitions.

2014 Definitions Transaction

An iTraxx Europe Index Untranchéd CDS Contract, iTraxx Component Transaction or Restructuring European Single Name CDS Contract to the extent that it references a clearing product code from the Product Reference File which determines that such iTraxx Europe Index Untranchéd CDS Contract, iTraxx Component Transaction or Restructuring European Single Name CDS Contract is subject to the 2014 ISDA Credit Derivatives Definitions.

2003 iTraxx Europe Untranchéd Terms

Has the meaning given to such term in Rule 80601.B.A.

2014 iTraxx Europe Untranchéd Terms

Has the meaning given to such term in Rule 80601.A.A.

2003 Single Name Cleared Transaction Confirmation

Means the form of single name confirmation for use with the 2003 ISDA Credit Derivatives Definitions and the applicable Physical Settlement Matrix.

The 2003 Single Name Cleared Transaction Confirmation is amended ,supplemented and completed as follows:

- (a) By deleting the words "between us" from the first paragraph thereof and replacing them with:
"between Chicago Mercantile Exchange, Inc. ("**Party A**") and Clearing Member as identified in the relevant on-boarding agreements between Clearing Member and Party A ("**Party B**")";
- (b) by deleting the words "as supplemented by each of the May 2003 Supplement and the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions" in the second paragraph thereof and replacing them with the words "as supplemented by each of the 2005 Matrix Supplement to the 2003 ISDA 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)";
- (c) by deleting the third paragraph thereof and replacing it with the following:
"This Confirmation supplements, forms a part of and is subject to the CME Documentation, as defined in the CME Rule Book.";
- (d) by specifying the Matrix Publication Date as the date of publication of the Relevant Physical Settlement Matrix;
- (e) by deleting references to the Initial Payment Payer and the Initial Payment Amount in part 2;
- (f) by deleting parts 4, 5, 6 and 7 in their entirety; and
- (g) by deleting the signature blocks.

2014 Single Name Cleared Transaction Confirmation

Means the form of single name confirmation for use with the 2014 ISDA Credit Derivatives Definitions and the applicable Physical Settlement Matrix.

The 2014 Single Name Cleared Transaction Confirmation is amended, supplemented and completed as follows:

- (a) By deleting the words "between us" from the first paragraph thereof and replacing them with:
"between Chicago Mercantile Exchange, Inc. ("**Party A**") and Clearing Member as identified in the relevant on-boarding agreements between Clearing Member and Party A ("**Party B**")";
- (b) by deleting the third paragraph thereof and replacing it with the following:
"This Confirmation supplements, forms a part of and is subject to the CME Documentation, as defined in the CME Rule Book.";
- (c) by deleting references to the Initial Payment Payer and the Initial Payment Amount in part 2;
- (d) by deleting parts 4, 5, 6, 7 and 8 in their entirety; and
- (e) by deleting the signature blocks.

Acceptance Date

In respect of a CDS Contract, the date on which the Acceptance Time occurs.

Acceptance Time

In respect of a CDS Contract, the time at which the Clearing House notifies the relevant CDS Clearing Member that such CDS Contract has been matched.

Additional Amount

Has the meaning given to such term in Rule 80105.B.

Adjusted CDS Contract

Has the meaning given to such term in Rule 80603.A.B. or 80603.B.B. as applicable.

Adjusted Payment Amount

Has the meaning given to such term in Rule 80603.A.B. or 80603.B.B. as applicable.

Adjusted Payment Amount Date

Has the meaning given to such term in Rule 80603.A.B. or 80603.B.B. as applicable.

Adjusted Payment Amount Payer

Has the meaning given to such term in Rule 80603.A.B. or 80603.B.B. as applicable.

Adjustment Amount

Has the meaning given to such term in Rule 80202.D, 80302.C, 80602.A.D. or 80602.B.D. as applicable.

Adjustment Amount Payer

Has the meaning given to such term in Rule 80202.D, 80302.C, 80602.A.D. or 80602.B.D. as applicable.

Adjustment Payment Date

Has the meaning given to such term in Rule 80202.D, 80302.C, 80602.A.D. or 80602.B.D. as applicable.

Affected CDS Contract

Has the meaning given to such term in Rule 80104.A.

Affected CDS Clearing Member

Has the meaning given to such term in Rule 80104.A.

Affected Customer

Has the meaning given to such term in Rule 80104.B.

Affected Customer CDS Contract

Has the meaning given to such term in Rule 80104.B.

Alternative Asset Seller Notice

Has the meaning given to such term in Section G of the Chapter 805 Appendix.

Alternative Loan Buyer Notice

Has the meaning given to such term in Section G of the Chapter 805 Appendix.

Alternative Loan Seller Notice

Has the meaning given to such term in Section G of the Chapter 805 Appendix.

Asset Package Cash Settlement Amount

In respect of an Asset Package, an amount in the Settlement Currency of the 2014 Definitions Transaction to which such Asset Package relates equal to the total amount of cash in such Settlement Currency (whether actual or deemed) in accordance with Section 6.19(e) of the 2014 ISDA Credit Derivatives Definitions comprising such Asset Package.

Asset Package Notice

A notification from the Buyer to the Seller of the detailed description of the Asset Package, if any, that it intends to Deliver to the Seller in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable.

Buyer

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

CDS Chain

Has the meaning given to such term in Section B of the Chapter 805 Appendix.

CDS Clearing Member

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

CDS Clearing Member Acknowledgement

Has the meaning given to such term in Rule 80604.A.D.(g). or 80604.B.D.(g) as applicable.

CDS Clearing Member Communications Failure Event

Has the meaning given to such term in Rule 80604.A.D.(e). or 80604.B.D.(e) as applicable.

CDS Contract

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

CDS Manual

The Clearing House Manual of Operations for CME Cleared Credit Default Swaps which may be amended from time to time.

CDS Participant

A market participant on whose behalf a CDS Clearing Member holds a position in a CDS Contract, including an Affiliate of such CDS Clearing Member.

CDS Participant A

Has the meaning given to such term in Section B of the Chapter 805 Appendix.

CDS Participant B

Has the meaning given to such term in Section B of the Chapter 805 Appendix.

CDS Participant Contract

Has the meaning given to such term in Section A of the Chapter 805 Appendix.

CDS Participant Provisions

Has the meaning given to such term in Section A of the Chapter 805 Appendix.

CDS Product

A Credit Default Swap that the Clearing House has designated as eligible for clearing.

CDS RC

Has the meaning given to such term in Rule 80401.B.

CDX Component Transaction

Has the meaning given to such term in Rule 80201.

CDX Index Untranched CDS Contract

Has the meaning given to such term in Rule 80201.

CEN Triggering Period

In respect of a Restructuring iTraxx Contract, the period (a) beginning on, and including, the earlier of (i) one Clearing Business Day after the date on which the MRP File is uploaded to DS and (ii) the Clearing Business Day immediately following the MRP Notice Delivery Date and (b) ending on, and including, the relevant Exercise Cut-Off Date.

Change in Law

Has the meaning given to such term in Rule 80203.B., 80603.A.B. or 80603.B.B. as applicable.

Clearing Business Day

Any day on which the Clearing House is open to process and settle CDS Contracts.

Clearing Cut-off Date

The date with effect from which the Clearing House will no longer accept iTraxx Europe Index Untranchored CDS Contracts for clearing, being:

(a) following the occurrence of a Restructuring Credit Event, the earlier of:

(i) a date determined by the Clearing House which shall not be earlier than the Restructuring Announcement Date; and

(ii) the calendar day immediately following the No Auction Announcement Date,

(b) following the occurrence of a Failure to Pay Credit Event, a Governmental Intervention Credit Event or a Bankruptcy Credit Event, the date falling one Clearing Business Day prior to the calendar day following the related Auction Final Price Determination Date, Auction Cancellation Date or No Auction Announcement Date, as applicable;

(c) following the occurrence of a Declaration of Successor, a date determined by the Clearing House, which shall be not later than the Clearing Business Day on which DTCC will amend its records in respect of such iTraxx Europe Index Untranchored CDS Contract to take into account the occurrence of such Declaration of Successor; or

(d) otherwise, as determined by the Clearing House.

Clearing Effective Date

In respect of a CDS Contract:

(a) where the Acceptance Time for such CDS Contract is prior to 8:00 p.m. (New York time) on a Clearing Business Day, the Clearing Business Day immediately following the Acceptance Date for such CDS Contract; and

(b) where the Acceptance Time for such CDS Contract is at or after 8:00 p.m. (New York time) on a Clearing Business Day or occurs on a day other than a Clearing Business Day, the second Clearing Business Day immediately following the Acceptance Date for such CDS Contract.¹

Clearing House

The CME Clearing House, also referred to as CME Clearing, a division of CME.

Clearing Member A

Has the meaning given to such term in Section B of the Chapter 805 Appendix.

Clearing Member B

Has the meaning given to such term in Section B of the Chapter 805 Appendix.

CME CDS Physical Settlement

Has the meaning given to such term in Rule 80501.B or 80501.C as applicable.

CME Credit Event Resolution Request Date

With respect to a Determination pursuant to Chapter 804 that an event which constitutes a Credit Event for the purposes of a CDS Contract has occurred, the day that the CDS RC determines to be the first day on which the relevant Issue was raised with the CDS RC in accordance with Rule 80402 and on which the Chairman of the CDS RC was in possession of Publicly Available Information.

CME Documentation

Has the meaning given to such term in Section A of the Chapter 805 Appendix.

CME Successor Resolution Request Date

With respect to a Determination pursuant to Chapter 804 regarding one or more Successors to a Reference Entity for the purposes of a CDS Contract, the day that the CDS RC determines to be the first day on which the relevant Issue was raised with the CDS RC in accordance with Rule 80402.B.

Contract Elections

In respect of a CDS Contract, the elections made by the relevant CDS Clearing Members when the relevant bilateral CDS transaction is submitted to the Clearing House for clearing by them in accordance with the provisions of the Clearing House CDS Manual from time to time. Such elections will be made by selection of a clearing product code from the Product Reference File, selection of a scheduled termination date and selection of a fixed rate and specification of whether the CDS Clearing Member is acting as Buyer or Seller, the Original Notional Amount or Floating Rate Payer Calculation Amount, the Trade Date, the Initial Payment Payer (if any), the Initial Payment Amount (if any) and any other specification required at the time when such bilateral CDS transaction is submitted to the Clearing House. In respect of a North American Single Name CDS Contract, selection of a clearing product code uniquely determines the Reference Entity, the Reference Obligation and certain additional provisions applicable to such North American Single Name CDS Contract. In respect of a CDX Index Untranched CDS Contract, selection of a clearing product code uniquely determines the specific Index, Index series, Index version and Annex Date. In respect of an iTraxx Europe Index Untranched CDS Contract, selection of a clearing product code uniquely determines the specific Index, Index series, Index version and Annex Date.

Contract Modification

Has the meaning given to such term in Rule 80603.A.A. or 80603.B.A. as applicable.

Contract Modification Effective Date

Has the meaning given to such term in Rule 80603.A.A. or 80603.B.A. as applicable.

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 may pay a single fixed amount and 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.

DC

Has the meaning given to such term in Rule 80401.B.

Declaration of Credit Event

Has the meaning given to such term in Rule 80202.I., 80302.K., 80602.A.I. or 80602.B.I. as applicable.

Declaration of Successor

Has the meaning given to such term in Rule 80202.L., 80302.N. or 80602.A.L. as applicable.

Delivered Percentage

Has the meaning given to such term in Rule 80503.B.(f). or 80503.C.(f) as applicable.

Determination

A decision by the CDS RC related to an Issue.

Disputed DO

Has the meaning given to such term in Rule 80504.B or 80504.C as applicable.

Disputed DO Resolution Date

Has the meaning given to such term in Rule 80504.B or 80504.C as applicable.

DO Question Notice Date

Has the meaning given to such term in Rule 80504.B or 80504.C as applicable.

DTCC

The Depository Trust and Clearing Corporation or its successor.

DTCC Accounts

Accounts maintained in DS where transaction data in relation to CDS Contracts are stored.

DTCC Failure

Has the meaning given to such term in Rule 80604.A.D.(c) or 80604.B.D.(c) as applicable.

DTCC Failure Time

Has the meaning given to such term in Rule 80604.A.D.(c) or 80604.B.D.(c) as applicable.

DTCC Resolution Time

Has the meaning given to such term in Rule 80604.A.D.(c) or 80604.B.D.(c) as applicable.

DS

DTCC's system for storing and processing trade information with respect to CDS Contracts.

Electing Seller

Has the meaning given to such term in Section F of the Chapter 805 Appendix.

Eligible Contract Participant ("ECP")

An Eligible Contract Participant as defined in section 1(a)(18) of the Commodity Exchange Act, as amended.

Existing Matrix

Has the meaning given to such term in Rule 80302.P., 80602.A.N. or 80602.B.N. as applicable.

FEC System

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

Fungibility Date

Has the meaning given to such term in Rule 80202.M., 80602.A.M or 80602.B.M. as applicable.

Governmental Authority

Any supra national body, the United States of America or any other nation, any state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government. For the avoidance of doubt, neither the Clearing House nor any Affiliate thereof shall be deemed a Governmental Authority.

Initial Payment Date

In respect of a CDS Contract, the Clearing Effective Date.

ISDA

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

Issue

Has the meaning given to such term in Rule 80401.B.

iTraxx Component Transaction

Has the meaning given to such term in Rule 80601.A.B. or 80601.B.B. as applicable.

iTraxx Europe Index Untranchd CDS Contract

Has the meaning given to such term in Rule 80601.A or 80601.B as applicable.

iTraxx Indices

Has the meaning given to such term in Rule 80602.A.B. or 80602.B.B. as applicable.

July 2009 Protocol

Has the meaning given to such term in Rule 80603.B.C.

March 2009 Protocol

Has the meaning given to such term in Rule 80603.B.C.

Matched iTraxx Buyer

The Buyer in a Matched Restructuring Pair.

Matched iTraxx Buyer Contract

A contract between a Matched iTraxx Buyer in respect of a Matched Restructuring Pair and the Clearing House having a Floating Rate Payer Calculation Amount equal to the MP Amount in respect of such Matched Restructuring Pair.

Matched iTraxx Contract

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

Matched iTraxx Seller

The Seller in a Matched Restructuring Pair.

Matched iTraxx Seller Contract

A contract between a Matched iTraxx Seller in respect of a Matched Restructuring Pair and the Clearing House having a Floating Rate Payer Calculation Amount equal to the MP Amount in respect of such Matched Restructuring Pair.

Matched Notional Amount

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair Buyer

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair Seller

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair CDS Contract

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair CDS Contract Pair

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair Clearing Member Acknowledgement

Has the meaning given to such term in Rule 80502.B.C.(d) or 80502.C.D.(d) as applicable.

Matched Pair Notice

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair Notice Date

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Pair Notice Acknowledgement Deadline

Has the meaning given to such term in Rule 80502.B.C.(d) or 80502.C.D.(d) as applicable.

Matched Pair Notice Deadline

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Matched Restructuring Pair

In respect of a Restructuring iTraxx Contract, a matched pair of a Buyer and a Seller under such Restructuring iTraxx Contract with an allocated Floating Rate Payer Calculation Amount, as determined by the Clearing House in accordance with Chapter 806.

Matched Restructuring Pair Notice

Has the meaning given to such term in Rule 80604.A.A. or 80604.B.A. as applicable.

Matrix Supplement

Has the meaning given to such term in Rule 80301.

Matrix Update Date

Has the meaning given to such term in Rule 80302.P., 80602.A.N. or 80602.B.N. as applicable.

MP Amount

An amount equal to the portion of Floating Rate Payer Calculation Amount in respect of which the Clearing House matches a Matched Restructuring Pair.

MRP File

The data file containing information in respect of all Matched Restructuring Pairs (including, but not limited to, information on all Matched iTraxx Contracts and the related MP Amounts).

MRP Notice Delivery Date

In respect of a Matched Restructuring Pair Notice, 11.59 p.m. (New York time) on either:

- (a) the later of (i) the second Clearing Business Day immediately following the DC Credit Event Announcement in respect of the relevant Restructuring Credit Event, (ii) the first Clearing Business Day immediately following the relevant Restructuring Update Date (if any) and (iii) the date of publication by ISDA of the Final List; or
- (b) if a No Auction Announcement Date has been announced pursuant to section 6.11(a) of the 2014 ISDA Credit Derivatives Definitions, the later of (i) the eighth Clearing Business Day immediately following the No Auction Announcement Date, and (ii) the first Clearing Business Day immediately following the following the relevant Restructuring Update Date (if any).

MTM Change

Has the meaning given to such term in Rule 80603.A.B. or 80603.B.B. as applicable.

NEMO Triggering Period

In respect of a Restructuring iTraxx Contract for which either "Mod R" or "Mod Mod R" is applicable, the period (a) beginning on, and including, the relevant Movement Option Cut-off Date for the relevant Credit Event and (b) ending at the last time for delivery of a valid Notice to Exercise Movement Option under the terms of the relevant Cleared Transaction.

New Matrix

Has the meaning given to such term in Rule 80302.P, 80602.A.N. or 80602.B.N. as applicable.

New York Business Day

Any day on which commercial banks are open for business in New York.

No Physical Settlement Confirmation

Has the meaning given to such term in Rule 80502.B.C.(g) or 80502.C.D.(g) as applicable.

No Physical Settlement Confirmation Deadline

Has the meaning given to such term in Rule 80502.B.C.(g) or 80502.C.D.(g) as applicable.

Non-Deliverable Obligations

Has the meaning given to such term in Rule 80505.B.B. or 80505.C.B. as applicable.

Non-DVP Asset Package Settlement Amount

Has the meaning given to such term in Rule 80503.B.

Non DVP Obligations

Has the meaning given to such term in Rule 80503.B or 80503.C as applicable.

North American Single Name CDS Contract

Has the meaning given to such term in Rule 80301.

Notice Acknowledgement Deadline

Has the meaning given to such term in Rule 80604.A.D.(g) or 80604.B.D.(g) as applicable.

Physical Settlement Amount Portion

Has the meaning given to such term in Rule 80503.B or 80503.C as applicable.

Physical Settlement Confirmation

Has the meaning given to such term in Rule 80502.B.C.(f) or 80502.C.D.(f) as applicable.

Physical Settlement Confirmation Deadline

Has the meaning given to such term in Rule 80502.B.C.(f) or 80502.C.D.(f) as applicable.

Physical Settlement Contract

Has the meaning given to such term in Rule 80502.B.A. or 80502.C.A. as applicable.

Physical Settlement Matrix

(i) In respect of a 2003 Definitions Transaction, has the meaning given to it in the 2005 Matrix Supplement; and (ii) in respect of a 2014 Definitions Transaction, as defined in Section 13.2 of the 2014 ISDA Credit Derivatives Definitions.

Product Reference File

On any day, a comprehensive list published by the Clearing House on or immediately prior to such day, that provides the complete specifications for the CDS Contracts available for clearing by the Clearing House on such day, including the corresponding clearing product code for each such CDS Contract.

Proposal

A proposal submitted by a member of the CDS RC or submitted in writing by another CDS Clearing Member to address and resolve an Issue being considered by the CDS RC, pursuant to the Determination process set forth in Rule 80404.B.B.

Protocol Cut-off Time

Has the meaning given to such term in Rule 80203.C.

Quoting Dealer

Has the meaning given to such term in Rule 80505.B.C. or 80505.C.C. as applicable.

Relevant Buyer

Has the meaning given to such term in Rule 80505.B.C. or 80505.C.C. as applicable.

Relevant Reference Entity

Has the meaning given to such term in Rule 80104.A.

Remaining Affected CDS Contracts

Has the meaning given to such term in Rule 80104.A.

Remaining Affected Customer CDS Contract

Has the meaning given to such term in Rule 80104.B.

Restructuring Announcement

Each of (i) a DC Credit Event Announcement in respect of a Restructuring Credit Event or (ii) a Declaration of Credit Event (x) pursuant to Rule 80602.A.I. or 80602.B.I. and (y) in respect of a Restructuring Credit Event, as applicable.

Restructuring iTraxx Contract

In respect of an iTraxx Europe Index Untranching CDS Contract, the relevant iTraxx Component Transaction and any Restructuring European Single Name CDS Contract (created following the occurrence of a previous Restructuring Credit Event) that is subject to a Restructuring Announcement, provided that if, following a Restructuring Announcement, either a further DC Credit Event Announcement or Declaration of Credit Event pursuant to Rule 80602.A.I. or 80602.B.I., as applicable, is made announcing or declaring the occurrence of either a Failure to Pay or Bankruptcy Credit Event in relation to the Reference Entity in respect of the relevant iTraxx Component Transaction, the relevant iTraxx Component Transaction (including any corresponding portion of the related iTraxx Europe Index Untranching CDS Contract), to the extent that it has not become a Triggered Restructuring iTraxx Contract, will cease to be a Restructuring iTraxx Contract.

Restructuring European Single Name CDS Contract

Has the meaning given to such term in Rule 80601.A or 80601.B as applicable.

Restructuring Triggering Period

In respect of a Restructuring iTraxx Contract, either (a) the CEN Triggering Period ending on the Exercise Cut-Off Date applicable to the Buyer of such Restructuring iTraxx Contract or (b) the NEMO Triggering Period, as applicable.

Restructuring Update Date

In respect of a Restructuring Credit Event, the date on which the Clearing House notifies CDS Clearing Members that it has updated records in DS in respect of all iTraxx Europe Index Untranching CDS Contracts and all Restructuring European Single Name CDS Contracts affected by such Restructuring Credit Event.

Rule Change Effective Date

Has the meaning given to such term in Rule 80603.A.B. or 80603.B.B. as applicable.

Seller

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

Single Name Auction

Has the meaning given to such term in Rule 80104.A.

Submission Date

In respect of a CDS Contract:

- (a) except as provided in (c) below, where the Submission Time for such CDS Contract is prior to 7:00 p.m.(New York time) on a Clearing Business Day, the date on which such Submission Time occurs;
- (b) except as provided in (c) below, where the Submission Time for such CDS Contract is (i) after or at 7:00 p.m.(New York time) on a Clearing Business Day or (ii) on a day that is not a Clearing Business Day, the Clearing Business Day immediately following the day on which such Submission Time occurs; and
- (c) for the purposes of Rule 80802.K., Rule 80302.M. and the first paragraph of Rule 80103.C., where the Submission Time for such CDS Contract is during the period beginning at 12:00 a.m. (New York time) on a Clearing Business Day and ending at, but excluding, 12:00 a.m. (New York time) on the next day, the date on which such Submission Time occurs.

Submission Time

In respect of a CDS Contract, the time at which the bilateral CDS transaction and all required elections have been received by the Clearing House in accordance with the rules governing such CDS Contract and the Clearing House CDS Manual.

Tax

Any present or future tax, levy, impost, duty, charge, assessment, transaction tax or fee of any nature (including interest, penalties, and additions thereto) that is imposed by any government or other taxing authority.

Triggered Restructuring iTraxx Contract

Has the meaning given to such term in Rule 80604.A.A.(c) and Rule 80604.B.A.(c) as applicable.

Unpaid Amount

Has the meaning given to such term in Rule 80505.B.A. or 80505.C.A. as applicable.

