


	N°	Titre
 Instruction	IV.4-1	COLLATERAL ACCEPTED TO MEET MARGIN REQUIREMENTS

Pursuant to Chapter 4 of Title IV of the Clearing Rule Book.

PRELIMINARY PROVISIONS

Article 1

The provisions of this Instruction do not apply to Special Clearing Members, in the meaning defined in the Clearing Rule Book.

Article 2

The provisions of this Instruction apply to the fulfilment of Margins (other than Variation Margin) requirements.

The amount of Collateral to be provided corresponds to the Margin requirements which are calculated according to the Clearing Member's Open Positions and the evaluation of the Collateral which has already been provided, (i.e. once the relevant haircuts have been applied).

The Margin requirements are sent, on a daily basis, to each Clearing Member by LCH SA. In addition, LCH SA shall send the Intra-day Margin requirements once or several times on each Clearing Day, pursuant to the terms and conditions described in a Notice.

Article 3

Further to a trading halt, in application of the circuit breaker rules, Clearing Members may be required to pay additional Initial Margins to LCH SA, on the same day within a reasonable timeframe specified by LCH SA.

Article 4

The Collateral posted by a Clearing Member to LCH SA is allocated or registered in the relevant Collateral Account held by LCH SA in the name of that Clearing Member exclusively pursuant to the instruction of the Clearing Member. Any Collateral that remains unallocated after a timeline specified in a Notice will be returned to the Clearing Member.

The Collateral posted to cover Client Positions of a Clearing Member shall aim at securing the Open Positions registered in the Clearing Member's Client Position Accounts only.

It shall not secure the Open Positions registered in the Clearing Member's House Position Account.

Article 5

The deposits of Collateral in Securities, non- EURO cash, and EURO cash, are not mutually exclusive.

Unless the Clearing Member requests otherwise, LCH SA, when calculating the amount of Margin already available within the Clearing Member's accounts, shall take the following assets into account according to the following priority rule: first, bonds and shares; then non- EURO cash; and last of all cash in EURO.

Article 6

The arrangements entered into by the Clearing Members, in order to meet their Margin obligations towards LCH SA related to their Open Positions on any market cleared by LCH SA, including the Trading & Matching Platforms, shall be notified in writing to LCH SA.

These arrangements shall also apply, where possible regarding the technical constraints, to the Clearing Member's contribution to the Default Fund(s).

Article 7

Pursuant to the “Settlement Finality Directive”¹ and the “Collateral Directive”² any matters (i.e. the legal nature, proprietary effects, validity and enforceability of such securities collateral) arising in relation to book entry securities Collateral shall be governed by the law of the country in which the relevant account is maintained.

As a principle, the Collateral LCH SA is provided with in order to secure the Clearing Members’ financial obligations shall be transferred in full ownership including when the triparty Collateral solution as set-out in Chapter 4 of this Instruction is used. Clearing Members may also provide Securities as Collateral by way of a Belgian law security interest pursuant to and in accordance with Chapter 3 of this Instruction.

An alternative solution offered to the Clearing Members consists in entering into a Central Bank Guarantee (as described in Chapter 2), via, where relevant:

- The National Bank of Belgium (“NBB”)
- The Dutch National Bank (“DNB”).

Article 8

LCH SA may at any time, if it experiences liquidity constraints, impose, by way of a Notice which will come into force at a date to be specified in such Notice, any additional limits, restrictions or increase haircuts in relation to the posting by Clearing Members of non-EURO cash Collateral, of Securities Collateral or to the use of Central Bank Guarantees to cover Margin requirements.

CHAPTER 1 DEPOSIT OF CASH AND SECURITIES AS COLLATERAL BY THE CLEARING MEMBERS TO LCH SA

As set out above, the Clearing Members can transfer some Collateral, in cash or securities, so as to cover their Open Positions, to LCH SA.

Section 1.1 Transfer of cash

The provisions of this chapter apply to the fulfilment of Margins requirements except for Variation Margins which are ruled by the provisions enclosed in another Instruction dealing with cash payment modalities.

A. Eligible currencies as Collateral

Article 9

A Clearing Member can provide LCH SA with cash in one of the following currencies:

- EURO;
- GBP;
- USD.

The transfer in full ownership of cash transferred as Collateral to LCH SA occurs when the relevant accounts are credited.

