

	<b>N°</b>	<b>Title</b>
<b>Instruction</b>	<b>IV.1-2</b>	<b>POSITIONS LIMITS APPLICABLE ON FINANCIAL LISTED DERIVATIVES</b>

### Article 1: Principles

LCH SA hereby sets the principles applicable to the position limits that shall apply to the Financial Listed Derivatives positions. The position limits will be regularly updated and published in a Notice.

### Article 2: Application conditions

When the position limits set pursuant to this Instruction and in a Notice are reached or exceeded, LCH SA shall make a case-by-case review of the reasons therefor.

Accordingly, whenever Financial Listed Derivatives commitments for which they are acting as Clearing Member reach or exceed the limits established, Clearing Members must supply LCH SA, on request, with information regarding the management of those commitments.

When the Clearing Member's Client / Indirect Client Open Positions cause the limits to be exceeded, the Clearing Member shall ensure that LCH SA's requests for information are addressed promptly.

LCH SA may grant specific exemptions in particular cases, for instance, by allowing the Member concerned to re-establish compliance to the limit within a certain period set by LCH SA.

In the absence of a specific exemption to the contrary, a Clearing Member whose positions (whether House or Client /Indirect Client) exceed the limits must re-establish compliance by reducing its positions if the member's positions caused the excess or by accepting only orders that close outstanding positions from the Client(s) causing the excess.

### Article 3: Scope of the limit

The limit applies on the Underlying Equivalent Position, as set forth in a Notice and to each of the different accounts opened by Clearing Members, i.e. those held:

- as principal;
- as Market Maker (where applicable);
- for its Client(s) and Indirect Client(s) (where applicable);

If a Clearing Member operates directly as a Market Maker, all Open Positions registered in its House Accounts and market-making accounts are aggregated.

For the purpose of this Instruction and as detailed in the relevant Notice, the “**Underlying Equivalent Position**” shall mean the delta equivalent position of all Derivative contracts positions on a given underlying.

### Article 4: Thresholds

For each position limit, LCH SA applies a materiality threshold for the limit rule to apply, as set forth in a Notice.

Such materiality threshold applies on the net value of the Underlying Equivalent Position, as set forth in a Notice.