80002.B INTERPRETATION

For the purposes of any CDS Contract, references in the 2014 ISDA Credit Derivatives Definitions, the 2003 ISDA Credit Derivatives Definitions or the iTraxx Europe Untranchd 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 date identified in the relevant Contract Election.

80003.B NOTICES AND CLEARING HOUSE SYSTEM FAILURES

Any notice, document, communication, filing or form to be served on, filed with, or made 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 or provided in accordance with these Rules and the relevant procedures set forth in the Clearing House CDS Manual from time to time.

Any notice, document, communication, filing or form to be served on, filed with, or made 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 and the relevant procedures set forth in the Clearing House CDS Manual from time to time.

Notwithstanding any other provision of these Rules, for so long as the Clearing House is unable to receive or deliver, or a CDS Clearing Member is unable to receive or deliver, any notice, payment or delivery as a result of a failure, malfunction, fault in delivery, delay, omission, suspension, inaccuracy, interruption, termination or any other failure of all or any part of any of the relevant Clearing House systems, the time periods for delivery by such CDS Clearing Member of any such notice, payment or delivery will be tolled and any applicable deadlines shall be extended accordingly.

80004.B ISDA DISCLAIMER

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Chapter 804
CME CDS Risk Committee: Part B

This Part B shall only be used in connection with 2003 Definitions Transactions that are (i) iTraxx Component Transactions or (ii) Restructuring European Single Name CDS Contracts

80401.B CERTAIN FUNCTIONS AND AUTHORITIES OF THE CDS RISK COMMITTEE
("CDS RC")

In addition to the authority granted to the CDS RC in the Rules and its Charter, the CDS RC is generally responsible for making Determinations in respect of the following, subject as provided below (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 CME Succession Event Resolution Request Date in respect of such Succession Event, the legally effective date of the Succession Event, 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 CDS RC 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 CDS RC to make such determination;
- (c) determining (i) 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) and, if so, (ii) the CME Credit Event Resolution Request Date in respect of such Credit Event;
- (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 of any Accreting Obligation;
- (e) with respect to a CDS Contract, determining matters of contractual interpretation relevant to market standard documentation incorporated into the terms of a CDS Contract (which for the avoidance of doubt, excludes matters related to margin requirements, default management processes, Clearing Member and CDS Participant portability, clearing house disciplinary procedures and financial safeguards); and/or
- (f) making any other determination requested of it by the Calculation Agent or a CDS Clearing Member or resolving any dispute in respect of a Calculation Agent determination.

For so long as (a) the relevant ISDA Credit Derivatives Determinations Committee (the "DC") is recognized as the standard body for determining Issues, (b) the DC Rules provide that the DC may not defer the first

meeting to deliberate a question on an Issue by the Clearing House for more than three Relevant City Business Days and (c) the DC Rules provide that the DC may only dismiss a question on such Issues where the DC resolves by Supermajority that such dismissal is due to (1) a lack of available information necessary to answer the relevant question or (2) the premature nature of the question (in both circumstances as indicated by the DC and published by the DC Secretary), then, the CDS RC shall not have authority to consider, or make a Determination in respect of, any Issue of the type described in paragraphs (a) through (f) of this Rule 80401.B (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 DC 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 DC has resolved not to determine the answer to such question (other than because it has dismissed a question due to a lack of available information necessary to answer the relevant question or the premature nature of the question (such as a hypothetical question)) or the relevant DC is deemed to have rejected such question because the DC Secretary has not effectively received agreement from a Convened DC Voting Member to deliberate such question in accordance with Section 2.2(a) of the DC Rules (and amendments dated September 9, 2012).

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

Any DC Resolution applicable to an Issue of the type described in paragraphs (a) through (f) above 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 2003 ISDA Credit Derivatives Definitions as if such Determination were being made by the Calculation Agent).

80402.B **ISSUE SUBMISSION**

CDS Participants, CDS Clearing Members and the Clearing House may, subject to Rule 80401.B, submit a request to the Chairman of the CDS RC to convene a meeting of the CDS RC to consider a particular Issue. All requests to the Chairman of the CDS RC should be in writing and include a reasonably detailed description of the Issue that the relevant party believes the CDS RC 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 CDS RC.

80402.B.A. **Publicly Available Information**

For each Issue relating to whether a Credit Event has occurred, the CDS RC shall not be required to deliberate the Issue until the CDS RC determines that Publicly Available Information has been provided to the Chairman of the CDS RC; provided that (i) the references to "a party" or "the parties" in Section 3.5(a) of the 2003 ISDA 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 2003 ISDA Credit Derivatives Definitions shall be deemed to refer to requests in respect of Issues submitted to the Chairman of the CDS RC, (iii) for purposes of Section 3.5(a)(i) of the 2003 ISDA Credit Derivatives Definitions, the Specified Number is two and (iv) the reference to Buyer and Seller in Section 3.5(b) of the 2003 ISDA Credit Derivatives Definitions shall be deemed to refer to the party submitting the information and the Chairman of the CDS RC, respectively. The entity submitting information to the CDS RC shall be deemed to represent and warrant that such information can be disclosed and made public without violating any law, agreement or

understanding regarding the confidentiality of such information and the Chairman of the CDS RC and each member of the CDS RC may rely on such representation in addition to the assumption of Section 3.5(c) of the 2003 ISDA Credit Derivatives Definitions.

80403.B RIGHTS AND RESPONSIBILITIES RELATED TO DETERMINATIONS OF THE CDS RC

A Determination by the CDS RC pursuant to this Chapter 804 shall be made public and be deemed conclusive with regard to the related Issue for the purposes of affected CDS Contracts. Any Determination by the CDS RC in accordance with this Chapter 804 shall, subject to the provisions of these Rules, be binding on the parties to a CDS Contract.

80404.B DETERMINATION PROCESS

80404.B.A. Initial Meeting

Upon identification or submission of an Issue requiring a Determination by the CDS RC, the Chairman of the CDS RC shall convene a meeting of the CDS RC. The Chairman of the CDS RC shall make reasonable efforts to allow for the attendance of all members of the CDS RC (such as through video or telephone conference), provided, however, that the meeting must occur promptly after the Chairman of the CDS RC determines that the requirements for convening a meeting have been satisfied. At the initial meeting, the CDS RC shall review and discuss the Issue, but shall not make a Determination absent exigent circumstances (as determined by the Chairman of the CDS RC).

80404.B.B. Proposals

Prior to or simultaneously with the initial meeting, the Chairman of the CDS RC shall issue a request for Proposals. The Chairman of the CDS RC shall promptly communicate Proposals to all members of the CDS RC. Members of the CDS RC may solicit outside counsel and expert opinions to help them in deliberations and forming opinions. Members of the CDS RC may discuss the Issue and Proposals with other members of the CDS RC, CDS Participants and CDS Clearing Members and their respective Affiliates. Members of the CDS RC may also submit additional or refined Proposals and related information.

80404.B.C. Voting; Final Meeting

A majority of the CDS RC may call a vote at any time after the initial meeting and may call for multiple votes on a Proposal; provided that, if no Determination has been made by the fifth New York Business Day after the initial meeting, the Chairman of the CDS RC shall convene a final meeting of the CDS RC, at which a final vote shall be called. Subject to Rule 80404.B.C., a majority of the CDS RC is required to make a Determination for any matters under this Chapter 804. Notwithstanding the foregoing, the CDS RC may amend, extend or modify any deadline or time period established by this Rule 80404.B.C. by majority vote.

80404.B.D. Required Abstention

(i) If an Issue requiring a Determination relates to any Dealer CDS Participant or CDS Clearing Member (or any Affiliate of such Dealer CDS Participant or CDS Clearing Member) that has an employee or director on the CDS RC, then the relevant 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 member

of the CDS RC, legal counsel or other third-party professional hired by such member of the CDS RC in connection with such member's performance of his or her duties under these Rules.

80404.B.E. Limitation of Liability and Waivers

The provisions of Sections 9.1 (c)(i), (c)(ii), (c)(iv) and (c)(v) of the 2003 ISDA Credit Derivatives Definitions shall be incorporated by reference herein, with (i) references therein to a DC Party deemed to refer to a CDS RC party, and (ii) references therein to the Rules, the Credit Derivatives Determinations Committee, and DC Resolutions deemed to refer to these Rules, the CDS RC, and Determinations by the CDS RC, respectively.

Chapter 805

CME CDS Physical Settlement: Part B

This Part B shall only be used in connection with 2014 Definitions Transactions that are (i) iTraxx Component Transactions or (ii) Restructuring European Single Name CDS Contracts

80501.B **SCOPE OF CHAPTER**

The Rules in this Chapter 805: Part B set out the terms of “**CME CDS Physical Settlement**”. CME CDS Physical Settlement shall apply to each 2014 Definitions Transaction for which the Fallback Settlement Method is applicable pursuant to Section 6.1 or 6.15 of the 2014 ISDA Credit Derivatives Definitions, as amended by Rule 80202.H. and Rule 80302.J.

80502.B **MATCHED PAIRS**

80502.B.A. **Matched Pair Notice**

If CME CDS Physical Settlement is applicable to a 2014 Definitions Transaction (a “**Physical Settlement Contract**”) following a Credit Event, 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 (or, if unequal, allocated to the Clearing House, as Buyer or Seller).

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 10:00 a.m. (Chicago time) on the Clearing Business Day immediately following the date on which CME CDS Physical Settlement becomes applicable to a 2014 Definitions Transaction (the “**Matched Pair Notice Deadline**”), the Clearing House will issue a notice to the Matched Pair indicating the relevant Physical Settlement Contract, Matched Pair Buyer, Matched Pair Seller, Matched Notional Amount and Credit Event (together with the address, fax number, telephone number, email address and other applicable notice details) (the “**Matched Pair Notice**”). 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 multiple Matched Pair Notices that each 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 Notices relate, the rights and obligations of the parties to such Physical Settlement Contract shall, with effect from the date such Matched Pair Notices are effective, be construed as if the parties had entered into two or more 2014 Definitions Transactions, each of which has a Floating Rate Payer Calculation Amount specified in a related Matched Pair Notice.

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 1,000,000 (in the currency of denomination of the relevant Physical Settlement Contract) 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.

Following the actual or deemed creation of such Matched Pairs, the relevant 2014 Definitions Transactions will be construed as if they had been terminated and new cleared 2014 Definitions Transactions will be deemed to have been entered into between each such CDS Clearing Member and the Clearing House (each such transaction shall be a "Matched Pair CDS Contract", and such Matched Pair CDS Contracts collectively, a "Matched Pair CDS Contract Pair").

Notwithstanding the above, if CME CDS Physical Settlement becomes applicable in relation to a Physical Settlement Contract pursuant to which a Matched Pair has previously been created by the Clearing House following the occurrence of a Credit Event to which such CME CDS Physical Settlement relates, such previously created Matched Pairs shall be deemed to be Matched Pairs created in accordance with this Rule 80502.B.A. and the Clearing House shall have no obligation to create new Matched Pairs in respect of such Physical Settlement Contract.

Each such Matched Pair CDS Contract shall have a Floating Rate Payer Calculation Amount corresponding to the Physical Settlement Amount of a Matched Pair in which the relevant CDS Clearing Member is comprised of a Matched Pair Buyer or a Matched Pair Seller, as applicable.

80502.B.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 11.2(c)(iv) of the 2014 ISDA Credit Derivatives Definitions shall be construed as a reference to "any third party".

With respect to a Matched Pair CDS Contract Pair and each related Matched Pair CDS Contract the Clearing House shall be deemed to have designated, pursuant to Section 11.2(c)(iv) of the 2014 ISDA Credit Derivatives Definitions:

- (a) the Matched Pair Seller as its designee:
 - (i) to receive on its behalf from the relevant Matched Pair Buyer the Matched Pair Notices of Physical Settlement, NOPS Amendment Notices or Asset Package 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.B. 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; and
 - (iv) to receive from, or deliver to, the relevant Matched Pair Buyer, on behalf of the Clearing House, any notices and/or payments in accordance with Sections 8.2, 9.1, 9.6, 9.7, 9.8, 9.9 or 9.10 of the 2014 ISDA Credit Derivatives Definitions;
- (b) the Matched Pair Buyer as its designee:

- (i) to deliver on its behalf to the relevant Matched Pair Seller the Matched Pair Notices of Physical Settlement, NOPS Amendment Notices or Asset Package 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.B. 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 and/or payments in accordance with Sections 8.2, 9.1, 9.6, 9.7, 9.8, 9.9 or 9.10 of the 2014 ISDA 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. Furthermore, the final sentence of Section 11.2(c)(iv) of the 2014 ISDA Credit Derivatives Definitions shall not apply to any Matched Pair CDS Contract.

References to "Buyer" and "Seller" in Sections 8.2, 9.1, 9.6, 9.7 or 9.9 and 11.2(c)(i) of the 2014 ISDA Credit Derivatives Definitions shall be construed as being references to the Matched Pair Buyer or the Matched Pair Seller, as applicable and the relevant 2014 Definitions Transactions shall be construed accordingly.

Where the Clearing House is the Buyer in respect of a Matched Pair CDS Contract, references in Section 11.2 of the 2014 ISDA 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.B.C. Notices

- (a) Neither the Clearing House nor any CDS Clearing Member will be entitled to deliver a Notice of Physical Settlement, a NOPS Amendment Notice or Asset Package Notice in respect of a 2014 Definitions Transaction prior to the relevant Matched Pair Notice Date. Furthermore, neither the Clearing House nor any CDS Clearing Member will be entitled to deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is CME CDS Physical Settlement due to the occurrence of one of the events set forth in Section 6.1 of the 2014 ISDA Credit Derivatives Definitions.

The Clearing House shall incur no liability with respect to any loss, cost, damage or expense suffered or incurred by a Matched Pair Seller as a result of any error, inaccuracy, delivery or non-delivery with respect to any Notice of Physical Settlement, NOPS Amendment Notice or Asset Package Notice sent by a Matched Pair Buyer and shall have no duty to verify any such notices or the contents thereof.

If Asset Package Delivery is applicable in respect of a Matched Pair CDS Contract, the Matched Pair Buyer shall on the effective date of the Notice of Physical Settlement, or as soon as reasonably practicable thereafter, deliver (as designee of the Clearing House) an Asset Package Notice to the Matched Pair Seller containing a detailed description of the Asset Package that the Matched Pair Buyer intends to deliver to Matched Pair Seller in lieu of the Prior Deliverable

Obligation or Package Observable Bond that is specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable.

- (b) Any Notice of Physical Settlement, NOPS Amendment Notice, Asset Package Notice and any notice delivered pursuant to Sections 8.2, 9.1, 9.6, 9.7 or 9.9 of the 2014 ISDA Credit Derivatives Definitions shall be delivered to both the Clearing House (either by email to css@cmegroup.com or by fax to 312 930 3187) and the Matched Pair Seller. For the avoidance of doubt, Section 1.38 of the 2014 ISDA 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 notwithstanding Section 1.38 of the 2014 ISDA Credit Derivatives Definitions, any notice to the Clearing House (a) shall be given as provided in Rule 80003.B and (b) shall be effective on a on a Calculation Agent City Business Day if delivered on or prior to 6:00 p.m. (Calculation Agent City time) on such Calculation Agent City Business Day.
- (c) Notices given by a Matched Pair Buyer or a Matched Pair Seller in a Matched Pair CDS Contract and which are not delivered via DTCC shall be given to the address or number notified by the Clearing House to the Matched Pair Buyer or Matched Pair Seller, respectively, in the Matched Pair Notice pursuant to Rule 80502.B.A.
- (d) Each CDS Clearing Member shall notify the Clearing House or deliver a copy to the Clearing House of any notice delivered or received by such CDS Clearing Member to or from another CDS Clearing Member comprised in a Matched Pair (a "**Matched Pair Clearing Member Acknowledgement**") by no later than 6:00 p.m. on (i) in the case of a Notice of Physical Settlement, NOPS Amendment Notice or Asset Package Notice, the date falling two Clearing Business Days following the date on which such notice was sent; or (ii) in the case of any other notice, on the last day on which such notice could validly be sent (in each case, the "**Matched Pair Notice Acknowledgement Deadline**").

Where the Clearing House receives a Matched Pair Clearing Member Acknowledgement in respect of any notice from both relevant CDS Clearing Members comprised in a Matched Pair at or prior to the Matched Pair Notice Acknowledgement Deadline, the Clearing House shall perform its obligations in respect of the relevant 2014 Definitions Transactions in accordance with and subject to the provisions of these Rules.

Where the Clearing House receives a Matched Pair Clearing Member Acknowledgement in respect of any notice from one relevant CDS Clearing Member only at or prior to the Matched Pair Notice Acknowledgement Deadline, the provisions of Rule 80502.B.D. shall apply and the Clearing House and each relevant CDS Clearing Member shall perform their obligations in respect of the relevant 2014 Definitions Transactions in accordance with and subject to the remaining provisions of these Rules and the terms of any final resolution of the relevant dispute, as agreed between the relevant parties or as determined by arbitration or by litigation, as applicable. In such case, the Clearing House shall notify the CDS Clearing Member from which it has not received a Matched Pair Clearing Member Acknowledgement of the asserted delivery or, as applicable, receipt of the relevant notice (in the case of a Credit Event Notice of Notice to Exercise Movement Option).

Where the Clearing House does not receive a Matched Pair Clearing Member Acknowledgement or confirmation of valid delivery in respect of any notice from either CDS Clearing Member in the relevant Matched Pair on or prior to the relevant Matched Pair Notice Acknowledgement Deadline, the rights and obligations of the Clearing House as against each relevant CDS Clearing Member, and vice versa, shall be construed as if no such notice had been given.

In addition, where the relevant notice is a Notice of Physical Settlement, NOPS Amendment Notice or an Asset Package Notice, the relevant Clearing Members shall acquire rights as against the other as though party to a bilateral credit default swap transaction on the terms of the Matched Pair CDS Contract to which the Matched Pair Buyer is a party (including, without limitation, as to the occurrence of an Event Determination Date) and the Notice of Physical Settlement, NOPS Amendment Notice or Asset Package Notice, as applicable, shall be deemed to have been given in respect of such transaction. Any resulting payment shall be due and payable two Clearing Business Days following the giving of a notice that such amount is due and payable.

The relevant CDS Clearing Members shall have enforcement rights as against each other in respect of any resulting payments and deliveries; the Clearing House shall have no liability in respect thereof.

- (e) Notwithstanding Rule 80502.B.A., and the other provisions in this Rule 80502.B.C., if the Clearing House does not notify the relevant CDS Clearing Members of Matched Restructuring Pairs on or prior to the MRP Notice Delivery Date:
- (i) the relevant CDS Clearing Members may deliver Credit Event Notices, Notices to Exercise Movement Option, Notices of Physical Settlement or NOPS Amendment Notices to the Clearing House, and vice versa;
 - (ii) the relevant 2014 Definitions Transactions shall be subject to Physical Settlement in accordance with their terms; and
 - (iii) the provisions of this Chapter 805: Part B shall not apply.

For such purpose, Credit Event Notices and Notices to Exercise Movement Option shall be delivered directly (and not via DTCC).

- (f) Upon completion of Physical Settlement by the relevant Matched Pair of a Matched Pair CDS Contract, Matched Pair Buyer and Matched Pair Seller shall inform the Clearing House as soon as reasonably practicable and in any event before the date falling two Clearing Business Days following such completion (a "**Physical Settlement Confirmation Deadline**") by notice (a "**Physical Settlement Confirmation**").
- (g) If no Notice of Physical Settlement has been delivered within the relevant time period permitted for such delivery in accordance with the terms of the relevant Matched Pair CDS Contract and, accordingly, Physical Settlement will not, under the terms of the relevant Matched Pair CDS Contract, occur, Matched Pair Buyer and Matched Pair Seller shall inform the Clearing House as soon as reasonably practicable thereafter and in any event before the date falling two Clearing Business Days following the relevant date after which delivery of a Notice of Physical Settlement is no longer permitted in accordance with the terms of the relevant Matched Pair CDS Contract (the "**No Physical Settlement Confirmation Deadline**") by notice (a "**No Physical Settlement Confirmation**").
- (h) If the Clearing House receives a Physical Settlement Confirmation or No Physical Settlement Confirmation from one relevant Matched Pair Buyer or Matched Pair Seller only at or prior to the relevant Physical Settlement Confirmation Deadline or No Physical Settlement Confirmation Deadline, as the case may be, there shall be deemed to be a dispute with respect to the Matched Pair CDS Contract between the Clearing House and each relevant CDS Clearing Member.

- (i) If Asset Package Delivery is applicable in respect of a Matched Pair CDS Contract and an Asset to be delivered is a Non-Transferable Instrument or Non-Financial Instrument, then the Asset shall be deemed to be an amount of cash equal to the value determined by the Calculation Agent pursuant to Section 8.15 of the 2014 ISDA Credit Derivatives Definitions.

80502.B.D. Disputes as to Notices

If any CDS Clearing Member in a Matched Pair where one such party is acting as designee of the Clearing House disputes the effective delivery in accordance with the terms of the relevant 2014 Definitions Transaction of any notice delivered directly (and not via DTCC) (and for such purposes, a dispute between the relevant CDS Clearing Member and the Clearing House shall be deemed to have arisen if the Clearing House receives a Matched Pair Clearing Member Acknowledgement from one relevant CDS Clearing Member only in respect of any such notice):

- (a) following final resolution of such dispute by arbitration or by litigation, as applicable, the CDS Clearing Members comprised in the relevant Matched Pair shall take such actions with respect to the Matched Pair CDS Contract the subject of such dispute as the Clearing House determines appropriate to give effect to any relevant binding resolution;
- (b) without prejudice to its obligations upon final resolution of the dispute, pending final resolution of any such dispute, the Clearing House shall not be obliged to take any step pursuant to the terms of the relevant Matched Pair CDS Contract which would be required to have been taken by it had the relevant notice been validly delivered; and
- (c) the Clearing House may call for additional performance bond related to such dispute.

Each relevant CDS Clearing Member must promptly notify the Clearing House of any such disputes.

80503.B PHYSICAL SETTLEMENT OF NON DVP OBLIGATIONS

In respect of any Matched Pair CDS Contract Pair, if (i) 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 on a delivery-versus-payment basis (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); or (ii) any Asset Package to be Delivered by the Matched Pair Buyer to the Matched Pair Seller which is validly specified in an Asset Package Notice given in accordance with the final paragraph of Section 8.2 of the 2014 ISDA Credit Derivatives Definitions and these Rules contains Assets which are reasonably believed by the Matched Pair Buyer not to settle on a delivery-versus-payment basis (such Deliverable Obligations or Asset Package, "**Non DVP Obligations**"), 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 (or if Asset Package Delivery is applicable, the Assets that are to be delivered);
- (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 corresponding to the Outstanding Amount of such Non DVP Obligation or, if Asset Package Delivery is applicable in respect of such Matched Pair, the amount of such Physical Settlement Amount Portion which corresponds to the Outstanding Amount of the Deliverable Obligation(s) in

lieu of which the Asset Package is being Delivered less an amount equal to the Asset Package Cash Settlement Amount determined in respect of such Asset Package (the "Non-DVP Asset Package Settlement Amount") and any amounts in respect of expenses notified by the relevant Matched Pair Buyer on the following Clearing Business Day;

- (c) following receipt of the request referred to in paragraph (b) above the Matched Pair Seller shall pay to the Clearing House the full amount(s) so requested on or prior to the Clearing Business Day immediately following the date on which the relevant Matched Buyer notified the Clearing House of its readiness to Deliver provided that the request for payment has been made in a timely manner as set out above;
- (d) following receipt by the Clearing House of payment in cleared funds, the Clearing House shall notify the relevant Matched Pair Buyer that it has received payment and is holding the relevant amount(s) from the Matched 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 with an outstanding principal balance (or equivalent Currency Amount) at least equal to the relevant Physical Settlement Amount Portion to the relevant Matched Pair Seller, or if Asset Package Delivery is applicable the Matched Pair Buyer shall deliver the Assets that are to be delivered to the relevant Matched Pair Seller, provided that, the relevant Matched Pair Buyer's obligation to deliver any Assets in the form of cash in the settlement currency forming part of the relevant Asset Package will be automatically satisfied and discharged;
- (f) following its receipt of Delivery of the relevant Non DVP Obligations (or if Asset Package Delivery is applicable, the relevant Assets that are to be delivered), the Matched Pair Seller shall promptly 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) if and to the extent that the Clearing Member has received payment from the relevant Matched Pair Seller of the Physical Settlement Amount Portion (or the Non-DVP Asset Package Settlement Amount, as applicable in full on a timely basis as set out above, then 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 the Non -DVP Asset Package Settlement Amount, as applicable (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 any expenses due to the relevant Matched Pair Buyer under Section 11.2(c)(vi) of the 2014 ISDA Credit Derivatives Definitions 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 (or equivalent Currency Amount) at least equal to the Physical Settlement Amount Portion or the Non-DVP Asset Package Settlement Amount, as applicable to the Matched Pair Seller within three Clearing 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 or the Non -DVP Asset Package Settlement Amount, as applicable, 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.

If Asset Package Delivery is applicable and the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full in three Clearing Business Days following the date on which the Matched Pair Buyer has notified the Matched Pair Seller of the detailed description of the Asset Package that it intends to Deliver in accordance with Section 8.2 of the 2014 ISDA Credit Derivative Definitions.

80504.B 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 (i) the CDS RC 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 or (ii) the DC Secretary has previously publicly announced that the Credit Derivatives Determinations Committee has Resolved that such obligation constitutes a Deliverable Obligation. Such challenge may only be made by submission of (a) a request to the DC Secretary, 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.B, submission of an Issue to the CDS RC 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 the DC Secretary or an Issue to the CDS RC 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 CDS RC, 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 a Disputed DO, all time periods and related rights and remedies relating to settlement, for example, under Sections 9.7, 9.8 and 9.9 of the 2014 ISDA 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 CDS RC makes a Determination related to the relevant Disputed DO or (b) the date on which the DC Secretary 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. Any 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. Notwithstanding anything else herein or the 2014 ISDA Credit Derivatives Definitions to the contrary, if the CDS RC makes a Determination, or the DC Secretary publicly announces the relevant Credit Derivatives Determinations Committee has Resolved, that the Disputed DO does not constitute a Deliverable Obligation, then each Matched Pair Buyer with respect to each affected Matched CDS Contract Pair may, prior to the end of the Physical Settlement Period or, if later, the third Clearing Business Day after notice of such Determination or public announcement, deliver a NOPS Amendment Notice replacing such Disputed DO with another Deliverable Obligation.

80505.B FALLBACK CASH SETTLEMENT

80505.B.A. Failure to Pay Physical Settlement Amount

If a Matched 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 without prejudice to the obligations, if any, of the Matched Pair Seller to the Clearing House and all rights of the Clearing House associated with any such obligations and any failure to comply with any such obligations:

(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:

(i) 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, and

(ii) except in the case of a Non-DVP Obligation, will be deemed to occur only if the Matched Pair Buyer tenders such Deliverable Obligation for delivery on each of the three Business Days following notice to the Matched Pair Seller of such failure and the Matched Pair Seller does not make such payment of the Unpaid Amount against such delivery;

(c) 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 9.6 of the 2014 ISDA 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, notwithstanding Section 9.5 of the 2014 ISDA Credit Derivatives Definitions, will be deemed to be 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 will be deemed to be the Calculation Agent.

80505.B.B. Non-Deliverable Obligations

If a Matched Pair Buyer is not able to (or elects not to) Deliver one or more Deliverable Obligations except for any Deliverable Obligation which (i) is a Prior Deliverable Obligation or a Package Observable Bond which Buyer has notified Seller it intends to Deliver an Asset Package in lieu thereof, or (ii) forms part of an Asset Package which Buyer has notified Seller it intends to Deliver (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;

(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, or

(c) an event described in Section 11.2(c)(iv)(B) of the 2014 ISDA Credit Derivatives Definitions has occurred,

such occurrence (in the case of Rule 80505.B.B.(c), only at the election of either the Matched Pair Buyer or the Matched Pair Seller) 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 9.1 of the 2014 ISDA 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 9.6 of the 2014 ISDA 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.B.C. Quotations

For the purposes of Rules 80505.B.A and 80505.B.B, in addition to the requirements of Section 7.10 of the 2014 ISDA Credit Derivatives Definitions and notwithstanding Section 9.6(k) of the 2014 ISDA 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 whom it is able to Deliver the Deliverable Obligations) and be open for acceptance to the Relevant Buyer for at least 30 minutes.

80506.B ALTERNATIVE BILATERAL SETTLEMENT

A Matched Pair Buyer and Matched Pair Seller may, subject to applicable law, 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.B CLEARING HOUSE GUARANTEE OF MATCHED PAIR CDS CONTRACTS

For the avoidance of doubt, except as provided in Rule 80506.B., in relation to any Matched Pair CDS Contracts the Clearing House will ensure the financial performance of the Matched Pair Buyer in accordance with Rule 80505.B.A.(c).

80508.B 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: Part B, such failure may be deemed a default pursuant to Chapter 8, Rule 802 and may subject the Matched Pair Buyer or Matched Pair Seller, as applicable, 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.

Chapter 805
CME CDS Physical Settlement: Part C

This Part C shall only be used in connection with 2003 Definitions Transactions that are (i) iTraxx Component Transactions or (ii) Restructuring European Single Name CDS Contracts

80501.C **SCOPE OF CHAPTER**

The Rules in this Chapter 805: Part C set out the terms of "**CME CDS Physical Settlement**". CME CDS Physical Settlement shall apply to each 2003 Definitions Transaction for which the Fallback Settlement Method is applicable pursuant to Section 12.1 or 12.17 of the 2003 ISDA Credit Derivatives Definitions, as amended by Rule 80202.H. and Rule 80302.J.

80502.C **MATCHED PAIRS**

80502.C.A. **Matched Pair Notice**

If CME CDS Physical Settlement is applicable to a 2003 Definitions Transaction (a "**Physical Settlement Contract**") following a Credit Event, 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 (or, if unequal, allocated to the Clearing House, as Buyer or Seller).

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 10:00 a.m. (Chicago time) on the Clearing Business Day immediately following the date on which CME CDS Physical Settlement becomes applicable to a 2003 Definitions Transaction (the "**Matched Pair Notice Deadline**"), the Clearing House will issue a notice to the Matched Pair indicating the relevant Physical Settlement Contract, Matched Pair Buyer, Matched Pair Seller, Matched Notional Amount and Credit Event (together with the address, fax number, telephone number, email address and other applicable notice details) (the "**Matched Pair Notice**"). 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 multiple Matched Pair Notices that each 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 Notices relate, the rights and obligations of the parties to such Physical Settlement Contract shall, with effect from the date such Matched Pair Notices are effective, be construed as if the parties had entered into two or more 2003 Definitions Transactions, each of which has a Floating Rate Payer Calculation Amount specified in a related Matched Pair Notice.

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 1,000,000 (in the currency of denomination of the relevant Physical Settlement Contract) 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.

Following the actual or deemed creation of such Matched Pairs, the relevant 2003 Definitions Transactions will be construed as if they had been terminated and new cleared 2003 Definitions Transactions will be deemed to have been entered into between each such CDS Clearing Member and the Clearing House (each such transaction shall be a "Matched Pair CDS Contract", and such Matched Pair CDS Contracts collectively, a "Matched Pair CDS Contract Pair").

Notwithstanding the above, if CME CDS Physical Settlement becomes applicable in relation to a Physical Settlement Contract pursuant to which a Matched Pair has previously been created by the Clearing House following the occurrence of a Credit Event to which such CME CDS Physical Settlement relates, such previously created Matched Pairs shall be deemed to be Matched Pairs created in accordance with this Rule 80502.C.A. and the Clearing House shall have no obligation to create new Matched Pairs in respect of such Physical Settlement Contract.

Each such Matched Pair CDS Contract shall have a Floating Rate Payer Calculation Amount corresponding to the Physical Settlement Amount of a Matched Pair in which the relevant CDS Clearing Member is comprised of a Matched Pair Buyer or a Matched Pair Seller, as applicable.

80502.C.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 2003 ISDA Credit Derivatives Definitions shall be construed as a reference to "any third party".

With respect to a Matched Pair CDS Contract Pair and each related Matched Pair CDS Contract the Clearing House shall be deemed to have designated, pursuant to Section 9.2(c)(iv) of the 2003 ISDA Credit Derivatives Definitions:

- (a) the Matched Pair Seller as its designee:
 - (i) to receive on its behalf from the relevant Matched Pair Buyer 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.C 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; and
 - (iv) to receive from, or deliver to, the relevant Matched Pair Buyer, on behalf of the Clearing House, any notices and/or payments in accordance with Sections 9.3, 9.8, 9.9 or 9.10 of the 2003 ISDA Credit Derivatives Definitions;
- (b) the Matched Pair Buyer as its designee:

- (i) to deliver on its behalf to the relevant Matched Pair Seller 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.C 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 and/or payments in accordance with Sections 9.3, 9.8, 9.9 or 9.10 of the 2003 ISDA 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. Furthermore, the final sentence of Section 9.2(c)(iv) of the 2003 ISDA Credit Derivatives Definitions shall not apply to any Matched Pair CDS Contract.

References to "Buyer" and "Seller" in Sections 9.2(c)(i), 9.3, 9.8, 9.9 and 9.10 of the 2003 ISDA Credit Derivatives Definitions shall be construed as being references to the Matched Pair Buyer or the Matched Pair Seller, as applicable and the relevant 2003 Definitions Transactions shall be construed accordingly.

Where the Clearing House is the Buyer in respect of a Matched Pair CDS Contract, references in Section 9.2 of the 2003 ISDA 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.C. Conditions to Settlement

Notwithstanding anything in Section 3.2 of the 2003 ISDA Credit Derivatives Definitions to the contrary, 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 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 80502.C.A, on or before the thirtieth calendar day (or, if such day is not a Clearing Business Day, the next following Clearing Business Day) following the applicable Matched Pair Notice 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.

80502.C.D. Notices

- (a) 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 2003 Definitions Transaction prior to the relevant Matched Pair Notice Date. Furthermore, neither the Clearing House nor any CDS Clearing Member will be entitled to deliver a Notice of Physical Settlement until after it is determined that the method of settlement for a particular Credit Event is CME CDS Physical Settlement due to the occurrence of one of the events set forth in Section 12.1 of the 2003 ISDA Credit Derivatives Definitions.

The Clearing House shall incur no liability with respect to any loss, cost, damage or expense suffered or incurred by a Matched Pair Seller as a result of any error, inaccuracy, delivery or non-delivery with respect to any Notice of Physical Settlement or NOPS Amendment Notice sent by a Matched Pair Buyer and shall have no duty to verify any such notices or the contents thereof.

- (b) Any Notice of Physical Settlement, NOPS Amendment Notice and any notice delivered pursuant to Sections 9.3, 9.8, 9.9 and 9.10 of the 2003 ISDA Credit Derivatives Definitions shall be delivered to both the Clearing House (either by email to css@cmegroup.com or by fax to 312 930 3187) and the Matched Pair Seller. For the avoidance of doubt, Section 1.10 of the 2003 ISDA 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 notwithstanding Section 1.10 of the 2003 ISDA Credit Derivatives Definitions, any notice to the Clearing House (a) shall be given as provided in Rule 80003.B and (b) shall be effective on a on a Calculation Agent City Business Day if delivered on or prior to 6:00 p.m. (Calculation Agent City time) on such Calculation Agent City Business Day.
- (c) Notices given by a Matched Pair Buyer or a Matched Pair Seller in a Matched Pair CDS Contract and which are not delivered via DTCC shall be given to the address or number notified by the Clearing House to the Matched Pair Buyer or Matched Pair Seller, respectively, in the Matched Pair Notice pursuant to Rule 80502.C.A.
- (d) Each CDS Clearing Member shall notify the Clearing House or deliver a copy to the Clearing House of any notice delivered or received by such CDS Clearing Member to or from another CDS Clearing Member comprised in a Matched Pair (a "Matched Pair Clearing Member Acknowledgement") by no later than 6:00 p.m. on (i) in the case of a Notice of Physical Settlement, or NOPS Amendment Notice, the date falling two Clearing Business Days following the date on which such notice was sent; or (ii) in the case of any other notice, on the last day on which such notice could validly be sent (in each case, the "Matched Pair Notice Acknowledgement Deadline").

Where the Clearing House receives a Matched Pair Clearing Member Acknowledgement in respect of any notice from both relevant CDS Clearing Members comprised in a Matched Pair at or prior to the Matched Pair Notice Acknowledgement Deadline, the Clearing House shall perform its obligations in respect of the relevant 2003 Definitions Transactions in accordance with and subject to the provisions of these Rules.

Where the Clearing House receives a Matched Pair Clearing Member Acknowledgement in respect of any notice from one relevant CDS Clearing Member only at or prior to the Matched Pair Notice Acknowledgement Deadline, the provisions of Rule 80502.C.E. shall apply and the Clearing House and each relevant CDS Clearing Member shall perform their obligations in respect of the relevant 2003 Definitions Transactions in accordance with and subject to the remaining provisions of these Rules and the terms of any final resolution of the relevant dispute, as agreed between the relevant parties or as determined by arbitration or by litigation, as applicable. In such case, the Clearing House shall notify the CDS Clearing Member from which it has not received a Matched Pair Clearing Member Acknowledgement of the asserted delivery or, as applicable, receipt of the relevant notice (in the case of a Credit Event Notice of Notice to Exercise Movement Option).

Where the Clearing House does not receive a Matched Pair Clearing Member Acknowledgement or confirmation of valid delivery in respect of any notice from either CDS Clearing Member in the relevant Matched Pair on or prior to the relevant Matched Pair Notice Acknowledgement Deadline, the rights and obligations of the Clearing House as against each relevant CDS Clearing Member, and vice versa, shall be construed as if no such notice had been given.

In addition, where the relevant notice is a Notice of Physical Settlement or NOPS Amendment Notice the relevant Clearing Members shall acquire rights as against the other as though party to a bilateral credit default swap transaction on the terms of the Matched Pair CDS Contract to which the Matched Pair Buyer is a party (including, without limitation, as to the satisfaction of the applicable Conditions to Settlement) and the Notice of Physical Settlement or NOPS Amendment Notice as applicable, shall be deemed to have been given in respect of such transaction. Any resulting payment shall be due and payable two Clearing Business Days following the giving of a notice that such amount is due and payable.

The relevant CDS Clearing Members shall have enforcement rights as against each other in respect of any resulting payments and deliveries; the Clearing House shall have no liability in respect thereof.

- (e) Notwithstanding Rule 80502.C.A., if the Clearing House does not notify the relevant CDS Clearing Members of Matched Restructuring Pairs on or prior to the MRP Notice Delivery Date:
- (i) the relevant CDS Clearing Members may deliver Credit Event Notices, Notices to Exercise Movement Option, Notices of Physical Settlement or NOPS Amendment Notices to the Clearing House, and vice versa;
 - (ii) the relevant 2003 Definitions Transactions shall be subject to Physical Settlement in accordance with their terms; and
 - (iii) the provisions of this Chapter 805: Part C shall not apply.

For such purpose, Credit Event Notices and Notices to Exercise Movement Option shall be delivered directly (and not via DTCC).

- (f) Upon completion of Physical Settlement by the relevant Matched Pair of a Matched Pair CDS Contract, Matched Pair Buyer and Matched Pair Seller shall inform the Clearing House as soon as reasonably practicable and in any event before the date falling two Clearing Business Days following such completion (a "Physical Settlement Confirmation Deadline") by notice (a "Physical Settlement Confirmation").
- (g) If no Notice of Physical Settlement has been delivered within the relevant time period permitted for such delivery in accordance with the terms of the relevant Matched Pair CDS Contract and, accordingly, Physical Settlement will not, under the terms of the relevant Matched Pair CDS Contract, occur, Matched Pair Buyer and Matched Pair Seller shall inform the Clearing House as soon as reasonably practicable thereafter and in any event before the date falling two Clearing Business Days following the relevant date after which delivery of a Notice of Physical Settlement is no longer permitted in accordance with the terms of the relevant Matched Pair CDS Contract (the "No Physical Settlement Confirmation Deadline") by notice (a "No Physical Settlement Confirmation").
- (h) If the Clearing House receives a Physical Settlement Confirmation or No Physical Settlement Confirmation from one relevant Matched Pair Buyer or Matched Pair Seller only at or prior to the relevant Physical Settlement Confirmation Deadline or No Physical Settlement Confirmation Deadline, as the case may be, there shall be deemed to be a dispute with respect to the Matched Pair CDS Contract between the Clearing House and each relevant CDS Clearing Member.

80502.C.E. Disputes as to Notices

If any CDS Clearing Member in a Matched Pair where one such party is acting as designee of the Clearing House disputes the effective delivery in accordance with the terms of the relevant 2003 Definitions Transaction of any notice delivered directly (and not via DTCC) (and for such purposes, a dispute between the relevant CDS Clearing Member and the Clearing House shall be deemed to have arisen if the Clearing House receives a Matched Pair Clearing Member Acknowledgement from one relevant CDS Clearing Member only in respect of any such notice):

- (a) following final resolution of such dispute by arbitration or by litigation, as applicable, the CDS Clearing Members comprised in the relevant Matched Pair shall take such actions with respect to the Matched Pair CDS Contract the subject of such dispute as the Clearing House determines appropriate to give effect to any relevant binding resolution;
- (b) without prejudice to its obligations upon final resolution of the dispute, pending final resolution of any such dispute, the Clearing House shall not be obliged to take any step pursuant to the terms of the relevant Matched Pair CDS Contract which would be required to have been taken by it had the relevant notice been validly delivered; and
- (c) the Clearing House may call for additional performance bond related to such dispute.

Each relevant CDS Clearing Member must promptly notify the Clearing House of any such disputes.

80503.C 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 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 corresponding to the Outstanding Amount of such Non DVP Obligation and any amounts in respect of expenses notified by the relevant Matched Pair Buyer on the following Clearing Business Day;
- (c) following receipt of the request referred to in paragraph (b) above the Matched Pair Seller shall pay to the Clearing House the full amount(s) so requested on or prior to the Clearing Business Day immediately following the date on which the relevant Matched Buyer notified the Clearing House of its readiness to Deliver provided that the request for payment has been made in a timely manner as set out above;
- (d) following receipt by the Clearing House of payment in cleared funds, the Clearing House shall notify the relevant Matched Pair Buyer that it has received payment and is holding the relevant amount(s) from the Matched 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 with an outstanding principal balance (or equivalent Currency Amount) at least equal to the relevant Physical Settlement Amount Portion;
- (f) following its receipt of Delivery of the relevant Non DVP Obligations, the Matched Pair Seller shall promptly 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) if and to the extent that the Clearing Member has received payment from the relevant Matched Pair Seller of the Physical Settlement Amount Portion on a timely basis as set out above, then 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 any expenses due to the relevant Matched Pair Buyer under Section 9.2(c)(iv) of the 2003 ISDA Credit Derivatives Definitions 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 (or equivalent Currency Amount) at least equal to the Physical Settlement Amount Portion to the Matched Pair Seller within three Clearing 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.C 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 (i) the CDS RC 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 or (ii) ISDA has previously publicly announced that the Credit Derivatives Determinations Committee has Resolved that such obligation constitutes a 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.B, submission of an Issue to the CDS RC 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 CDS RC 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 CDS RC, 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 a Disputed DO, all time periods and related rights and

remedies relating to settlement, for example, under Sections 9.9 and 9.10 of the 2003 ISDA 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 CDS RC 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. Any 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. Notwithstanding anything else herein or the 2003 ISDA Credit Derivatives Definitions to the contrary, if the CDS RC makes a Determination, or ISDA publicly announces the relevant Credit Derivatives Determinations Committee has Resolved, that the Disputed DO does not constitute a Deliverable Obligation, then each Matched Pair Buyer with respect to each affected Matched CDS Contract Pair may, prior to the end of the Physical Settlement Period or, if later, the third Clearing Business Day after notice of such Determination or public announcement, deliver a NOPS Amendment Notice replacing such Disputed DO with another Deliverable Obligation.

80505.C FALLBACK CASH SETTLEMENT

80505.C.A Failure to Pay Physical Settlement Amount

If a Matched 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 without prejudice to the obligations, if any, of the Matched Pair Seller to the Clearing House and all rights of the Clearing House associated with any such obligations and any failure to comply with any such obligations:

- (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:
 - (i) 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, and
 - (ii) except in the case of a Non-DVP Obligation, will be deemed to occur only if the Matched Pair Buyer tenders such Deliverable Obligation for delivery on each of the three Business Days following notice to the Matched Pair Seller of such failure and the Matched Pair Seller does not make such payment of the Unpaid Amount against such delivery;
- (c) 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 2003 ISDA 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, notwithstanding Section 9.7 of the 2003 ISDA Credit Derivatives Definitions, will be deemed to be 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 will be deemed to be the Calculation Agent.

80505.C.B. Non-Deliverable Obligations

If a Matched Pair Buyer is not able to (or elects not 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;
- (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, or
- (c) an event described in Section 9.2(c)(iv)(B) of the 2003 ISDA Credit Derivatives Definitions has occurred,

such occurrence (in the case of Rule 80505.C.B.(c), only at the election of either the Matched Pair Buyer or the Matched Pair Seller) 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 2003 ISDA 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 2003 ISDA 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.C. Quotations

For the purposes of Rules 80505.C.A. and 80505.C.B., in addition to the requirements of Section 7.10 of the 2003 ISDA Credit Derivatives Definitions and notwithstanding Section 9.8(k) of the 2003 ISDA 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 whom it is able to Deliver the Deliverable Obligations) and be open for acceptance to the Relevant Buyer for at least 30 minutes.

80506.C ALTERNATIVE BILATERAL SETTLEMENT

A Matched Pair Buyer and Matched Pair Seller may, subject to applicable law, 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.C CLEARING HOUSE GUARANTEE OF MATCHED PAIR CDS CONTRACTS

For the avoidance of doubt, except as provided in Rule 80506.C, in relation to any Matched Pair CDS Contract the Clearing House will ensure the financial performance of the Matched Pair Buyer in accordance with Rule 80505.C.A.(c).

80508.C 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: Part C, such failure may be deemed a default pursuant to Chapter 8, Rule 802 and may subject the Matched Pair Buyer or Matched Pair Seller, as applicable, 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.

Chapter 805
APPENDIX: Part A

This Appendix: Part A shall only be used in connection with 2014 Definitions Transactions

1. CDS PARTICIPANT PROVISIONS

A. Application and Interpretation

These CDS Participant provisions (the “CDS Participant Provisions”) apply solely to the clearing arrangements between a CDS Clearing Member and CDS Participant on whose behalf a CDS Clearing Member clears 2014 Definitions Transactions (each a “CDS Participant Contract”). Notwithstanding the previous sentence, but without prejudice to the terms of any CDS Participant Contract, a CDS Clearing Member and a CDS Participant may agree in their clearing arrangements or otherwise to vary or override the terms of the CDS Participant Provisions as between themselves only.

The CDS Participant Provisions are intended to amend and supplement the clearing arrangements between CDS Clearing Members and CDS Participants. The CDS Participant Provisions are not intended to create new contractual relationships between parties which would otherwise not exist. The CDS Participant Provisions are published by the Clearing House for the convenience of Clearing Members and CDS Participants but do not form part of the CME Rulebook. The CDS Participant Provisions are, subject to applicable law, incorporated by reference in clearing agreements between Clearing Members and CDS Participants. The CDS Participant Provisions shall be governed by and construed in accordance with the law governing the clearing arrangement to which they relate in any instance and subject to such dispute resolution mechanisms and procedures and such courts or other forum for hearing disputes as are applicable in respect of the CDS Participant Contract or clearing arrangement to which they relate. Each Clearing Member and CDS Participant to which the CDS Participant Provisions apply hereby waives any right to object to any such choice of law or proceedings on the basis of forum non conveniens, that the governing law or forum is not specified on the face of this document or otherwise.

The CDS Participant Provisions are intended to apply in their present form pending broader industry discussion of other possible solutions, possibly in connection with technological progress and may be amended as any further technological or industry developments take place. Any amendments, modifications, restatements or supplements in respect of the CDS Participant Provisions shall be effective if published by the Clearing House. At the request of a CDS Clearing Member, a CDS Participant will enter into a written confirmation of the terms of the CDS Participant Provisions or any amendment, modification, supplement or restatement made to them.

The CDS Participant Provisions shall not bind the Clearing House and in the event of any inconsistency between the Rules, the procedures set forth in the CDS Manual and the CDS Participant Provisions in respect of any CDS Participant Contract, the Rules or the procedures set forth in the CDS Manual shall apply. If any CDS Participant Contract is transferred to a different Clearing Member in accordance with the Rules or otherwise pursuant to applicable law, the CDS Participant Provisions shall apply to the CDS Participant Contract following such transfer, except to the extent and until otherwise agreed between the CDS Participant and the CDS Clearing Member to which such CDS Participant Contract has been transferred.

Capitalized terms used, but not defined, in these CDS Participant Provisions shall have the meanings given to them or incorporated into the Rules, the CDS Manual and the 2014 ISDA Credit Derivatives Definitions (together, the “CME Documentation”) as applicable.

The CDS Participant Provisions are intended to establish the processes for dealing with certain aspects of the delivery of Matched Pair Notices and Deliverable Obligations.

References to "Sections" herein are to sections of the CDS Participant Provisions, unless specified otherwise.

B. Provisions Applicable to all Physical Notices

The CDS Participant Provisions assume a chain of transactions (each a "CDS Chain") in which:

- (a) a Clearing Member ("Clearing Member A"): (i) is (1) the protection buyer (either directly or on behalf of a CDS Participant ("CDS Participant A")); and (2) assuming the Clearing House has created Matched Pairs as required by the CME Documentation, the Matched Pair Buyer, in each case under its CDS Participant Contract with the Clearing House and (ii) if Clearing Member A is holding the CDS Participant Contract on behalf of a CDS Participant A, CDS Participant A is the ultimate protection buyer; and
- (b) a Clearing Member ("Clearing Member B"): (i) is (1) the protection seller (either directly or on behalf of a CDS Participant ("CDS Participant B")) and (2) assuming the Clearing House has created Matched Pairs as required by the CME Documentation, the Matched Pair Seller, in each case under its CDS Participant Contract with the Clearing House and (ii) if Clearing Member B is holding the CDS Participant Contract on behalf of CDS Participant B, CDS Participant B is the ultimate protection seller.

Each Clearing Member agrees for the benefit of each of its CDS Participants to which the CDS Participant Provisions apply that, if such CDS Participant delivers any request or instruction to Clearing Member to deliver a Matched Pair Notice under a CDS Participant Contract (that such Clearing Member is permitted to deliver) and where such request or instruction is effective pursuant to both (i) their clearing arrangements and (ii) the CDS Participant Provisions, the CDS Participant will, subject to the terms of the CDS Participant Contract and the CME Documentation, deliver a corresponding Matched Pair Notice under the relevant CDS Participant Contract no later than two (2) hours after effective receipt by the Clearing Member of such request or instruction. A Matched Pair Notice that is effective against a Clearing Member pursuant to a CDS Participant Contract, shall, subject to the terms of the clearing arrangement between such Clearing Member and CDS Participant, be deemed to have been copied to and bind the CDS Participant at the same time, regardless of if or when the CDS Participant actually receives such or a corresponding Matched Pair Notice or copy of such Matched Pair Notice from its Clearing Member or any other person.

Each Clearing Member agrees for the benefit of each of its CDS Participants that, if it (i) receives a notice pursuant to a CDS Participant Contract or (ii) gives a notice that is effective pursuant to the terms of a CDS Participant Contract, it will, subject to the terms of the CDS Participant Contract, the CME Documentation and the clearing arrangements between them, deliver a copy of such notice to CDS Participant no later than two (2) hours after effective receipt or delivery by it of such notice.

C. Notices

For the purposes of determining, as between each Clearing Member and its CDS Participant only (a) when notices, requests or instructions delivered by a CDS Participant to a Clearing Member pursuant to their clearing arrangements are effective; and (b) when notices received or given by a Clearing Member must be copied by a Clearing Member to its CDS Participant, in each case pursuant to these CDS Participant Provisions, the following shall apply:

- (a) (i) a notice, request or instruction received by the Clearing Member from a CDS Participant or (ii) a notice given by the Clearing Member in respect of a CDS Participant Contract, in each case, on or after 9:00am and on or prior to 4:00pm (in each case, Calculation Agent City time) on a Calculation Agent City Business Day will be effective at such Calculation Agent City time on such Calculation Agent City Business Day;
- (b) (i) a notice, request or instruction received by the Clearing Member from a CDS Participant or (ii) a notice given by the Clearing Member in respect of a CDS Participant Contract, in each case, prior to 9:00am (in each case, Calculation Agent City time) on a Calculation Agent City Business Day will be effective at 9:00am Calculation Agent City time on such Calculation Agent City Business Day; and
- (c) (i) a notice, request or instruction received by the Clearing Member from a CDS Participant or (ii) a notice given by the Clearing Member in respect of a CDS Participant Contract, in each case, on a day that is not a Calculation Agent City Business Day or after 4:00pm (Calculation Agent City time) on a day that is a Calculation Agent City Business Day will be effective at 9:00am Calculation Agent City time on the next following Calculation Agent City Business Day.

Terms used but not defined in this Section C of the CDS Participant Provisions shall have the meanings given to them in the relevant CDS Participant Contract.

Any notice required to be delivered as between a CDS Participant and a Clearing Member pursuant to these CDS Participant Provisions shall be delivered in accordance with the terms of the relevant CDS Participant Contract, the CME Documentation and the clearing arrangements applicable between a CDS Participant and a Clearing Member. Subject to the CME Documentation and this Section C of the CDS Participant Provisions, Section 1.38 of the 2014 ISDA Credit Derivatives Definitions will apply to all such notices.

D. Delivery of Deliverable Obligations

CDS Participant A, Clearing Member A, Clearing Member B and CDS Participant B may, if they wish and subject to applicable law, in any instance where Physical Settlement applies, arrange among themselves for delivery versus payment as between any two of them in satisfaction of the obligations of the relevant parties in the CDS Chain agreeing to such arrangement; provided that any such arrangement must be approved under the Rules.

In a CDS Chain involving only one CDS Participant, the parties in the CDS Chain may in their sole and absolute discretion agree for the relevant Clearing Member making or receiving delivery or payment for its proprietary account to undertake delivery versus payment as between itself and the other Clearing Member's CDS Participant in a similar manner. In any instance in which a CDS Participant makes or receives delivery or payment on behalf of its Clearing Member pursuant to such arrangements, the CDS Participant will be treated as a designee of the Clearing Member.

To the extent that no arrangement of a nature referred to in the abovementioned paragraphs is established, the following provisions shall apply in connection with Physical Settlement of CDS Participant Contracts.

Each Clearing Member covenants separately for the benefit of each of its CDS Participants A that if it is acting as Clearing Member A and receives a Delivery of a Deliverable Obligation (or if applicable, an Asset Package) from its CDS Participants for purposes of settlement under a CDS Participant Contract, it will, subject to and in accordance with the relevant CDS Participant Contract, the CME Documentation and the clearing arrangements between such Clearing Member and its CDS Participant, Deliver one or more Deliverable Obligations, and/or if applicable Asset Packages (which, for the avoidance of doubt but always

subject to applicable law need not correspond to that Delivered by the CDS Participant under the related CDS Participant Contract) no later than the first following Clearing Business Day after the day on which a trade in the relevant Deliverable Obligations (or, if applicable, an Asset Package) would, if effected on the day of receipt of such Deliverable Obligations (or if applicable, Asset Package) from CDS Participant A, be settled in accordance with customary practice. On each occasion on which a CDS Participant of a Clearing Member Delivers Deliverable Obligations to such Clearing Member, such CDS Participant will be deemed to make the representations in Section 11.2 of the 2014 ISDA Credit Derivatives Definitions as if it were party, as protection buyer, to a CDS Participant Contract with such Clearing Member as protection seller.

Each Clearing Member covenants separately for the benefit of each of its CDS Participants B that if it is acting as Clearing Member B and receives Deliverable Obligations pursuant to the terms of a CDS Participant Contract on behalf of CDS Participant B, it will, subject to the CME Documentation and the clearing arrangements between Clearing Member B and CDS Participant B Deliver Deliverable Obligations (or, if applicable, an Asset Package) with an Outstanding Principal Balance and due and payable amount equal to those Delivered to Clearing Member B under the relevant CDS Participant Contract on or prior to the first following Clearing Business Day after the date on which a trade in the relevant Deliverable Obligations (or, if applicable, Asset Package) would, if effected on the day of receipt of such Deliverable Obligations by Clearing Member B, be settled in accordance with customary practice.

E. Fallback to Cash Settlement

If circumstances exist such that, if there were a separate 2014 Definitions Transaction on the terms of the CDS Participant Contract between CDS Participant B and its Clearing Member, there would be a fallback to Cash Settlement, then, subject as provided below, a fallback to Cash Settlement shall hereby be deemed to apply but only as between Clearing Member B and CDS Participant B, without affecting the Settlement Method of any other CDS Participant Contract in the CDS Chain.

Without prejudice to the provisions of the CME Documentation in relation to CDS Participant Contracts, following fallback to Cash Settlement: (i) Clearing Member A and CDS Participant A; or (ii) Clearing Member B and CDS Participant B shall notify each other, in accordance with the terms of the CDS Participant Contract and/or any clearing arrangements, describing in reasonable detail the facts giving rise to the fallback. Sections B and C of the CDS Participant Provisions shall apply to such notices.

F. Additional Provisions Relating to Buy-in of Bonds Not Delivered

No Clearing Member may deliver and no CDS Participant may request or instruct the delivery by a Clearing Member of a Buy-In Notice except for a Clearing Member that is acting as Clearing Member B (where there is no CDS Participant B) or a CDS Participant that is acting as CDS Participant B in a CDS Chain. If a Buy-In Notice is effectively given in respect of a CDS Participant Contract by Clearing Member B at the request or instruction of its CDS Participant B (such party being the "**Electing Seller**"), then such CDS Participant B may exercise, on behalf of Clearing Member B, the rights of Clearing Member B as Seller pursuant to and subject to Section 9.7 of the 2014 ISDA Credit Derivatives Definitions under the CDS Participant Contract (in any case subject to the Rules) but without prejudice to Sections B and C of the CDS Participant Provisions.

G. Additional Provisions Applicable to Alternative Procedures Relating to Loans Not Delivered

No Clearing Member may deliver and no CDS Participant may request or instruct the delivery by a Clearing Member of a notice under Section 9.8(i) of the 2014 ISDA Credit Derivatives Definitions (an "**Alternative Loan Buyer Notice**") except for a Clearing Member that is acting as Clearing Member A (where there is no CDS Participant A) or a CDS Participant that is acting as CDS Participant A in a CDS Chain.

If an Alternative Loan Buyer Notice is effectively given in respect of a CDS Participant Contract by Clearing Member A at the request or instruction of its CDS Participant A, then such CDS Participant A may exercise, on behalf of Clearing Member A, the rights of Clearing Member A as Buyer pursuant to and subject to Section 9.8(i) of the 2014 ISDA Credit Derivatives Definitions under the CDS Participant Contract (in any case subject to the Rules), but without prejudice to Sections B and C of the CDS Participant Provisions.

No CDS Participant may deliver or request or instruct the delivery of a notice under Section 9.8(ii) of the 2014 ISDA Credit Derivatives Definitions. Only a Clearing Member that is acting as Clearing Member B may deliver such a notice (an "**Alternative Loan Seller Notice**"). Sections B and C of the CDS Participant Provisions shall apply to Alternative Loan Seller Notices.

If a CDS Participant Contract is subject to settlement in accordance with Section 9.8(ii) of the 2014 ISDA Credit Derivatives Definitions then the rights between Clearing Member A and CDS Participant A in respect thereof shall be settled as if a separate 2014 Definitions Transaction were in effect between Clearing Member A and CDS Participant A and a fallback to Cash Settlement applied to such transaction, by reference to the Deliverable Obligations in respect of the CDS Participant Contract.

No CDS Participant may deliver or request or instruct the delivery of a notice under Section 9.9 of the 2014 ISDA Credit Derivatives Definitions. Only a Clearing Member that is acting as Clearing Member B may deliver such a notice (an "**Alternative Asset Seller Notice**"). Sections B and C of the CDS Participant Provisions shall apply to Alternative Asset Seller Notices.

If a CDS Participant Contract is subject to settlement in accordance with Section 9.9 of the 2014 ISDA Credit Derivatives Definitions, then the rights between Clearing Member A and CDS Participant A in respect thereof shall be settled as if a separate 2014 Definitions Transaction were in effect between Clearing Member A and CDS Participant A and a fallback to Cash Settlement applied to such transaction, by reference to the Deliverable Obligations in respect of the CDS Participant Contract.

Chapter 805
APPENDIX: Part B

This Appendix: Part B shall only be used in connection with 2003 Definitions Transactions

1. CDS PARTICIPANT PROVISIONS

A. Application and Interpretation

These CDS Participant provisions (the “CDS Participant Provisions”) apply solely to the clearing arrangements between a CDS Clearing Member and CDS Participant on whose behalf a CDS Clearing Member clears 2003 Definitions Transactions (each a “CDS Participant Contract”). Notwithstanding the previous sentence, but without prejudice to the terms of any CDS Participant Contract, a CDS Clearing Member and a CDS Participant may agree in their clearing arrangements or otherwise to vary or override the terms of the CDS Participant Provisions as between themselves only.

The CDS Participant Provisions are intended to amend and supplement the clearing arrangements between CDS Clearing Members and CDS Participants. The CDS Participant Provisions are not intended to create new contractual relationships between parties which would otherwise not exist. The CDS Participant Provisions are published by the Clearing House for the convenience of Clearing Members and CDS Participants but do not form part of the CME Rulebook. The CDS Participant Provisions are, subject to applicable law, incorporated by reference in clearing agreements between Clearing Members and CDS Participants. The CDS Participant Provisions shall be governed by and construed in accordance with the law governing the clearing arrangement to which they relate in any instance and subject to such dispute resolution mechanisms and procedures and such courts or other forum for hearing disputes as are applicable in respect of the CDS Participant Contract or clearing arrangement to which they relate. Each Clearing Member and CDS Participant to which the CDS Participant Provisions apply hereby waives any right to object to any such choice of law or proceedings on the basis of forum non conveniens, that the governing law or forum is not specified on the face of this document or otherwise.

The CDS Participant Provisions are intended to apply in their present form pending broader industry discussion of other possible solutions, possibly in connection with technological progress and may be amended as any further technological or industry developments take place. Any amendments, modifications, restatements or supplements in respect of the CDS Participant Provisions shall be effective if published by the Clearing House. At the request of a CDS Clearing Member, a CDS Participant will enter into a written confirmation of the terms of the CDS Participant Provisions or any amendment, modification, supplement or restatement made to them.

The CDS Participant Provisions shall not bind the Clearing House and in the event of any inconsistency between the Rules, the procedures set forth in the CDS Manual and the CDS Participant Provisions in respect of any CDS Participant Contract, the Rules or the procedures set forth in the CDS Manual shall apply. If any CDS Participant Contract is transferred to a different Clearing Member in accordance with the Rules or otherwise pursuant to applicable law, the CDS Participant Provisions shall apply to the CDS Participant Contract following such transfer, except to the extent and until otherwise agreed between the CDS Participant and the CDS Clearing Member to which such CDS Participant Contract has been transferred.

Capitalized terms used, but not defined, in these CDS Participant Provisions shall have the meanings given to them or incorporated into the Rules, the CDS Manual and the 2003 ISDA Credit Derivatives Definitions (together, the “CME Documentation”) as applicable.

The CDS Participant Provisions are intended to establish the processes for dealing with certain aspects of the delivery of Matched Pair Notices and Deliverable Obligations.

References to "Sections" herein are to sections of the CDS Participant Provisions, unless specified otherwise.

B. Provisions Applicable to all Physical Notices

The CDS Participant Provisions assume a chain of transactions (each a "CDS Chain") in which:

- (a) a Clearing Member ("Clearing Member A"): (i) is (1) the protection buyer (either directly or on behalf of a CDS Participant ("CDS Participant A")); and (2) assuming the Clearing House has created Matched Pairs as required by the CME Documentation, the Matched Pair Buyer, in each case under its CDS Participant Contract with the Clearing House and (ii) if Clearing Member A is holding the CDS Participant Contract on behalf of a CDS Participant A, CDS Participant A is the ultimate protection buyer; and
- (b) a Clearing Member ("Clearing Member B"): (i) is (1) the protection seller (either directly or on behalf of a CDS Participant ("CDS Participant B")) and (2) assuming the Clearing House has created Matched Pairs as required by the CME Documentation, the Matched Pair Seller, in each case under its CDS Participant Contract with the Clearing House and (ii) if Clearing Member B is holding the CDS Participant Contract on behalf of CDS Participant B, CDS Participant B is the ultimate protection seller.

Each Clearing Member agrees for the benefit of each of its CDS Participants to which the CDS Participant Provisions apply that, if such CDS Participant delivers any request or instruction to Clearing Member to deliver a Matched Pair Notice under a CDS Participant Contract (that such Clearing Member is permitted to deliver) and where such request or instruction is effective pursuant to both (i) their clearing arrangements and (ii) the CDS Participant Provisions, the CDS Participant will, subject to the terms of the CDS Participant Contract and the CME Documentation, deliver a corresponding Matched Pair Notice under the relevant CDS Participant Contract no later than two (2) hours after effective receipt by the Clearing Member of such request or instruction. A Matched Pair Notice that is effective against a Clearing Member pursuant to a CDS Participant Contract, shall, subject to the terms of the clearing arrangement between such Clearing Member and CDS Participant, be deemed to have been copied to and bind the CDS Participant at the same time, regardless of if or when the CDS Participant actually receives such or a corresponding Matched Pair Notice or copy of such Matched Pair Notice from its Clearing Member or any other person.

Each Clearing Member agrees for the benefit of each of its CDS Participants that, if it (i) receives a notice pursuant to a CDS Participant Contract or (ii) gives a notice that is effective pursuant to the terms of a CDS Participant Contract, it will, subject to the terms of the CDS Participant Contract, the CME Documentation and the clearing arrangements between them, deliver a copy of such notice to CDS Participant no later than two (2) hours after effective receipt or delivery by it of such notice.

C. Notices

For the purposes of determining, as between each Clearing Member and its CDS Participant only (a) when notices, requests or instructions delivered by a CDS Participant to a Clearing Member pursuant to their clearing arrangements are effective; and (b) when notices received or given by a Clearing Member must be copied by a Clearing Member to its CDS Participant, in each case pursuant to these CDS Participant Provisions, the following shall apply:

- (a) (i) a notice, request or instruction received by the Clearing Member from a CDS Participant or (ii) a notice given by the Clearing Member in respect of a CDS Participant Contract, in each case, on or after 9:00am and on or prior to 4:00pm (in each case, Calculation Agent City time) on a Calculation Agent City Business Day will be effective at such Calculation Agent City time on such Calculation Agent City Business Day;
- (b) (i) a notice, request or instruction received by the Clearing Member from a CDS Participant or (ii) a notice given by the Clearing Member in respect of a CDS Participant Contract, in each case, prior to 9:00am (in each case, Calculation Agent City time) on a Calculation Agent City Business Day will be effective at 9:00am Calculation Agent City time on such Calculation Agent City Business Day; and
- (c) (i) a notice, request or instruction received by the Clearing Member from a CDS Participant or (ii) a notice given by the Clearing Member in respect of a CDS Participant Contract, in each case, on a day that is not a Calculation Agent City Business Day or after 4:00pm (Calculation Agent City time) on a day that is a Calculation Agent City Business Day will be effective at 9:00am Calculation Agent City time on the next following Calculation Agent City Business Day.

Terms used but not defined in this Section C of the CDS Participant Provisions shall have the meanings given to them in the relevant CDS Participant Contract.

Any notice required to be delivered as between a CDS Participant and a Clearing Member pursuant to these CDS Participant Provisions shall be delivered in accordance with the terms of the relevant CDS Participant Contract, the CME Documentation and the clearing arrangements applicable between a CDS Participant and a Clearing Member. Subject to the CME Documentation and this Section C of the CDS Participant Provisions., Section 1.10 of the 2003 ISDA Credit Derivatives Definitions will apply to all such notices.

D. Delivery of Deliverable Obligations

CDS Participant A, Clearing Member A, Clearing Member B and CDS Participant B may, if they wish and subject to applicable law, in any instance where Physical Settlement applies, arrange among themselves for delivery versus payment as between any two of them in satisfaction of the obligations of the relevant parties in the CDS Chain agreeing to such arrangement; provided that any such arrangement must be approved under the Rules.

In a CDS Chain involving only one CDS Participant, the parties in the CDS Chain may in their sole and absolute discretion agree for the relevant Clearing Member making or receiving delivery or payment for its proprietary account to undertake delivery versus payment as between itself and the other Clearing Member's CDS Participant in a similar manner. In any instance in which a CDS Participant makes or receives delivery or payment on behalf of its Clearing Member pursuant to such arrangements, the CDS Participant will be treated as a designee of the Clearing Member.

To the extent that no arrangement of a nature referred to in the abovementioned paragraphs is established, the following provisions shall apply in connection with Physical Settlement of CDS Participant Contracts.

Each Clearing Member covenants separately for the benefit of each of its CDS Participants A that if it is acting as Clearing Member A and receives a Delivery of a Deliverable Obligation from its CDS Participants for purposes of settlement under a CDS Participant Contract, it will, subject to and in accordance with the relevant CDS Participant Contract, the CME Documentation and the clearing arrangements between such Clearing Member and its CDS Participant, Deliver one or more Deliverable Obligations (which, for the avoidance of doubt but always subject to applicable law need not correspond to that Delivered by the CDS

Participant under the related CDS Participant Contract) no later than the first following Clearing Business Day after the day on which a trade in the relevant Deliverable Obligations would, if effected on the day of receipt of such Deliverable Obligations from CDS Participant A, be settled in accordance with customary practice. On each occasion on which a CDS Participant of a Clearing Member Delivers Deliverable Obligations to such Clearing Member, such CDS Participant will be deemed to make the representations in Section 9.2 of the 2003 ISDA Credit Derivatives Definitions as if it were party, as protection buyer, to a CDS Participant Contract with such Clearing Member as protection seller.

Each Clearing Member covenants separately for the benefit of each of its CDS Participants B that if it is acting as Clearing Member B and receives Deliverable Obligations pursuant to the terms of a CDS Participant Contract on behalf of CDS Participant B, it will, subject to the CME Documentation and the clearing arrangements between Clearing Member B and CDS Participant B Deliver Deliverable Obligations with a due and payable amount equal to those Delivered to Clearing Member B under the relevant CDS Participant Contract on or prior to the first following Clearing Business Day after the date on which a trade in the relevant Deliverable Obligations would, if effected on the day of receipt of such Deliverable Obligations by Clearing Member B, be settled in accordance with customary practice.

E. Fallback to Cash Settlement

If circumstances exist such that, if there were a separate 2003 Definitions Transaction on the terms of the CDS Participant Contract between CDS Participant B and its Clearing Member, there would be a fallback to Cash Settlement, then, subject as provided below, a fallback to Cash Settlement shall hereby be deemed to apply but only as between Clearing Member B and CDS Participant B, without affecting the Settlement Method of any other CDS Participant Contract in the CDS Chain.

Without prejudice to the provisions of the CME Documentation in relation to CDS Participant Contracts, following fallback to Cash Settlement: (i) Clearing Member A and CDS Participant A; or (ii) Clearing Member B and CDS Participant B shall notify each other, in accordance with the terms of the CDS Participant Contract and/or any clearing arrangements, describing in reasonable detail the facts giving rise to the fallback. Sections B and C of the CDS Participant Provisions shall apply to such notices.

F. Additional Provisions Relating to Buy-in of Bonds Not Delivered

No Clearing Member may deliver and no CDS Participant may request or instruct the delivery by a Clearing Member of a Buy-In Notice except for a Clearing Member that is acting as Clearing Member B (where there is no CDS Participant B) or a CDS Participant that is acting as CDS Participant B in a CDS Chain. If a Buy-In Notice is effectively given in respect of a CDS Participant Contract by Clearing Member B at the request or instruction of its CDS Participant B (such party being the "**Electing Seller**"), then such CDS Participant B may exercise, on behalf of Clearing Member B, the rights of Clearing Member B as Seller pursuant to and subject to Section 9.9 of the 2003 ISDA Credit Derivatives Definitions under the CDS Participant Contract (in any case subject to the Rules) but without prejudice to Sections B and C of the CDS Participant Provisions.

G. Additional Provisions Applicable to Alternative Procedures Relating to Loans Not Delivered

No Clearing Member may deliver and no CDS Participant may request or instruct the delivery by a Clearing Member of a notice under Section 9.10(a) of the 2003 ISDA Credit Derivatives Definitions (an "**Alternative Loan Buyer Notice**") except for a Clearing Member that is acting as Clearing Member A (where there is no CDS Participant A) or a CDS Participant that is acting as CDS Participant A in a CDS Chain.

If an Alternative Loan Buyer Notice is effectively given in respect of a CDS Participant Contract by Clearing Member A at the request or instruction of its CDS Participant A, then such CDS Participant A may exercise, on behalf of Clearing Member A, the rights of Clearing Member A as Buyer pursuant to and subject to Section 9.10(a) of the 2003 ISDA Credit Derivatives Definitions under the CDS Participant Contract (in any case subject to the Rules), but without prejudice to Sections B and C of the CDS Participant Provisions.

No CDS Participant may deliver or request or instruct the delivery of a notice under Section 9.10(b) of the 2003 ISDA Credit Derivatives Definitions. Only a Clearing Member that is acting as Clearing Member B may deliver such a notice (an "**Alternative Loan Seller Notice**"). Sections B and C of the CDS Participant Provisions shall apply to Alternative Loan Seller Notices.

If a CDS Participant Contract is subject to settlement in accordance with Section 9.10(b) of the 2003 ISDA Credit Derivatives Definitions then the rights between Clearing Member A and CDS Participant A in respect thereof shall be settled as if a separate 2003 Definitions Transaction were in effect between Clearing Member A and CDS Participant A and a fallback to Cash Settlement applied to such transaction, by reference to the Deliverable Obligations in respect of the CDS Participant Contract.

If a CDS Participant Contract is subject to settlement in accordance with Section 9.10(b) of the 2003 ISDA Credit Derivatives Definitions, then the rights between Clearing Member A and CDS Participant A in respect thereof shall be settled as if a separate 2003 Definitions Transaction were in effect between Clearing Member A and CDS Participant A and a fallback to Cash Settlement applied to such transaction, by reference to the Deliverable Obligations in respect of the CDS Participant Contract.

Chapter 806
iTraxx Europe Index Untranchd CDS Contracts: Part A

This Part A shall only be used in connection with 2014 Definitions Transactions that are (i) iTraxx Component Transactions or (ii) Restructuring European Single Name CDS Contracts

80601.A SCOPE OF CHAPTER

This Chapter 806: Part A sets forth the terms and conditions of iTraxx Europe Index untranchd CDS Contracts ("**iTraxx Europe Index Untranchd CDS Contracts**") and any European single name CDS contract that is deemed created as a New Trade following the occurrence of a previous Restructuring Credit Event in respect of an iTraxx Component Transaction ("**Restructuring European Single Name CDS Contract**").

80601.A.A. iTraxx Component Transactions

The terms and conditions of each iTraxx Component Transaction that is also a 2014 Definitions Transaction will be the iTraxx Europe Untranchd Standard Terms Supplement, as published by Markit Group Limited on or about September 20, 2014 (the "**2014 iTraxx Europe Untranchd Terms**"), as supplemented pursuant to the relevant Contract Elections and as supplemented and amended by the provisions of these Rules.

To the extent that the Clearing House determines that the 2014 iTraxx Europe Untranchd Terms require amendments in the context of iTraxx Europe Index Untranchd CDS Contracts, the Clearing House, acting in a commercially reasonable manner, may make such amendments or modifications to the 2014 iTraxx Europe Untranchd Terms as it deems reasonably necessary in order to give effect to the incorporation of the 2014 ISDA Credit Derivatives Definitions in the context of iTraxx Europe Index Untranchd CDS Contracts. Each such amendment shall be deemed to take effect in the manner prescribed by the Clearing House in consultation with the CDS RC.

In the event of any inconsistency between the 2014 ISDA Credit Derivatives Definitions, the iTraxx Europe Untranchd Terms and the provisions of these Rules, such documents and provisions shall prevail for the purposes of iTraxx Europe Index Untranchd CDS Contracts in the following order: first, these Rules; second, the 2014 iTraxx Europe Untranchd Terms; and third the 2014 ISDA Credit Derivatives Definitions.

80601.A.B. Restructuring European Single Name CDS Contract

The terms and conditions of each Restructuring European Single Name CDS Contract will be as set out in the definitions and provisions of the 2014 Single Name Cleared Transaction Confirmation and the provisions of these Rules.

In the event of any inconsistency between the 2014 Single Name Cleared Transaction Confirmation and the provisions of these Rules, such documents and provisions shall prevail for the purposes of Restructuring European Single Name CDS Contracts in the following order: first, these Rules; and second, the 2014 Single Name Cleared Transaction Confirmation.

Any reference in the iTraxx Europe Untranchd Terms to a Component Transaction shall be deemed to be a reference to a "**iTraxx Component Transaction**". For the avoidance of doubt and without prejudice to any provisions of these Rules relating to the performance bond requirement, unless a Restructuring Credit Event occurs in respect of an iTraxx Component Transaction, no iTraxx Component Transaction will be fungible with a European single name CDS contract.

80601.A.C. iTraxx Terms and Conditions

iTraxx® and the iTraxx Indices are service marks of International Index Company Ltd. and have been licensed for use by the Clearing House. Each Index specified as applicable to an iTraxx Europe Index Untranchd CDS Contract is the property of International Index Company Ltd. and has been licensed for use in connection with iTraxx Europe Index Untranchd CDS Contracts. Without limiting the disclaimers in the iTraxx Europe Index Untranchd Terms, the following shall apply to iTraxx Europe Index Untranchd CDS Contracts.

Each CDS Participant or CDS Clearing Member acknowledges and agrees that iTraxx Europe Index Untranchd 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 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 iTraxx Europe Index Untranchd 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 iTraxx Europe Index Untranchd 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, 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, 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 iTraxx Europe Index Untranchd 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 iTraxx Europe Index Untranchd CDS Contracts agrees that such iTraxx Europe Index Untranchd CDS Contract does not create any obligation on the part of the Index Sponsor or its affiliates to disclose any such information.

80602.A CONTRACT TERMS

80602.A.A. Currency

The settlement currency in respect of iTraxx Europe Index Untranchd CDS Contracts and Restructuring European Single Name CDS Contracts shall be euros and the Original Notional Amount in respect of iTraxx Europe Index Untranchd CDS Contracts will be specified in euros.

80602.A.B. iTraxx Europe Indices

Each iTraxx Component Transaction that is also a 2014 Definitions Transaction will reference one of the indices (the "iTraxx Indices") specified in a list maintained by the Clearing House on its website as of such time. The "Source of Index Annex" for each iTraxx Europe Index Untranchred CDS Contract will be "Publisher". There are no "Excluded Reference Entities."

80602.A.C. Initial Payment

The Initial Payment Amount will be paid to or by the Clearing House on the Initial Payment Date.

80602.A.D. Calculation Agent

The Clearing House will be the sole Calculation Agent for all purposes in relation to iTraxx Europe Index Untranchred CDS Contracts and Restructuring European Single Name CDS Contracts and the Calculation Agent City will be London. References in the 2014 ISDA Credit Derivatives Definitions to the Calculation Agent acting "after consultation with the parties" shall be deemed to be replaced with "after consultation with the parties and/or the CDS RC". The Calculation Agent may (where it is not otherwise required) consult with the CDS RC in accordance with Chapter 804 in respect of any action it is required to take in connection with an iTraxx Europe Index Untranchred CDS Contract and a Restructuring European Single Name CDS Contract.

Any determination made or other action taken by the Clearing House in its capacity as Calculation Agent in respect of an iTraxx Europe Index Untranchred CDS Contract or a Restructuring European Single Name CDS Contract may be disputed by any CDS Clearing Member by referring the determination or other action to the CDS RC no later than the fifth Clearing Business Day following notification of the relevant determination made or action taken. Any disputed Calculation Agent determination or other action is binding on the applicable parties pending a Determination in respect of such disputed determination or other action. If any such disputed Calculation Agent determination or other action results in a payment being owed by the Clearing House to a CDS Clearing Member for its own account or for the account of a CDS Participant, as applicable, under an iTraxx Europe Index Untranchred CDS Contract or a Restructuring European Single Name CDS Contract, pending a Determination, the performance bond requirement with respect to such iTraxx Europe Index Untranchred CDS Contract or Restructuring European Single Name CDS Contract, as applicable, will be increased by an amount equivalent to the disputed portion of the payment for so long as such Determination is pending, and the Clearing House, in lieu of paying any such disputed payment to the CDS Clearing Member, may retain such payment in satisfaction of such increased performance bond requirement.

Promptly following a Determination in respect of a disputed Calculation Agent determination or other action, the Clearing House shall, in its capacity as Calculation Agent, make such adjustments and payments as it determines necessary to give effect to the relevant Determination. The Calculation Agent will determine, and notify each affected CDS Clearing Member of, (i) the adjustment payment, if any, that is payable to reflect any change to the amount payable under the relevant iTraxx Europe Index Untranchred CDS Contract or Restructuring European Single Name CDS Contract, as applicable, whether or not the relevant CDS Contract is still outstanding (the "Adjustment Amount"), (ii) the date on which any such Adjustment Amount is payable, which shall be as soon as reasonably practicable following such notification (the "Adjustment Payment Date") and (iii) the party to the relevant iTraxx Europe Index Untranchred CDS Contract or Restructuring European Single Name CDS Contract that is obliged to pay any such Adjustment Amount (the "Adjustment Amount Payer"). The Adjustment Amount Payer shall pay the Adjustment Amount on the relevant Adjustment Payment Date. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

80602.A.E. Fixed Rate

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

80602.A.F. Credit Event Backstop Date

Section 1.39 of the 2014 ISDA Credit Derivatives Definitions shall be restated as follows:

“Credit Event Backstop Date” means the date that is 60 calendar days prior to the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

80602.A.G. Method for Determining Obligations

Section 3.13 of the 2014 ISDA Credit Derivatives Definitions shall be amended by inserting the words “or the Issue submitted to the CDS RC resulting in the occurrence of the CME Credit Event Resolution Request Date” after the reference to “Credit Event Resolution Request Date”.

80602.A.H. Settlement Method

The Settlement Method with respect to both an iTraxx Component Transaction and a Restructuring European Single Name CDS Contract will be Auction Settlement, with clauses (c), (d) and (e) of Section 6.1 of the 2014 ISDA Credit Derivatives Definitions being deemed deleted and replaced with “or (c) an Event Determination Date was determined as a result of a Declaration of Credit Event and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after the date of such Declaration of Credit Event”. For the avoidance of doubt, the Fallback Settlement Method will be CME CDS Physical Settlement pursuant to Chapter 805: Part B.

80602.A.I. Declaration of Credit Events

The Clearing House shall issue a declaration of a Credit Event (each, a “Declaration of Credit Event”) with respect to an iTraxx Component Transaction or a Restructuring European Single Name CDS Contract if the CDS RC determines pursuant to Chapter 804 that an event which constitutes a Credit Event for the purposes of such iTraxx Component Transaction or such Restructuring European Single Name CDS Contract has occurred with respect to the Reference Entity applicable to such iTraxx Component Transaction or such Restructuring European Single Name CDS Contract (or Obligation thereof) on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and during the Notice Delivery Period (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 Clearing Business Day immediately following the date that the CDS RC makes the relevant Determination. A Declaration of Credit Event will be deemed not to have been issued with respect to an iTraxx Component Transaction or a Restructuring European Single Name CDS Contract unless (a) the CME Credit Event Resolution Request Date with respect to the relevant Credit Event occurred before the end of the Post Dismissal Additional Period including prior to the Acceptance Date and (b) the Submission Date, or such date as is notified by the Clearing House in consultation with the CDS RC in accordance with Rule 80103.C., occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 14 calendar days following the No Auction Announcement Date, if any, as applicable.

80602.A.J. Event Determination Date

Section 1.16 of the 2014 ISDA Credit Derivatives Definitions shall be amended by:

- (a) the deletion of Section 1.16(a)(i); and
- (b) Section 1.16(a)(ii) shall be deemed to be replaced with “the Credit Event Resolution Request Date, if (a) a DC Credit Event Announcement has occurred or a Declaration of Credit Event has been issued and (b) the Credit Event Resolution Request Date or, where the Credit Event Backstop Date is determined by reference to the CME Credit Event Resolution Request Date, the CME Credit Event Resolution Request Date, has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Clearing Effective Date) and either:”.

80602.A.K. Successor Backstop Date

Section 2.1 and Section 2.2(l) of the 2014 ISDA Credit Derivatives Definitions shall be restated as follows:

“Reference Entity” means the entity or entities identified as such in the Index and listed in the Index Annex for the purposes of the iTraxx Europe Index Untranchéd CDS Contract or identified as such pursuant to the Index Annex for the purposes of the Restructuring European Single Name CDS Contract. Any Successor to a Reference Entity either (a) specified in a Declaration of Successor effective on or following the Submission Date in respect of such iTraxx Europe Index Untranchéd CDS Contract, or on or following the date of deemed creation of a Restructuring European Single Name CDS Contract as a New Trade or (b) unless the Index Annex already reflects the applicable Successor or Successors, in respect of which the DC Secretary publicly announces on or following the Submission Date in respect of such iTraxx Europe Index Untranchéd CDS Contract or the deemed creation of a Restructuring European Single Name CDS Contract that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Successor Resolution Request Date, a Successor shall, in each case, with effect from the Successor Date, be the relevant Reference Entity for the relevant iTraxx Component Transaction, Restructuring European Single Name CDS Contract, new iTraxx Component Transaction or new Restructuring European Single Name CDS Contract, as applicable, as determined pursuant to such Section 2.2 of the 2014 ISDA Credit Derivatives Definitions. If the Clearing House determines that a bilateral CDS transaction in respect of an iTraxx Europe Index Untranchéd CDS Contract or a Restructuring European Single Name CDS Contract submitted for clearing would have been subject to a Successor determination but that such Successor determination is not given appropriate effect because of the timing of the applicable Product Reference File updates, the Clearing House shall take such action, if any, as it deems necessary and reasonably practicable, to ensure that such Successor determination is given the effect which the Clearing House determines is appropriate with respect to such iTraxx Europe Index Untranchéd CDS Contract or Restructuring European Single Name CDS Contract, as applicable.

“Successor Backstop Date” means for the purposes of any Successor determination other than in respect of Section 2.2(a)(vii) or in relation to a Declaration of Universal Successor, (A) for purposes of the relevant iTraxx Component Transaction, as determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date (determined by reference to Greenwich Mean Time) or (B) otherwise, the date that is 90 calendar days prior to the earlier of (I) the CME Successor Resolution Request Date and (II) in circumstances where (1) a Successor Resolution Request Date has occurred, (2) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination (3) the CME Successor Resolution Request Date occurs not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

80602.A.L. Declaration of Successor

The Clearing House shall issue a Successor declaration (each, a “Declaration of Successor”) or a Universal Successor declaration (with respect to an iTraxx Component Transaction or a Restructuring European Single Name CDS Contract if the CDS RC makes a determination pursuant to Chapter 804 in relation to one or more Successors or a Universal Successor with respect to the relevant Reference Entity. The relevant Declaration of Successor will be issued as soon as reasonably practicable but no later than the Clearing Business Day immediately following the date that the CDS RC makes the relevant Determination.

80602.A.M. iTraxx Europe Index Versions

Where, in respect of an iTraxx Europe Index Untranchéd CDS Contract, (a) the Index Sponsor publishes one or more subsequent versions or annexes of the relevant iTraxx Europe Index series following a Credit Event, a Successor determination with respect to a Reference Entity included in such iTraxx Europe Index series, the determination of a Substitute Reference Obligation in respect of a Non-Standard Reference Obligation or publication of a revised SRO List, and (b)(i) in the case of publication of one or more subsequent versions or annexes of the relevant iTraxx Europe Index series following a Credit Event, the Clearing House determines that an Auction Settlement Date has occurred in respect of the relevant iTraxx Component Transaction or the relevant iTraxx Component Transaction has otherwise settled in accordance with the applicable Settlement Method and (ii) in all cases, the Clearing House determines that iTraxx Europe Index Untranchéd CDS Contracts referencing the earlier version or annex of such iTraxx Europe index series are fungible with iTraxx Europe Index Untranchéd CDS Contracts referencing a later version or annex of such iTraxx Europe Index series and so notifies the CDS Clearing Members, iTraxx Europe Index Untranchéd CDS Contracts referencing the earlier version or annex of such iTraxx Europe Index series shall become iTraxx Europe Index Untranchéd CDS Contracts referencing such later version or annex of such iTraxx Europe Index series on the date determined by the Clearing House (the “Fungibility Date”).

80602.A.N. 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 Restructuring European Single Name CDS Contract (the “Existing Matrix”), and the Clearing House determines that a Restructuring European Single Name CDS Contract referencing the New Matrix would be fungible with a Restructuring European 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 Restructuring European Single Name CDS Contract referencing the Existing Matrix shall, as of the close of business on the Matrix Update Date, become a Restructuring European Single Name CDS Contract referencing the New Matrix.

80602.A.O. De Minimis Cash Settlement

“De Minimis Cash Settlement” under the iTraxx Europe Untranchéd Terms shall be deemed not to apply to iTraxx Europe Index Untranchéd CDS Contracts.

80602.A.P. Merger of Reference Entity and Seller

Section 11.4 of the 2014 ISDA Credit Derivatives Definitions shall be deemed not to apply to Restructuring European Single Name CDS Contracts.

80602.A.Q. Transaction Type

The Transaction Type in respect of a Restructuring European Single Name CDS Contract will be the Transaction Type specified in the Index Annex that was applicable to the iTraxx Component Transaction in

respect of which the Restructuring European Single Name CDS Contract was deemed created following the occurrence of a Restructuring Credit Event.

80602.A.R. NOPS Cut-off Date

Section 8.10(b) of the 2014 ISDA Credit Derivatives Definitions is hereby amended by replacing the "." at the end of subparagraph (B) thereof with "; and" and adding the following as a new subparagraph (C):

"(C) the tenth calendar day after the date of the actual decision by the CDS RC to resolve that a Credit Event has occurred for which there is Publicly Available Information with respect to such iTraxx Europe Index Untranchored Contracts."

80603.A CONTRACT MODIFICATIONS

80603.A.A. Rules

Except as provided in Rules 80601.A., 80602.A.N., 80603.A.B., 80603.A.C and 80604.A the Clearing House may not amend, modify or make any change to the terms and conditions of an iTraxx Europe Index Untranchored CDS Contract or a Restructuring European Single Name CDS Contract if such amendment, modification or change would, in the CDS RC's determination, (i) reasonably be expected to have a material effect on the mark-to-market price of such iTraxx Europe Index Untranchored CDS Contract or Restructuring European Single Name CDS Contract, or (ii) materially increase the basis risk of such iTraxx Europe Index Untranchored CDS Contract or Restructuring European Single Name CDS Contract relative to the over-the-counter agreement equivalent to such iTraxx Europe Index Untranchored CDS Contract or Restructuring European Single Name CDS Contract (any such amendment, modification or change that satisfies (i) or (ii) above, a "**Contract Modification**") unless the Clearing House provides all CDS Clearing Members at least ten Clearing Business Days' notice prior to the effective date of such Contract Modification (an "**Contract Modification Effective Date**"), provided that, nothing herein shall affect the Clearing House's ability to add new CDS Products from time to time. In addition, the determination that "Standard Reference Obligation" will be applicable to any iTraxx Component Transaction or Restructuring European Single Name CDS Contract shall not constitute a Contract Modification.

A Contract Modification shall not apply to iTraxx Europe Index Untranchored CDS Contracts or Restructuring European Single Name CDS Contracts that have an Acceptance Date on or prior to the relevant Contract Modification Effective Date and such iTraxx Europe Index Untranchored CDS Contracts or Restructuring European Single Name CDS Contracts may not be offset against other iTraxx Europe Index Untranchored CDS Contracts or Restructuring European Single Name CDS Contracts, as applicable, with an Acceptance Date after such Contract Modification Effective Date.

80603.A.B. Change in Law or Regulation

If any Governmental Authority issues an order, ruling, directive or law that conflicts with the requirements of these Rules (any such order, ruling, directive or law, a "**Change in Law**"), the Clearing House shall propose such changes to these Rules as are necessary to reflect the application of such Change in Law, while minimizing to the extent reasonably practicable the economic effect of such Rule changes on existing iTraxx Europe Index Untranchored CDS Contracts or existing Restructuring European Single Name CDS Contracts. The CDS RC shall promptly review such proposal and, if adopted by majority vote, (i) the Clearing House shall, to the extent practicable taking into account the nature of such Change in Law, provide all CDS Clearing Members with at least 5 Clearing Business Days' notice of such change to the Rules prior to the effective date of such changes to these Rules ("**Rule Change Effective Date**") and (ii) such changes to these Rules shall be applicable to all iTraxx Europe Index Untranchored CDS Contracts and Restructuring

European Single Name CDS Contracts that are open as of, or entered into subsequent to, the Rule Change Effective Date. If the Clearing House determines, in consultation with the CDS RC, that any such Rule change has a material effect on the mark to market price (a "MTM Change") of such iTraxx Europe Index Untranchd CDS Contract or Restructuring European Single Name CDS Contract (such CDS Contracts, an "Adjusted CDS Contract"), the Clearing House will determine the payment, if any, that is payable to reflect the MTM Change in respect of open positions in such CDS Contracts (the "Adjusted Payment Amount") by reference to a poll of CDS Clearing Members on such terms as it deems appropriate in consultation with the CDS RC. The Clearing House will notify each affected CDS Clearing Member of (i) the Adjusted Payment Amount, (ii) the date on which such Adjusted Payment Amount is due (the "Adjusted Payment Amount Date") and (iii) the party to the relevant CDS Contract that is obliged to pay any such Adjusted Payment Amount (the "Adjusted Payment Amount Payer"). The Adjusted Payment Amount Payer shall pay the Adjusted Payment Amount on the Adjusted Payment Amount Date.

80603.A.C. Industry Protocol

The terms of any iTraxx Europe Index Untranchd CDS Contract and any Restructuring European Single Name CDS Contract shall be modified by the Clearing House in accordance with any relevant CDS industry-sponsored protocol (or other multilateral agreement process) (a) to which CDS Clearing Members holding (in their respective proprietary or customer accounts) at least 80% of the Clearing House's total open interest in the relevant iTraxx Europe Index Untranchd CDS Contracts or Restructuring European Single Name CDS Contracts covered by such protocol or other multilateral agreement process as at the Protocol Cut-off Time, or their designated Affiliate CDS Participants, agree to adhere or (b) which is adopted by the CDS RC by majority vote with such modification to become part of these Rules and be applicable to such existing or future iTraxx Europe Index Untranchd CDS Contracts and existing or future Restructuring European Single Name CDS Contracts as set forth in such protocol or other multilateral agreement process.

80604.A RESTRUCTURING

80604.A.A. Allocation of Matched Restructuring Pairs

(a) Following the occurrence of a Restructuring Announcement:

- (i) The Clearing House will match each Seller with one or more Buyers each of which is party to a Restructuring iTraxx Contract of the same type (such Restructuring iTraxx Contracts thereby becoming "Matched iTraxx Contracts" and each Matched iTraxx Seller and Matched iTraxx Buyer becoming a "Matched Restructuring Pair"), such that the Floating Rate Payer Calculation Amount related to each Matched iTraxx Seller under each Matched iTraxx Contract is fully allocated to one or more iTraxx Buyers under Matched iTraxx Contracts of the same type as the Matched iTraxx Seller Contract;
- (ii) the Clearing House will notify, prior to the related MRP Notice Delivery Date, each relevant Matched iTraxx Buyer and Matched iTraxx Seller of the relevant Matched iTraxx Contracts, the identity of the Matched iTraxx Buyer and Matched iTraxx Seller (together with the address, fax number, telephone number, email address and other applicable notice details) and the associated MP Amount (such notice, the "Matched Restructuring Pair Notice"); and
- (iii) the Clearing House will submit to DTCC the relevant data needed to in order to record the relevant New Trades.

- (b) The methodology used by the Clearing House for the purposes of allocating Matched Restructuring Pairs shall minimize, to the extent reasonably practicable, each of the following:
- (i) the number of Matched Restructuring Pairs in respect of which the MP Amount is less than EUR 1,000,000 or not an integral multiple of such amount;
 - (ii) the number of Matched Restructuring Pairs into which an individual CDS Clearing Member is matched; and
 - (iii) the overall number of Matched Restructuring Pairs.
- (c) If the Clearing House has delivered a Matched Restructuring Pair Notice that specifies a MP Amount that is less than the outstanding Floating Rate Payer Calculation Amount applicable to a Matched iTraxx Contract to which such Matched Restructuring Pair Notice relates, the relevant rights and obligations of the Clearing House and the relevant CDS Participant or CDS Clearing Member pursuant to the Matched iTraxx Contract shall, with effect from the date such Matched Restructuring Pair Notice is effective, be construed as if the Clearing House and the relevant CDS Participant or CDS Clearing Member, as applicable, have entered into two Restructuring iTraxx Contracts, one of which has a Floating Rate Payer Calculation Amount equal to the MP Amount (the "**Triggered Restructuring iTraxx Contract**") and the other of which has a Floating Rate Payer Calculation Amount equal to the Floating Rate Payer Calculation Amount outstanding immediately prior to delivery of such Matched Restructuring Pair Notice minus the MP Amount.

80604.A.B. Restructuring Updates

- (a) Prior to the MRP Notice Delivery Date, the Clearing House will, for itself and for the relevant CDS Clearing Members:
- (i) re-version the relevant Restructuring iTraxx Contracts which are the subject of the relevant Matched Restructuring Pair Notice;
 - (ii) create a record of the Restructuring European Single Name CDS Contracts as New Trades;
 - (iii) create Matched Restructuring Pairs and issue Matched Restructuring Pair Notices; and
 - (iv) send the MRP File to DS.

If the Clearing House does not either (x) issue Matched Restructuring Pair Notices by the related MRP Notice Delivery Date or (y) send the MRP File by the related MRP Notice Delivery Date, the relevant CDS Clearing Member may, until such time as the Matched Restructuring Pair Notices have been issued or the MRP File has been sent, deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option directly to the Clearing House. For such purposes, Rule 80604.A.D.(b) shall not apply. Such notices must be sent to the contact details of the Clearing House specified in Rule 80502.B.C.

Furthermore, if the Clearing House does (x) issue Matched Restructuring Pair Notices by the related MRP Notice Delivery Date but does not (y) send the MRP File by the related MRP Notice Delivery Date, then Rule 80604.A.D.(b) shall not apply and accordingly such notices must be delivered directly as between the Matched iTraxx Seller and Matched iTraxx Buyer in respect of a Matched Restructuring Pair (as designees of the Clearing House) (and not via the DS). Each

Matched iTraxx Buyer and Matched iTraxx Seller shall notify the Clearing House or deliver a copy to the Clearing House of any notice delivered or received in accordance with the provisions of this Rule to the contact details of the Clearing House specified in Rule 80502.B.C.

- (b) At the end of each Restructuring Triggering Period, the Clearing House will, to the extent that it is aware that such records have not been modified by DTCC, modify the records in the relevant DTCC Accounts to reflect any Restructuring Credit Event Notices and Notices to Exercise Movement Option delivered during the relevant Restructuring Triggering Period.
- (c) In respect of each Matched iTraxx Buyer Contract which is the subject of a Matched Restructuring Pair, the Clearing House, shall be deemed to have designated pursuant to Section 11.2(c)(iv) of the 2014 ISDA Credit Derivatives Definitions the Matched iTraxx Seller in such Matched Restructuring Pair as its designee:
 - (i) to receive on its behalf from the Matched iTraxx Buyer in the Matched Restructuring Pair, Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be; and
 - (ii) to deliver on its behalf to the Matched iTraxx Buyer in the Matched Restructuring Pair Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be.
- (d) In respect of each Matched iTraxx Seller Contract which is the subject of a Matched Restructuring Pair, the Clearing House, shall be deemed to have designated pursuant to Section 11.2(c)(iv) of the 2014 ISDA Credit Derivatives Definitions the Matched iTraxx Buyer in such Matched Restructuring Pair as its designee:
 - (i) to deliver on its behalf: to the Matched iTraxx Seller in the Matched Restructuring Pair, Credit Event Notices and where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be; and
 - (ii) to receive on its behalf from the Matched iTraxx Seller in the Matched Restructuring Pair Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be.
- (e) The CDS Clearing Members and CDS Participants acknowledge and agree that:
 - (i) the CEN Triggering Period applicable (x) to a Matched iTraxx Seller may be less than two Clearing Business Days and (y) a Matched iTraxx Buyer may be less than five Clearing Business Days; and
 - (ii) each relevant CDS Clearing Member shall not be permitted to take any action which would result in any of the records in the relevant DTCC Account in respect of any CDS Contract that is the subject of a Matched Restructuring Pair Notice being amended or modified after Noon (New York time) on the day of the MRP Notice Delivery Date, unless such action is agreed to by the Clearing House.

(f) The CDS Clearing Members and CDS Participants each hereby gives all required permissions that are necessary to be given in order for the Clearing House to submit to, and receive from, DTCC relevant restructuring information with respect to such CDS Clearing Members or CDS Participants.

(g) The CDS Clearing Members and CDS Participants each covenant that:

(i) the relevant CDS Clearing Member shall use best efforts to ensure that the records in the applicable DTCC Account in respect of any CDS Contract that is the subject of a Matched Restructuring Pair Notice is accurately updated prior to the MRP Notice Delivery Date; and

(ii) each CDS Clearing Member shall ensure that it has adequate operational capacity to access and use DTCC and shall ensure that its CDS Participants have the adequate operational capacity to access and use DTCC.

80604.A.C. Restructuring European Single Name CDS Contract.

The Clearing House acknowledges and agrees that it will not permit market participants to increase, close out (other than due to the occurrence of a Credit Event), or otherwise affect the size of a position in a Restructuring European Single Name CDS Contract.

The Clearing House may impose an increase or decrease in the position of a Restructuring European Single Name CDS Contract only through its default management process.

80604.A.D. Matched Restructuring Pairs: Designations and Electronic Notices.

(a) With respect to a Matched iTraxx Buyer Contract or a Matched iTraxx Seller Contract, the reference to "any of its Affiliates" in the first line of Section 11.2(c)(iv) of the 2014 ISDA Credit Derivatives Definitions shall be construed as a reference to "any third party".

(b) A Matched iTraxx Buyer or Matched iTraxx Seller, as applicable, may deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option, only:

(i) via DS; and

(ii) in accordance with DTCC's rules and procedures in respect of delivery of notices through DTCC Accounts,

save if and as expressly stated to the contrary in this Chapter 806 or expressly agreed by the Clearing House. The deemed time of delivery of any such notices shall be as set out in the DTCC rules and procedures from time to time.

Furthermore, any Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered otherwise than in accordance with this Rule 80604.A.D(b) will be invalid and ineffective. Any Restructuring Credit Event Notice or Notice to Exercise Movement Option which is or is deemed to be validly delivered in accordance with the provisions of this Rule shall be treated as valid delivery of a Restructuring Credit Event Notice or Notice to Exercise Movement Option for purposes of the 2014 ISDA Credit Derivatives Definitions.

(c) If DTCC notifies the Clearing House (such notice to be sent in accordance with the contact details of the Clearing House specified in Rule 80502.B.C) or the Clearing House otherwise becomes

aware that DS is or will be unable to process all or substantially all Restructuring Credit Event Notices or Notices to Exercise Movement Option, as applicable, in a timely manner (a "DTCC Failure"), then:

- (i) the Clearing House will, as soon as reasonably practicable, and in any event within one hour of such notification or of the Clearing House becoming aware of such non-availability, as applicable, notify all relevant CDS Clearing Members of such occurrence, including the time at which such failure occurred (or if the Clearing House is not notified of such time by or on behalf of DTCC, the time at which the Clearing House received the relevant notification from or on behalf of DTCC or becomes aware of the relevant non-availability) (the "DTCC Failure Time"). The Clearing House shall also publish such information on its website as soon as reasonably practicable after becoming aware of a DTCC Failure;
- (ii) if subsequent to a DTCC Failure, DTCC (or a third party designated in accordance with DTCC's rules and procedures from time to time) notifies the Clearing House that a DTCC Failure is no longer in effect, the Clearing House will as soon as reasonably practicable notify all relevant CDS Clearing Members accordingly, including the time (the "DTCC Resolution Time") (which must be no earlier than 30 minutes following the time of such notification) at which such DTCC Failure is deemed to have been resolved and following which DS is operative for purposes of delivery of Restructuring Credit Event Notices or Notices to Exercise Movement Option, as applicable. The Clearing House shall also publish such information on its website as soon as reasonably practicable after notifying the relevant CDS Clearing Members that the DTCC Failure is no longer in effect and of the DTCC Resolution Time; and
- (iii) the Clearing House and, to the extent so requested by the Clearing House, each CDS Clearing Member shall, as soon as reasonably practicable and to the extent permitted by DTCC, provide or confirm to DTCC details of any Restructuring Credit Event Notices or Notices to Exercise Movement Option, as applicable, delivered or purported to be delivered prior to the DTCC Resolution Time, so as to permit delivery of subsequent confirmation notices via the DS pursuant to Rule 80604.A.D.(b).

(d) From (and including) the DTCC Failure Time to (but excluding) the DTCC Resolution Time:

- (i) Rule 80604.A.D.(b) shall not apply and accordingly Restructuring Credit Event Notice or Notices to Exercise Movement Option shall be delivered directly in accordance with Rule 80604.A.D.(f) (and not via DS);
- (ii) any notice delivered via DS prior to the DTCC Failure Time will be valid and will not be affected by such DTCC Failure; and
- (iii) any notice delivered or purported to be delivered via DS at or following the DTCC Failure Time but prior to the DTCC Resolution Time will not be valid and effective.

Rule 80604.A.D.(b) shall apply with effect from the DTCC Resolution Time and, accordingly, any notice thereafter delivered or purported to be delivered directly in accordance with Rule 80604.A.D.(f) (and not via DS) will not be valid and effective.

(e) If a CDS Clearing Member is affected by a significant communications or information technology failure resulting in it being impossible or impractical for such CDS Clearing Member to deliver any

Restructuring Credit Event Notice or any Notice to Exercise Movement Option via DS (a "CDS Clearing Member Communications Failure Event"):

- (i) such CDS Clearing Member may, notwithstanding Rule 80604.A.D.(b) deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option directly in accordance with Rule 80604.A.D.(f) (and not via DS);
- (ii) such CDS Clearing Member shall, within one hour of delivering any Restructuring Credit Event Notice or Notice to Exercise Movement Option directly in accordance with Rule 80604.A.D.(f), deliver to the Clearing House a notice (such notice to be sent in accordance with the contact details of the Clearing House specified in Rule 80502.B.C) signed by a senior officer (such as a managing director or equivalent) of such CDS Clearing Member certifying that it is affected by a CDS Clearing Member Communications Failure Event (or, if such CDS Clearing Member is unable to deliver such notice in writing, orally by telephone at the following client hotline number, as amended by the Clearing House from time to time: +1 312 338 7112). The Clearing House shall notify all relevant CDS Clearing Members accordingly as soon as reasonably practicable and in any event within one hour of receipt of any such notification;
- (iii) Rule 80604.A.D.(b) shall continue to apply in respect of notices given to the affected CDS Clearing Member by CDS Clearing Members comprised in any Matched Restructuring Pair in respect of which the affected CDS Clearing Member is a Matched iTraxx Buyer or Matched iTraxx Seller;
- (iv) as soon as reasonably practicable upon such CDS Clearing Member ceasing to be subject to a CDS Clearing Member Communications Failure Event, it shall notify the Clearing House accordingly and thereupon Rule 80604.A.D.(b) shall apply and, accordingly, any Restructuring Credit Event Notice or Notice to Exercise Movement Option thereafter delivered or purported to be delivered directly in accordance with Rule 80604.A.D.(g) (and not via DS) will not be valid and effective; and
- (v) such CDS Member which is subject to a CDS Clearing Member Communications Failure Event shall use reasonable endeavours to mitigate the operational impact on other CDS Clearing Members and the Clearing House of any CDS Clearing Member Communications Failure Event, to cure such CDS Clearing Member Communications Failure Event as soon as possible and to ensure that the circumstances giving rise to the relevant CDS Clearing Member Communications Failure Event do not recur,

without prejudice to any other rights or remedy of the Clearing House, any breach by a CDS Clearing Member of the provisions of 80604.A.D.(e)(i)-(v) above, shall not cause any Restructuring Credit Event Notice or Notice to Exercise Movement Option which would otherwise be valid and effective, to be invalid or ineffective.

- (f) Notices given by a Matched iTraxx Buyer or Matched iTraxx Seller in a Matched Restructuring Pair and which are not delivered via DS in accordance with Rule 80604.A.D.(b) shall be given to the address or number notified by the Clearing House to the Matched iTraxx Buyer or Matched iTraxx Seller, respectively, in the Matched Restructuring Pair Notice pursuant to Rule 80604.A.A.

- (g) Each Matched iTraxx Buyer and Matched iTraxx Seller shall notify the Clearing House or deliver a copy to the Clearing House of any notice delivered or received pursuant to Rule 80604.A.D.(f) (a "CDS Clearing Member Acknowledgement") by no later than 6:00 p.m. on the last day on which such notice could validly be sent (the "Notice Acknowledgement Deadline").

Where the Clearing House receives a CDS Clearing Member Acknowledgement in respect of any notice from both relevant CDS Clearing Members comprised in a Matched Restructuring Pair at or prior to the Notice Acknowledgement Deadline, the Clearing House shall perform its obligations in respect of the relevant Restructuring iTraxx Contracts.

Where the Clearing House receives a CDS Clearing Member Acknowledgement in respect of any notice from one relevant CDS Clearing Member only at or prior to the Notice Acknowledgement Deadline, the provisions of Rule 80604.A.G. shall apply and the Clearing House and each relevant CDS Clearing Member shall perform their obligations in respect of the relevant Restructuring iTraxx Contracts subject to the terms of any final resolution of the relevant dispute, as agreed between the relevant parties or as determined by arbitration or by litigation, as applicable. In such case, the Clearing House shall notify the CDS Clearing Member from which it has not received a CDS Clearing Member Acknowledgement of the asserted delivery or, as applicable, receipt of the relevant notice (in the case of a Restructuring Credit Event Notice or Notice to Exercise Movement Option, through the reports referred to in Rule 80604.A.H.

Where the Clearing House does not receive CDS Clearing Member Acknowledgement or confirmation of valid delivery in respect of any notice from either CDS Clearing Member in the relevant Matched Restructuring Pair on or prior to the relevant Notice Acknowledgement Deadline, the rights and obligations of the Clearing House as against each relevant CDS Clearing Member, and vice versa, shall be construed as if no such notice had been given. In addition, an amount shall be payable between the CDS Clearing Members equal to the difference between the value of the Matched iTraxx Buyer Contract had CDS Clearing Member Acknowledgement been given to the Clearing House on a timely basis and the value of such contract in the absence of such acknowledgement; such difference in value shall be determined as of the earlier of the day on which notice is given by any relevant CDS Clearing Member that such amount is due and payable and, in the case of a Restructuring Credit Event Notice or Notice to Exercise Movement Option, the eighth Clearing Business Day following the Auction Settlement Date, No Auction Announcement Date or Auction Cancellation Date, as applicable or otherwise the eighth Clearing Business Day following the last day on which such notice would validly have been delivered, by reference to the relevant Auction Settlement Amount or end of day contributed prices, in each case if available.

The relevant CDS Clearing Members shall have enforcement rights as against each other in respect of any resulting payments and deliveries; the Clearing House shall have no liability in respect thereof.

- (h) Notwithstanding Rule 80604.A.D.(b), where a CDS Clearing Member is uncertain as to whether or not a Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) it attempted to deliver via DS has: (x) actually been delivered; or (y) was delivered prior to the DTCC Failure time, the CDS Clearing Member shall be entitled to deliver such a notice directly to any CDS Clearing Member comprised in a relevant Matched Restructuring Pair (as designee of the Clearing House) specifying that such notice is only to be effective to the extent that the other purported notice is not effective.

If a CDS Clearing Member delivers a manual notice pursuant to the above paragraph, such CDS Clearing Member shall be required to provide (together with such notice) sufficient details of the

notice attempted to be given via DS so as to allow the other CDS Clearing Member and the Clearing House to identify the communication concerned.

If the first Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) to which the manual notice delivered pursuant to the above relates was actually delivered successfully, any subsequent Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered shall be deemed not to have been delivered.

(i) In relation to each Matched Restructuring Pair:

(i) the exercise of any rights by the Matched iTraxx Buyer against the Clearing House under a Matched iTraxx Buyer Contract shall be deemed to constitute the exercise of equal and simultaneous rights by the Clearing House against the Matched iTraxx Seller under the Matched iTraxx Seller Contract in the relevant Matched Restructuring Pair;

(ii) the exercise of any rights of the Matched iTraxx Seller against the Clearing House under a Matched iTraxx Seller Contract shall be deemed to constitute the exercise of equal and simultaneous rights by the Clearing House against the Matched iTraxx Buyer under the Matched iTraxx Buyer Contract in the relevant Matched Restructuring Pair;

(iii) where the Matched iTraxx Buyer validly delivers or serves any notice to the Matched iTraxx Seller in accordance with the Rules, such notice shall be effective with respect to both the Matched iTraxx Buyer Contract and the Matched iTraxx Seller Contract; and

(iv) where the Matched iTraxx Seller validly delivers or serves any notice to the Matched iTraxx Buyer in accordance with the Rules, such notice shall be effective with respect to both the Matched iTraxx Buyer Contract and the Matched iTraxx Seller Contract.

(j) The Matched iTraxx Buyer and Matched iTraxx Seller in each Matched Restructuring Pair shall each make such payments and deliveries and deliver such notices in relation to settlement to one another and to the Clearing House as are required pursuant to a Matched iTraxx Contract, these Rules or applicable laws.

80604.A.E. Separation of Matched Restructuring Pairs

If (a) a Restructuring Announcement has occurred and (b) a subsequent announcement by the relevant decision body has been made that the relevant Restructuring Credit Event did not in fact occur, then:

(a) to the extent that the Clearing House has not by then matched Sellers with Buyers to form Matched Restructuring Pairs in relation to the relevant iTraxx Europe Untranchsed CDS Contracts, pursuant to Rule 80604.A.A, it shall not do so;

(b) to the extent that the Clearing House has by then matched Sellers with Buyers to form Matched Restructuring Pairs, pursuant to Rule 80604.A.A, such Matched Restructuring Pairs shall be deemed not to have been created and any Restructuring Credit Event Notices delivered in connection with such Matched Restructuring Pairs shall be deemed ineffective; and

(c) the Clearing House shall reverse the modifications that were made to the records in the relevant DTCC Accounts and the MRP File, pursuant to Rule 80604.A.B.

80604.A.F. Reference Obligation for Restructuring European Single Name CDS Contract

Notwithstanding anything to the contrary in the iTraxx Europe Untranchored Terms, the Reference Obligation for purposes of a New Trade (as defined therein) will be the Reference Obligation for the Restructured Entity in question as specified by the Clearing House following consultation with the CDS RC (which for the avoidance of doubt may be determined by reference to any Standard Reference Obligation).

80604.A.G. Disputes as to Notices

If any CDS Clearing Member in a Matched Restructuring Pair where one such party is acting as designee of the Clearing House disputes the effective delivery in accordance with the terms of the relevant Restructuring iTraxx Contract of any notice delivered directly (and not via DS) in accordance with Rule 80604.A.D.(f) (and for such purposes, a dispute between the relevant CDS Clearing Member and the Clearing House shall be deemed to have arisen if the Clearing House receives a CDS Clearing Member Acknowledgement from one relevant CDS Clearing Member only in respect of any such notice):

- (a) following final resolution of such dispute by arbitration or by litigation, as applicable, the CDS Clearing Members comprised in the relevant Matched Restructuring Pair shall take such actions with respect to the Restructuring iTraxx Contracts the subject of such dispute as the Clearing House determines appropriate to give effect to any relevant binding resolution;
- (b) without prejudice to its obligations upon final resolution of the dispute, pending final resolution of any such dispute, the Clearing House shall not be obliged to take any step pursuant to the terms of the relevant Restructuring iTraxx Contracts which would be required to have been taken by it had the relevant notice been validly delivered; and
- (c) the Clearing House may call for additional performance bond related to such dispute.

Each relevant CDS Clearing Member must promptly notify the Clearing House of any such disputes.

80604.A.H. Reports

Without prejudice to the notification requirements set out elsewhere in the Rules, the Clearing House will communicate to the relevant CDS Clearing Members, on the basis of information received from DTCC or, as applicable, from CDS Clearing Members, amongst other things:

- (a) the aggregate Floating Rate Payer Calculation Amounts of Restructuring iTraxx Contracts to which they are a party and which are the subject of Restructuring Credit Event Notices; and
- (b) the results of the exercise of any Notice to Exercise Movement Option in relation to Restructuring iTraxx Contracts to which they are a party.

on each day during each CEN Triggering Period and NEMO Triggering Period, as applicable, through reports.

For the avoidance of doubt, such communication shall not affect the validity or effectiveness of any Restructuring Credit Event Notice or Notice to Exercise Movement Option which shall be subject to the terms of the relevant Restructuring iTraxx Contracts.

Chapter 806

iTraxx Europe Index Untranchd CDS Contracts: Part B

This Part B shall only be used in connection with 2003 Definitions Transactions that are (i) iTraxx Component Transactions or (ii) Restructuring European Single Name CDS Contracts

80601.B. SCOPE OF CHAPTER

This Chapter 806: Part B sets forth the terms and conditions of iTraxx Europe Index untranchd CDS Contracts ("**iTraxx Europe Index Untranchd CDS Contracts**") and any European single name CDS contract that is deemed created as a New Trade following the occurrence of a previous Restructuring Credit Event in respect of an iTraxx Component Transaction ("**Restructuring European Single Name CDS Contract**").

80601.B.A. iTraxx Component Transactions

The terms and conditions of each iTraxx Component Transaction that is also a 2003 Definitions Transaction will be the iTraxx Europe Untranchd Standard Terms Supplement, as published by Markit Group Limited on November 23, 2009 (the "**2003 iTraxx Europe Untranchd 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 2003 ISDA Credit Derivatives Definitions, the 2003 iTraxx Europe Untranchd Terms and the provisions of these Rules, such documents and provisions shall prevail for the purposes of iTraxx Europe Index Untranchd CDS Contracts in the following order: first, these Rules; second, the iTraxx Europe Untranchd Terms; and third the 2003 ISDA Credit Derivatives Definitions.

80601.B.B. Restructuring European Single Name CDS Contract

The terms and conditions of each Restructuring European Single Name CDS Contract will be as set out in the definitions and provisions of the 2003 Single Name Cleared Transaction Confirmation and the provisions of these Rules.

In the event of any inconsistency between the 2003 Single Name Cleared Transaction Confirmation and the provisions of these Rules, such documents and provisions shall prevail for the purposes of Restructuring European Single Name CDS Contracts in the following order: first, these Rules; and second, the 2003 Single Name Cleared Transaction Confirmation.

Any reference in the iTraxx Europe Untranchd Terms to a Component Transaction shall be deemed to be a reference to a "**iTraxx Component Transaction**". For the avoidance of doubt and without prejudice to any provisions of these Rules relating to the performance bond requirement, unless a Restructuring Credit Event occurs in respect of an iTraxx Component Transaction, no iTraxx Component Transaction will be fungible with a European single name CDS contract.

80601.B.C. iTraxx Terms and Conditions

iTraxx® and the iTraxx Indices are service marks of International Index Company Ltd. and have been licensed for use by the Clearing House. Each Index specified as applicable to an iTraxx Europe Index Untranchd CDS Contract is the property of International Index Company Ltd. and has been licensed for use in connection with iTraxx Europe Index Untranchd CDS Contracts. Without limiting the disclaimers in the iTraxx Europe Index Untranchd Terms, the following shall apply to iTraxx Europe Index Untranchd CDS Contracts.

Each CDS Participant or CDS Clearing Member acknowledges and agrees that iTraxx Europe Index Untranchred 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 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 iTraxx Europe Index Untranchred 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 iTraxx Europe Index Untranchred 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, 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, 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 iTraxx Europe Index Untranchred 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 iTraxx Europe Index Untranchred CDS Contracts agrees that such iTraxx Europe Index Untranchred CDS Contract does not create any obligation on the part of the Index Sponsor or its affiliates to disclose any such information.

80602.B CONTRACT TERMS

80602.B.A. Currency

The settlement currency in respect of iTraxx Europe Index Untranchred CDS Contracts and Restructuring European Single Name CDS Contracts shall be euros and the Original Notional Amount in respect of iTraxx Europe Index Untranchred CDS Contracts will be specified in euros.

80602.B.B. iTraxx Europe Indices

Each iTraxx Component Transaction that is also a 2003 Definitions Transaction will reference one of the indices (the "iTraxx Indices") specified in a list maintained by the Clearing House on its website as of such time. The "Source of Relevant Annex" for each iTraxx Europe Index Untranchred CDS Contract will be "Publisher". There are no "Excluded Reference Entities."

80602.B.C. Initial Payment

The Initial Payment Amount will be paid to or by the Clearing House on the Initial Payment Date.

80602.B.D. Calculation Agent

The Clearing House will be the sole Calculation Agent for all purposes in relation to iTraxx Europe Index Untranchéd CDS Contracts and Restructuring European Single Name CDS Contracts and the Calculation Agent City will be London. References in the 2003 ISDA Credit Derivatives Definitions to the Calculation Agent acting "after consultation with the parties" shall be deemed to be replaced with "after consultation with the parties and/or the CDS RC". The Calculation Agent may (where it is not otherwise required) consult with the CDS RC in accordance with Chapter 804 in respect of any action it is required to take in connection with an iTraxx Europe Index Untranchéd CDS Contract and a Restructuring European Single Name CDS Contract.

Any determination made or other action taken by the Clearing House in its capacity as Calculation Agent in respect of an iTraxx Europe Index Untranchéd CDS Contract or a Restructuring European Single Name CDS Contract may be disputed by any CDS Clearing Member by referring the determination or other action to the CDS RC no later than the fifth Clearing Business Day following notification of the relevant determination made or action taken. Any disputed Calculation Agent determination or other action is binding on the applicable parties pending a Determination in respect of such disputed determination or other action. If any such disputed Calculation Agent determination or other action results in a payment being owed by the Clearing House to a CDS Clearing Member for its own account or for the account of a CDS Participant, as applicable, under an iTraxx Europe Index Untranchéd CDS Contract or a Restructuring European Single Name CDS Contract, pending a Determination, the performance bond requirement with respect to such iTraxx Europe Index Untranchéd CDS Contract or Restructuring European Single Name CDS Contract, as applicable, will be increased by an amount equivalent to the disputed portion of the payment for so long as such Determination is pending, and the Clearing House, in lieu of paying any such disputed payment to the CDS Clearing Member, may retain such payment in satisfaction of such increased performance bond requirement.

Promptly following a Determination in respect of a disputed Calculation Agent determination or other action, the Clearing House shall, in its capacity as Calculation Agent, make such adjustments and payments as it determines necessary to give effect to the relevant Determination. The Calculation Agent will determine, and notify each affected CDS Clearing Member of, (i) the adjustment payment, if any, that is payable to reflect any change to the amount payable under the relevant iTraxx Europe Index Untranchéd CDS Contract or Restructuring European Single Name CDS Contract, as applicable, whether or not the relevant CDS Contract is still outstanding (the "**Adjustment Amount**"), (ii) the date on which any such Adjustment Amount is payable, which shall be as soon as reasonably practicable following such notification (the "**Adjustment Payment Date**") and (iii) the party to the relevant iTraxx Europe Index Untranchéd CDS Contract or Restructuring European Single Name CDS Contract that is obliged to pay any such Adjustment Amount (the "**Adjustment Amount Payer**"). The Adjustment Amount Payer shall pay the Adjustment Amount on the relevant Adjustment Payment Date. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

80602.B.E. Fixed Rate

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

80602.B.F. Credit Event Backstop Date

Section 1.23 of the 2003 ISDA Credit Derivatives Definitions shall be restated as follows:

“Credit Event Backstop Date” means (a) for purposes of any event that constitutes a Credit Event for purposes of the relevant iTraxx Component Transaction or the relevant Restructuring European Single Name CDS Contract, as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the CME Credit Event Resolution Request Date, if it occurs prior to or on the date that is fourteen calendar days after the Extension Date and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in Sections 1.24(a) and (b) are satisfied in accordance with the DC Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (C) the CME Credit Event Resolution Request Date occurs not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

80602.B.G. Method for Determining Obligations

Section 2.19 of the 2003 ISDA Credit Derivatives Definitions shall be amended by inserting the words “or the Issue submitted to the CDS RC resulting in the occurrence of the CME Credit Event Resolution Request Date” after the reference to “Credit Event Resolution Request Date”.

80602.B.H. Settlement Method

The Settlement Method with respect to both an iTraxx Component Transaction and a Restructuring European Single Name CDS Contract will be Auction Settlement, with clauses (c), (d) and (e) of Section 12.1 of the 2003 ISDA Credit Derivatives Definitions being deemed deleted and replaced with “(c) an Event Determination Date was determined as a result of a Declaration of Credit Event and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after the date of such Declaration of Credit Event”. For the avoidance of doubt, the Fallback Settlement Method will be CME CDS Physical Settlement pursuant to Chapter 805: Part A.

80602.B.I. Declaration of Credit Events

The Clearing House shall issue a declaration of a Credit Event (each, a “Declaration of Credit Event”) with respect to an iTraxx Component Transaction or a Restructuring European Single Name CDS Contract if the CDS RC determines pursuant to Chapter 804 that an event which constitutes a Credit Event for the purposes of such iTraxx Component Transaction or such Restructuring European Single Name CDS Contract has occurred with respect to the Reference Entity applicable to such iTraxx Component Transaction or such Restructuring European 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 Clearing Business Day immediately following the date that the CDS RC makes the relevant Determination. A Declaration of Credit Event will be deemed not to have been issued with respect to an iTraxx Component Transaction or a Restructuring European Single Name CDS Contract unless (i) the CME Credit Event Resolution Request Date with respect to the relevant Credit Event occurred on or prior to the end of the last day described in Section 1.23(b)(i) or 1.23(b)(ii)(C) of the 2003 ISDA Credit Derivatives Definitions (as amended above), as applicable, including prior to the Acceptance Date and (ii) the Submission Date, or such date as is notified by the Clearing House in consultation with the CDS RC in accordance with Rule 80103.C., occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

80602.B.J. Event Determination Date

Section 1.8 of the 2003 ISDA Credit Derivatives Definitions shall be amended by:

- (a) the deletion of Section 1.8(a)(i);
- (b) 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”; and
- (c) the insertion of the words “or, where the Credit Event Backstop Date is determined by reference to the CME Credit Event Resolution Request Date, the CME Credit Event Resolution Request Date” in the line of Section 1.8(a)(ii)(A) after the words “Credit Event Resolution Request Date”.

80602.B.K. Succession Event Backstop Date

Section 2.1 and Section 2.2(j) of the 2003 ISDA Credit Derivatives Definitions shall be restated as follows:

“Reference Entity” means the entity or entities identified as such in the Index and listed in the Relevant Annex for the purposes of the iTraxx Europe Index Untranchéd CDS Contract or identified as such pursuant to the Relevant Annex for the purposes of the Restructuring European Single Name CDS Contract. Any Successor to a Reference Entity either (a) specified in a Declaration of Succession Event effective on or following the Submission Date in respect of such iTraxx Europe Index Untranchéd CDS Contract or following the date of deemed creation of a Restructuring European Single Name CDS Contract as a New Trade or (b) unless the Relevant Annex already reflects the applicable Succession Event, in respect of which ISDA publicly announces on or following the Submission Date in respect of such iTraxx Europe Index Untranchéd CDS Contract or the deemed creation of a Restructuring European 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 iTraxx Europe Component Transaction, Restructuring European Single Name CDS Contract, new iTraxx Component Transaction or new Restructuring European Single Name CDS Contract, as applicable, as determined pursuant to such Section 2.2 of the 2003 ISDA Credit Derivatives Definitions. If the Clearing House determines that a bilateral CDS transaction in respect of an iTraxx Europe Index Untranchéd CDS Contract or a Restructuring European Single Name CDS Contract submitted for clearing would have been subject to a Succession Event but that such Succession Event is not given appropriate effect because of the timing of the applicable Product Reference File updates, the Clearing House shall take such action, if any, as it deems necessary and reasonably practicable, to ensure that such Succession Event is given the effect which the Clearing House determines is appropriate with respect to such iTraxx Europe Index Untranchéd CDS Contract or Restructuring European Single Name CDS Contract, as applicable.

“Succession Event Backstop Date” means (A) for purposes of any event that constitutes a Succession Event for purposes of the relevant iTraxx Component Transaction or the relevant Restructuring European Single Name CDS Contract, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time) or (B) otherwise, the date that is 90 calendar days prior to the earlier of (I) the CME Succession Event Resolution Request Date and (II) in circumstances where (1) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in Sections 2.2(j)(i) and (j)(ii) are satisfied in accordance with the DC Rules, (2) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (3) the CME Succession Event Resolution Request Date occurs not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

80602.B.L. Declaration of Succession Events

The Clearing House shall issue a declaration of a Succession Event (each, a “**Declaration of Succession Event**”) with respect to an iTraxx Component Transaction or a Restructuring European Single Name CDS Contract if the CDS RC determines pursuant to Chapter 804 that a Succession Event has occurred 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 Clearing Business Day immediately following the date that the CDS RC makes the relevant Determination.

80602.B.M. iTraxx Europe Index Versions

Where, in respect of an iTraxx Europe Index Untranching CDS Contract, (a) the Index Sponsor publishes one or more subsequent versions or annexes of the relevant iTraxx Europe Index series following a Credit Event, a Succession Event with respect to a Reference Entity included in such iTraxx Europe Index series, or the determination of a Substitute Reference Obligation and (b)(i) in the case of publication of one or more subsequent versions or annexes of the relevant iTraxx Europe Index series following a Credit Event, the Clearing House determines that an Auction Settlement Date has occurred in respect of the relevant iTraxx Component Transaction or the relevant iTraxx Component Transaction has otherwise settled in accordance with the applicable Settlement Method and (ii) in all cases, the Clearing House determines that iTraxx Europe Index Untranching CDS Contracts referencing the earlier version or annex of such iTraxx Europe index series are fungible with iTraxx Europe Index Untranching CDS Contracts referencing a later version or annex of such iTraxx Europe Index series and so notifies the CDS Clearing Members, iTraxx Europe Index Untranching CDS Contracts referencing the earlier version or annex of such iTraxx Europe Index series shall become iTraxx Europe Index Untranching CDS Contracts referencing such later version or annex of such iTraxx Europe Index series on the date determined by the Clearing House (the “**Fungibility Date**”).

80602.B.N. 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 Restructuring European Single Name CDS Contract (the “**Existing Matrix**”), and the Clearing House determines that a Restructuring European Single Name CDS Contract referencing the New Matrix would be fungible with a Restructuring European 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 Restructuring European Single Name CDS Contract referencing the Existing Matrix shall, as of the close of business on the Matrix Update Date, become a Restructuring European Single Name CDS Contract referencing the New Matrix.

80602.B.O. De Minimis Cash Settlement

Paragraph 7.7 of the iTraxx Europe Untranching Terms shall be deemed not to apply to iTraxx Europe Index Untranching CDS Contracts.

80602.B.P. Merger of Reference Entity and Seller

Section 2.31 of the 2003 ISDA Credit Derivatives Definitions shall be deemed not to apply to Restructuring European Single Name CDS Contracts.

80602.B.Q. Transaction Type

The Transaction Type in respect of a Restructuring European Single Name CDS Contract will be the Transaction Type specified in the Relevant Annex that was applicable to the iTraxx Component Transaction in respect of which the Restructuring European Single Name CDS Contract was deemed created following the occurrence of a Restructuring Credit Event.

80602.B.R. Notice of Physical Settlement

Section 3.2(c)(i) of the ISDA 2003 Credit Derivatives Definitions is hereby amended by replacing the "or" at the end of subparagraph (B) thereof with an "and" and adding the following as a new subparagraph (C):

"(C) the tenth calendar day after the date of the actual decision by the CDS RC to resolve that a Credit Event has occurred for which there is Publicly Available Information with respect to such iTraxx Europe Index Untranchured Contracts: or".

80603.B. CONTRACT MODIFICATIONS

80603.B.A. Rules

Except as provided in Rules 80602.B.N., 80603.B.B., 80603.B.C and 80604 the Clearing House may not amend, modify or make any change to the terms and conditions of an iTraxx Europe Index Untranchured CDS Contract or a Restructuring European Single Name CDS Contract if such amendment, modification or change would, in the CDS RC's determination, (i) reasonably be expected to have a material effect on the mark-to-market price of such iTraxx Europe Index Untranchured CDS Contract or Restructuring European Single Name CDS Contract, or (ii) materially increase the basis risk of such iTraxx Europe Index Untranchured CDS Contract or Restructuring European Single Name CDS Contract relative to the over-the-counter agreement equivalent to such iTraxx Europe Index Untranchured CDS Contract or Restructuring European Single Name CDS Contract (any such amendment, modification or change that satisfies (i) or (ii) above, a "**Contract Modification**") unless the Clearing House provides all CDS Clearing Members at least ten Clearing Business Days' notice prior to the effective date of such Contract Modification (an "**Contract Modification Effective Date**"), provided that, nothing herein shall affect the Clearing House's ability to add new CDS Products from time to time.

A Contract Modification shall not apply to iTraxx Europe Index Untranchured CDS Contracts or Restructuring European Single Name CDS Contracts that have an Acceptance Date on or prior to the relevant Contract Modification Effective Date and such iTraxx Europe Index Untranchured CDS Contracts or Restructuring European Single Name CDS Contracts may not be offset against other iTraxx Europe Index Untranchured CDS Contracts or Restructuring European Single Name CDS Contracts, as applicable, with an Acceptance Date after such Contract Modification Effective Date.

80603.B.B. Change in Law or Regulation

If any Governmental Authority issues a an order, ruling, directive or law that conflicts with the requirements of these Rules (any such order, ruling, directive or law, a "**Change in Law**"), the Clearing House shall propose such changes to these Rules as are necessary to reflect the application of such Change in Law, while minimizing to the extent reasonably practicable the economic effect of such Rule changes on existing iTraxx Europe Index Untranchured CDS Contracts or existing Restructuring European Single Name CDS Contracts. The CDS RC shall promptly review such proposal and, if adopted by majority vote, (i) the Clearing House shall , to the extent practicable taking into account the nature of such Change in Law, provide all CDS Clearing Members with at least 5 Clearing Business Days' notice of such change to the Rules prior to the effective date of such changes to these Rules ("**Rule Change Effective Date**") and (ii) such changes to these Rules shall be applicable to all iTraxx Europe Index Untranchured CDS Contracts and

Restructuring European Single Name CDS Contracts that are open as of, or entered into subsequent to, the Rule Change Effective Date. If the Clearing House determines, in consultation with the CDS RC, that any such Rule change has a material effect on the mark to market price (a "MTM Change") of such iTraxx Europe Index Untranchéd CDS Contract or Restructuring European Single Name CDS Contract (such CDS Contracts, an "Adjusted CDS Contract"), the Clearing House will determine the payment, if any, that is payable to reflect the MTM Change in respect of open positions in such CDS Contracts (the "Adjusted Payment Amount") by reference to a poll of CDS Clearing Members on such terms as it deems appropriate in consultation with the CDS RC. The Clearing House will notify each affected CDS Clearing Member of (i) the Adjusted Payment Amount, (ii) the date on which such Adjusted Payment Amount is due (the "Adjusted Payment Amount Date") and (iii) the party to the relevant CDS Contract that is obliged to pay any such Adjusted Payment Amount (the "Adjusted Payment Amount Payer"). The Adjusted Payment Amount Payer shall pay the Adjusted Payment Amount on the Adjusted Payment Amount Date.

80603.B.C. Industry Protocol

The terms of any iTraxx Europe Index Untranchéd CDS Contract and any Restructuring European Single Name CDS Contract shall be modified by the Clearing House in accordance with (i) any relevant CDS industry-sponsored protocol (or other multilateral agreement process) (a) to which CDS Clearing Members holding (in their respective proprietary or customer accounts) at-least 80% of the Clearing House's total open interest in the relevant iTraxx Europe Index Untranchéd CDS Contracts or Restructuring European Single Name CDS Contracts covered by such protocol or other multilateral agreement process as at the Protocol Cut-off Time, or their designated Affiliate CDS Participants, agree to adhere or (b) which is adopted by the CDS RC by majority vote or (ii) any Resolution of a Convened DC relating to the matters described in Section 3.8(a) of the DC Rules (March 29, 2011 Version or any equivalent provision relating to questions of interpretation and amendments relating to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement CDS Protocol (the "March 2009 Protocol") or the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring CDS Protocol (the "July 2009 Protocol")), with such modification to become part of these Rules and be applicable to such existing or future iTraxx Europe Index Untranchéd CDS Contracts as set forth in such protocol or other multilateral agreement process or Resolution.

80604.B. RESTRUCTURING

80604.B.A. Allocation of Matched Restructuring Pairs

- (a) Following the occurrence of a Restructuring Announcement:
- (i) The Clearing House will match each Seller with one or more Buyers each of which is party to a Restructuring iTraxx Contract of the same type (such Restructuring iTraxx Contracts thereby becoming "Matched iTraxx Contracts" and each Matched iTraxx Seller and Matched iTraxx Buyer becoming a "Matched Restructuring Pair"), such that the Floating Rate Payer Calculation Amount related to each Matched iTraxx Seller under each Matched iTraxx Contract is fully allocated to one or more iTraxx Buyers under Matched iTraxx Contracts of the same type as the Matched iTraxx Seller Contract;
 - (ii) the Clearing House will notify, prior to the related MRP Notice Delivery Date, each relevant Matched iTraxx Buyer and Matched iTraxx Seller of the relevant Matched iTraxx Contracts, the identity of the Matched iTraxx Buyer and Matched iTraxx Seller (together with the address, fax number, telephone number, email address and other applicable notice details) and the associated MP Amount (such notice, the "Matched Restructuring Pair Notice"); and

- (iii) the Clearing House will submit to DTCC the relevant data needed to in order to record the relevant New Trades.
 - (b) The methodology used by the Clearing House for the purposes of allocating Matched Restructuring Pairs shall minimize, to the extent reasonably practicable, each of the following:
 - (i) the number of Matched Restructuring Pairs in respect of which the MP Amount is less than EUR 1,000,000 or not an integral multiple of such amount;
 - (ii) the number of Matched Restructuring Pairs into which an individual CDS Clearing Member is matched; and
 - (iii) the overall number of Matched Restructuring Pairs.
 - (c) If the Clearing House has delivered a Matched Restructuring Pair Notice that specifies a MP Amount that is less than the outstanding Floating Rate Payer Calculation Amount applicable to a Matched iTraxx Contract to which such Matched Restructuring Pair Notice relates, the relevant rights and obligations of the Clearing House and the relevant CDS Participant or CDS Clearing Member pursuant to the Matched iTraxx Contract shall, with effect from the date such Matched Restructuring Pair Notice is effective, be construed as if the Clearing House and the relevant CDS Participant or CDS Clearing Member, as applicable, have entered into two Restructuring iTraxx Contracts, one of which has a Floating Rate Payer Calculation Amount equal to the MP Amount (the "**Triggered Restructuring iTraxx Contract**") and the other of which has a Floating Rate Payer Calculation Amount equal to the Floating Rate Payer Calculation Amount outstanding immediately prior to delivery of such Matched Restructuring Pair Notice minus the MP Amount.

80604.B.B. Restructuring Updates

- (a) Prior to the MRP Notice Delivery Date, the Clearing House will, for itself and for the relevant CDS Clearing Members:
 - (i) re-version the relevant Restructuring iTraxx Contracts which are the subject of the relevant Matched Restructuring Pair Notice;
 - (ii) create a record of the Restructuring European Single Name CDS Contracts as New Trades;
 - (iii) create Matched Restructuring Pairs and issue Matched Restructuring Pair Notices; and
 - (iv) send the MRP File to DS.

If the Clearing House does not either (x) issue Matched Restructuring Pair Notices by the related MRP Notice Delivery Date or (y) send the MRP File by the related MRP Notice Delivery Date, the relevant CDS Clearing Member may, until such time as the Matched Restructuring Pair Notices have been issued or the MRP File has been sent, deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option directly to the Clearing House. For such purposes, Rule 80604.B.D.(b) shall not apply. Such notices must be sent to the contact details of the Clearing House specified in Rule 80502.C.D.

Furthermore, if the Clearing House does (x) issue Matched Restructuring Pair Notices by the related MRP Notice Delivery Date but does not (y) send the MRP File by the related MRP Notice

Delivery Date, then Rule 80604.B.D.(b) shall not apply and accordingly such notices must be delivered directly as between the Matched iTraxx Seller and Matched iTraxx Buyer in respect of a Matched Restructuring Pair (as designees of the Clearing House) (and not via the DS). Each Matched iTraxx Buyer and Matched iTraxx Seller shall notify the Clearing House or deliver a copy to the Clearing House of any notice delivered or received in accordance with the provisions of this Rule to the contact details of the Clearing House specified in Rule 80502.C.D.

- (b) At the end of each Restructuring Triggering Period, the Clearing House will, to the extent that it is aware that such records have not been modified by DTCC, modify the records in the relevant DTCC Accounts to reflect any Restructuring Credit Event Notices and Notices to Exercise Movement Option delivered during the relevant Restructuring Triggering Period.
- (c) In respect of each Matched iTraxx Buyer Contract which is the subject of a Matched Restructuring Pair, the Clearing House, shall be deemed to have designated pursuant to Section 9.2(c)(iv) of the 2003 ISDA Credit Derivatives Definitions the Matched iTraxx Seller in such Matched Restructuring Pair as its designee:
- (i) to receive on its behalf from the Matched iTraxx Buyer in the Matched Restructuring Pair, Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be; and
 - (ii) to deliver on its behalf to the Matched iTraxx Buyer in the Matched Restructuring Pair Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be.
- (d) In respect of each Matched iTraxx Seller Contract which is the subject of a Matched Restructuring Pair, the Clearing House, shall be deemed to have designated pursuant to Section 9.2(c)(iv) of the 2003 ISDA Credit Derivatives Definitions the Matched iTraxx Buyer in such Matched Restructuring Pair as its designee:
- (i) to deliver on its behalf: to the Matched iTraxx Seller in the Matched Restructuring Pair, Credit Event Notices and where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be; and
 - (ii) to receive on its behalf from the Matched iTraxx Seller in the Matched Restructuring Pair Credit Event Notices and, where applicable, Notices to Exercise Movement Option, in relation to any Restructuring iTraxx Contract or Triggered Restructuring iTraxx Contract, as the case may be.
- (e) The CDS Clearing Members and CDS Participants acknowledge and agree that:
- (i) the CEN Triggering Period applicable (x) to a Matched iTraxx Seller may be less than two Clearing Business Days and (y) a Matched iTraxx Buyer may be less than five Clearing Business Days; and
 - (ii) each relevant CDS Clearing Member shall not be permitted to take any action which would result in any of the records in the relevant DTCC Account in respect of any CDS Contract that is the subject of a Matched Restructuring Pair Notice being amended or

modified after Noon (New York time) on the day of the MRP Notice Delivery Date, unless such action is agreed to by the Clearing House.

- (f) The CDS Clearing Members and CDS Participants each hereby gives all required permissions that are necessary to be given in order for the Clearing House to submit to, and receive from, DTCC relevant restructuring information with respect to such CDS Clearing Members or CDS Participants.
- (g) The CDS Clearing Members and CDS Participants each covenant that:
 - (i) the relevant CDS Clearing Member shall use best efforts to ensure that the records in the applicable DTCC Account in respect of any CDS Contract that is the subject of a Matched Restructuring Pair Notice is accurately updated prior to the MRP Notice Delivery Date; and
 - (ii) each CDS Clearing Member shall ensure that it has adequate operational capacity to access and use DTCC and shall ensure that its CDS Participants have the adequate operational capacity to access and use DTCC.

80604.B.C. Restructuring European Single Name CDS Contract.

The Clearing House acknowledges and agrees that it will not permit market participants to increase, close out (other than due to the occurrence of a Credit Event), or otherwise affect the size of a position in a Restructuring European Single Name CDS Contract.

The Clearing House may impose an increase or decrease in the position of a Restructuring European Single Name CDS Contract only through its default management process.

80604.B.D. Matched Restructuring Pairs: Designations and Electronic Notices.

- (a) With respect to a Matched iTraxx Buyer Contract or a Matched iTraxx Seller Contract, the reference to “any of its Affiliates” in the first line of Section 9.2(c)(iv) of the 2003 ISDA Credit Derivatives Definitions shall be construed as a reference to “any third party”.
- (b) A Matched iTraxx Buyer or Matched iTraxx Seller, as applicable, may deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option, only:
 - (i) via DS; and
 - (ii) in accordance with DTCC’s rules and procedures in respect of delivery of notices through DTCC Accounts,

save if and as expressly stated to the contrary in this Chapter 806 or expressly agreed by the Clearing House. The deemed time of delivery of any such notices shall be as set out in the DTCC rules and procedures from time to time.

Furthermore, any Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered otherwise than in accordance with this Rule 80604.B.D. will be invalid and ineffective. Any Restructuring Credit Event Notice or Notice to Exercise Movement Option which is or is deemed to be validly delivered in accordance with the provisions of this Rule shall be treated as valid delivery of a Restructuring Credit Event Notice or Notice to Exercise Movement Option for purposes of the 2003 ISDA Credit Derivatives Definitions.

- (c) If DTCC notifies the Clearing House (such notice to be sent in accordance with the contact details of the Clearing House specified in Rule 80502.C.D) or the Clearing House otherwise becomes aware that DS is or will be unable to process all or substantially all Restructuring Credit Event Notices or Notices to Exercise Movement Option, as applicable, in a timely manner (a "DTCC Failure"), then:
- (i) the Clearing House will, as soon as reasonably practicable, and in any event within one hour of such notification or of the Clearing House becoming aware of such non-availability, as applicable, notify all relevant CDS Clearing Members of such occurrence, including the time at which such failure occurred (or if the Clearing House is not notified of such time by or on behalf of DTCC, the time at which the Clearing House received the relevant notification from or on behalf of DTCC or becomes aware of the relevant non-availability) (the "DTCC Failure Time"). The Clearing House shall also publish such information on its website as soon as reasonably practicable after becoming aware of a DTCC Failure;
 - (ii) if subsequent to a DTCC Failure, DTCC (or a third party designated in accordance with DTCC's rules and procedures from time to time) notifies the Clearing House that a DTCC Failure is no longer in effect, the Clearing House will as soon as reasonably practicable notify all relevant CDS Clearing Members accordingly, including the time (the "DTCC Resolution Time") (which must be no earlier than 30 minutes following the time of such notification) at which such DTCC Failure is deemed to have been resolved and following which DS is operative for purposes of delivery of Restructuring Credit Event Notices or Notices to Exercise Movement Option, as applicable. The Clearing House shall also publish such information on its website as soon as reasonably practicable after notifying the relevant CDS Clearing Members that the DTCC Failure is no longer in effect and of the DTCC Resolution Time; and
 - (iii) the Clearing House and, to the extent so requested by the Clearing House, each CDS Clearing Member shall, as soon as reasonably practicable and to the extent permitted by DTCC, provide or confirm to DTCC details of any Restructuring Credit Event Notices or Notices to Exercise Movement Option, as applicable, delivered or purported to be delivered prior to the DTCC Resolution Time, so as to permit delivery of subsequent confirmation notices via the DS pursuant to Rule 80604.B.D.(b).
- (d) From (and including) the DTCC Failure Time to (but excluding) the DTCC Resolution Time:
- (i) Rule 80604.B.D.(b) shall not apply and accordingly Restructuring Credit Event Notice or Notices to Exercise Movement Option shall be delivered directly in accordance with Rule 80604.B.D.(f) (and not via DS);
 - (ii) any notice delivered via DS prior to the DTCC Failure Time will be valid and will not be affected by such DTCC Failure; and
 - (iii) any notice delivered or purported to be delivered via DS at or following the DTCC Failure Time but prior to the DTCC Resolution Time will not be valid and effective.

Rule 80604.B.D.(b) shall apply with effect from the DTCC Resolution Time and, accordingly, any notice thereafter delivered or purported to be delivered directly in accordance with Rule 80604.B.D.(f) (and not via DS) will not be valid and effective.

(e) If a CDS Clearing Member is affected by a significant communications or information technology failure resulting in it being impossible or impractical for such CDS Clearing Member to deliver any Restructuring Credit Event Notice or any Notice to Exercise Movement Option via DS (a "**CDS Clearing Member Communications Failure Event**");

(i) such CDS Clearing Member may, notwithstanding Rule 80604.B.D.(b) deliver Restructuring Credit Event Notices and Notices to Exercise Movement Option directly in accordance with Rule 80604.B.D.(f) (and not via DS);

(ii) such CDS Clearing Member shall, within one hour of delivering any Restructuring Credit Event Notice or Notice to Exercise Movement Option directly in accordance with Rule 80604.B.D.(f), deliver to the Clearing House a notice (such notice to be sent in accordance with the contact details of the Clearing House specified in Rule 80502.C.D) signed by a senior officer (such as a managing director or equivalent) of such CDS Clearing Member certifying that it is affected by a CDS Clearing Member Communications Failure Event (or, if such CDS Clearing Member is unable to deliver such notice in writing, orally by telephone at the following client hotline number, as amended by the Clearing House from time to time: +1 312 338 7112)). The Clearing House shall notify all relevant CDS Clearing Members accordingly as soon as reasonably practicable and in any event within one hour of receipt of any such notification;

(iii) Rule 80604.B.D.(b) shall continue to apply in respect of notices given to the affected CDS Clearing Member by CDS Clearing Members comprised in any Matched Restructuring Pair in respect of which the affected CDS Clearing Member is a Matched iTraxx Buyer or Matched iTraxx Seller;

(iv) as soon as reasonably practicable upon such CDS Clearing Member ceasing to be subject to a CDS Clearing Member Communications Failure Event, it shall notify the Clearing House accordingly and thereupon Rule 80604.B.D.(b) shall apply and, accordingly, any Restructuring Credit Event Notice or Notice to Exercise Movement Option thereafter delivered or purported to be delivered directly in accordance with Rule 80604.B.D.(g) (and not via DS) will not be valid and effective; and

(v) such CDS Member which is subject to a CDS Clearing Member Communications Failure Event shall use reasonable endeavours to mitigate the operational impact on other CDS Clearing Members and the Clearing House of any CDS Clearing Member Communications Failure Event, to cure such CDS Clearing Member Communications Failure Event as soon as possible and to ensure that the circumstances giving rise to the relevant CDS Clearing Member Communications Failure Event do not recur,

without prejudice to any other rights or remedy of the Clearing House, any breach by a CDS Clearing Member of the provisions of 80604.B.C(e)(i)-(v) above, shall not cause any Restructuring Credit Event Notice or Notice to Exercise Movement Option which would otherwise be valid and effective, to be invalid or ineffective.

(f) Notices given by a Matched iTraxx Buyer or Matched iTraxx Seller in a Matched Restructuring Pair and which are not delivered via DS in accordance with Rule 80604.B.D.(b) shall be given to the address or number notified by the Clearing House to the Matched iTraxx Buyer or Matched iTraxx Seller, respectively, in the Matched Restructuring Pair Notice pursuant to Rule 80604.B.A.

- (g) Each Matched iTraxx Buyer and Matched iTraxx Seller shall notify the Clearing House or deliver a copy to the Clearing House of any notice delivered or received pursuant to Rule 80604.B.D.(f) (a "CDS Clearing Member Acknowledgement") by no later than 6:00 p.m. on the last day on which such notice could validly be sent (the "Notice Acknowledgement Deadline").

Where the Clearing House receives a CDS Clearing Member Acknowledgement in respect of any notice from both relevant CDS Clearing Members comprised in a Matched Restructuring Pair at or prior to the Notice Acknowledgement Deadline, the Clearing House shall perform its obligations in respect of the relevant Restructuring iTraxx Contracts.

Where the Clearing House receives a CDS Clearing Member Acknowledgement in respect of any notice from one relevant CDS Clearing Member only at or prior to the Notice Acknowledgement Deadline, the provisions of Rule 80604.B.G. shall apply and the Clearing House and each relevant CDS Clearing Member shall perform their obligations in respect of the relevant Restructuring iTraxx Contracts subject to the terms of any final resolution of the relevant dispute, as agreed between the relevant parties or as determined by arbitration or by litigation, as applicable. In such case, the Clearing House shall notify the CDS Clearing Member from which it has not received a CDS Clearing Member Acknowledgement of the asserted delivery or, as applicable, receipt of the relevant notice (in the case of a Restructuring Credit Event Notice or Notice to Exercise Movement Option, through the reports referred to in Rule 80604.B.H.

Where the Clearing House does not receive CDS Clearing Member Acknowledgement or confirmation of valid delivery in respect of any notice from either CDS Clearing Member in the relevant Matched Restructuring Pair on or prior to the relevant Notice Acknowledgement Deadline, the rights and obligations of the Clearing House as against each relevant CDS Clearing Member, and vice versa, shall be construed as if no such notice had been given. In addition, an amount shall be payable between the CDS Clearing Members equal to the difference between the value of the Matched iTraxx Buyer Contract had CDS Clearing Member Acknowledgement been given to the Clearing House on a timely basis and the value of such contract in the absence of such acknowledgement; such difference in value shall be determined as of the earlier of the day on which notice is given by any relevant CDS Clearing Member that such amount is due and payable and, in the case of a Restructuring Credit Event Notice or Notice to Exercise Movement Option, the eighth Clearing Business Day following the Auction Settlement Date, No Auction Announcement Date or Auction Cancellation Date, as applicable or otherwise the eighth Clearing Business Day following the last day on which such notice would validly have been delivered, by reference to the relevant Auction Settlement Amount or end of day contributed prices, in each case if available.

The relevant CDS Clearing Members shall have enforcement rights as against each other in respect of any resulting payments and deliveries; the Clearing House shall have no liability in respect thereof.

- (h) Notwithstanding Rule 80604.B.D.(b), where a CDS Clearing Member is uncertain as to whether or not a Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) it attempted to deliver via DS has: (x) actually been delivered; or (y) was delivered prior to the DTCC Failure time, the CDS Clearing Member shall be entitled to deliver such a notice directly to any CDS Clearing Member comprised in a relevant Matched Restructuring Pair (as designee of the Clearing House) specifying that such notice is only to be effective to the extent that the other purported notice is not effective.

If a CDS Clearing Member delivers a manual notice pursuant to the above paragraph, such CDS Clearing Member shall be required to provide (together with such notice) sufficient details of the

notice attempted to be given via DS so as to allow the other CDS Clearing Member and the Clearing House to identify the communication concerned.

If the first Restructuring Credit Event Notice or Notice to Exercise Movement Option (as applicable) to which the manual notice delivered pursuant to the above relates was actually delivered successfully, any subsequent Restructuring Credit Event Notice or Notice to Exercise Movement Option delivered shall be deemed not to have been delivered.

(i) In relation to each Matched Restructuring Pair:

(i) the exercise of any rights by the Matched iTraxx Buyer against the Clearing House under a Matched iTraxx Buyer Contract shall be deemed to constitute the exercise of equal and simultaneous rights by the Clearing House against the Matched iTraxx Seller under the Matched iTraxx Seller Contract in the relevant Matched Restructuring Pair;

(ii) the exercise of any rights of the Matched iTraxx Seller against the Clearing House under a Matched iTraxx Seller Contract shall be deemed to constitute the exercise of equal and simultaneous rights by the Clearing House against the Matched iTraxx Buyer under the Matched iTraxx Buyer Contract in the relevant Matched Restructuring Pair;

(iii) where the Matched iTraxx Buyer validly delivers or serves any notice to the Matched iTraxx Seller in accordance with the Rules, such notice shall be effective with respect to both the Matched iTraxx Buyer Contract and the Matched iTraxx Seller Contract; and

(iv) where the Matched iTraxx Seller validly delivers or serves any notice to the Matched iTraxx Buyer in accordance with the Rules, such notice shall be effective with respect to both the Matched iTraxx Buyer Contract and the Matched iTraxx Seller Contract.

(j) The Matched iTraxx Buyer and Matched iTraxx Seller in each Matched Restructuring Pair shall each make such payments and deliveries and deliver such notices in relation to settlement to one another and to the Clearing House as are required pursuant to a Matched iTraxx Contract, these Rules or applicable laws.

80604.B.E. Separation of Matched Restructuring Pairs

If (a) a Restructuring Announcement has occurred and (b) a subsequent announcement by the relevant decision body has been made that the relevant Restructuring Credit Event did not in fact occur, then:

(a) to the extent that the Clearing House has not by then matched Sellers with Buyers to form Matched Restructuring Pairs in relation to the relevant iTraxx Europe Untranchured CDS Contracts, pursuant to Rule 80604.B.A, it shall not do so;

(b) to the extent that the Clearing House has by then matched Sellers with Buyers to form Matched Restructuring Pairs, pursuant to Rule 80604.B.A, such Matched Restructuring Pairs shall be deemed not to have been created and any Restructuring Credit Event Notices delivered in connection with such Matched Restructuring Pairs shall be deemed ineffective; and

(c) the Clearing House shall reverse the modifications that were made to the records in the relevant DTCC Accounts and the MRP File, pursuant to Rule 80604.B.B.

80604.B.F. Reference Obligation for Restructuring European Single Name CDS Contract

Paragraph 7.3(b)(ii) of the iTraxx Europe Untranchd Terms shall be amended by the insertion of the words "provided that the Reference Obligation for purposes of the New Trade will be the Reference Obligation for the Restructured Entity in question as specified by the Clearing House following consultation with the CDS RC" immediately after "(such new transaction, a **New Trade**)".

80604.B.G. Disputes as to Notices

If any CDS Clearing Member in a Matched Restructuring Pair where one such party is acting as designee of the Clearing House disputes the effective delivery in accordance with the terms of the relevant Restructuring iTraxx Contract of any notice delivered directly (and not via DS) in accordance with Rule 80604.B.D.(f) (and for such purposes, a dispute between the relevant CDS Clearing Member and the Clearing House shall be deemed to have arisen if the Clearing House receives a CDS Clearing Member Acknowledgement from one relevant CDS Clearing Member only in respect of any such notice):

- (a) following final resolution of such dispute by arbitration or by litigation, as applicable, the CDS Clearing Members comprised in the relevant Matched Restructuring Pair shall take such actions with respect to the Restructuring iTraxx Contracts the subject of such dispute as the Clearing House determines appropriate to give effect to any relevant binding resolution;
- (b) without prejudice to its obligations upon final resolution of the dispute, pending final resolution of any such dispute, the Clearing House shall not be obliged to take any step pursuant to the terms of the relevant Restructuring iTraxx Contracts which would be required to have been taken by it had the relevant notice been validly delivered; and
- (c) the Clearing House may call for additional performance bond related to such dispute.

Each relevant CDS Clearing Member must promptly notify the Clearing House of any such disputes.

80604.B.H. Reports

Without prejudice to the notification requirements set out elsewhere in the Rules, the Clearing House will communicate to the relevant CDS Clearing Members, on the basis of information received from DTCC or, as applicable, from CDS Clearing Members, amongst other things:

- (a) the aggregate Floating Rate Payer Calculation Amounts of Restructuring iTraxx Contracts to which they are a party and which are the subject of Restructuring Credit Event Notices; and
- (b) the results of the exercise of any Notice to Exercise Movement Option in relation to Restructuring iTraxx Contracts to which they are a party.

on each day during each CEN Triggering Period and NEMO Triggering Period, as applicable, through reports.

For the avoidance of doubt, such communication shall not affect the validity or effectiveness of any Restructuring Credit Event Notice or Notice to Exercise Movement Option which shall be subject to the terms of the relevant Restructuring iTraxx Contracts.