Article 10

The payments in EURO are performed through LCH SA’s access to the Ancillary System Interface of TARGET2 for final payment in TARGET2 and credited on a TARGET2 Account opened in the name of LCH SA in the books of Banque de France, within the time limits set-up in a Notice.

¹ Article 9(2) : “Where securities, including rights in securities, are provided as collateral security to participants, system operators or to central banks of the Member States or the European central bank as described in paragraph 1, and their right or that of any nominee, agent or third party acting on their behalf with respect to the securities is legally recorded on a register, account or centralised deposit system located in a Member State, the determination of the rights of such entities as holders of collateral security in relation to those securities shall be governed by the law of that Member State.”

² Article 9 “any question with respect to any of the matters specified in paragraph 2 arising in relation to book entry securities collateral shall be governed by the law of the country in which the relevant account is maintained”.

The Clearing Member must therefore hold a TARGET2 Account with one of the central banks listed in a Notice, or be represented by a Payment Agent holding a TARGET2 Account with one of these central banks.

In the latter case the Clearing Member enters into an agreement with a Payment Agent whereby the Payment Agent undertakes to pay to LCH SA or receive from LCH SA the amounts in EURO, on behalf of the Clearing Member.

The Clearing Member or the Paying Agent, as relevant, shall provide LCH SA with the appropriate Power of Attorney or another arrangement to the latter's benefit.

Article 11

The Clearing Member, which does not use a Central Bank Guarantee to fulfil its Intra-day Margin obligations, must provide LCH SA with some Collateral in cash in EURO.

Cash in EURO posted as Collateral shall be taken into account by LCH SA for Intra-day calculation session, if it is credited on LCH SA's account held at the central bank in compliance with the time limits set-up in a Notice.

Article 12

LCH SA pays interest on cash contributions. The enforceable interest rate is published on LCH SA treasury fee grid available on LCH SA web site.

Article 13

The payments in currencies other than EURO are credited on accounts opened in the name of LCH SA with the Central Securities Depositories of Reference, Securities settlement systems, national central banks or commercial banks described in Annex 1, in compliance with the time limits set-up in a Notice, on the day of issuance of the situation report. This solution does not apply to the Intra-day Margin call.

As for payments in USD and GBP, LCH SA applies a haircut on the equivalent in EURO calculated on the basis of the currency exchange rate, as published by the relevant financial data provider, and provided to the Clearing Members in the files downloaded the evening before the deposit. The applicable haircut is published in a Notice.

Article 14

The cash transferred as Collateral by Clearing Members to LCH SA is invested in cash or highly liquid financial instruments in accordance with EMIR.

B. Re-use of the cash by LCH SA

Article 15

For the sake of clarity, since the cash is transferred in full ownership to LCH SA, the latter shall benefit from all the prerogatives attached to such transfer of ownership, and notably the right to use such cash and to offset it with all related claims.

Notwithstanding the above, the re-use of deposited cash Collateral is applicable within the limits of LCH SA's relevant internal policies and all applicable legal and regulatory provisions governing Collateral provided to LCH SA acting as a clearing house and a Securities settlement system.

C. Realization of the cash Collateral upon an Event of Default of a Clearing Member

Article 16

Upon an Event of Default of a Clearing Member, LCH SA, as the owner of the cash Collateral, shall apply it towards the fulfilment of the Clearing Member's remaining obligations set out in the Clearing Rule Book.

Section 1.2 Transfer of Securities

A. Nature of the securities transferred to LCH SA

Article 17

A Clearing Member can provide LCH SA with the securities listed in Annex 2 (additional eligibility criteria per category of security are set out in a Notice), as Collateral. However, shares will not be eligible as (i) Collateral provided by way of a Belgian law security interest pursuant to and in accordance with Chapter 3 of this Instruction or as (ii) Collateral provided using the triparty Collateral solution set-out in Chapter 4 of this Instruction.

For risk management purposes, LCH SA does not accept the deposit of "self issued securities", i.e. a Clearing Member's own securities, as Collateral.

Article 18

Except with respect to Securities provided as Collateral by way of a Belgian law security interest pursuant to and in accordance with Chapter 3 of this Instruction, the securities shall be credited on accounts opened in the name of LCH SA with the Central Securities Depositories of Reference, securities settlement systems, national central banks or commercial banks described in Annex 1 or with the triparty agents mentioned in Chapter 4 of this Instruction with respect to Securities provided as Collateral using the triparty Collateral solution, on the day when the situation report has been issued and within the time limits set out in a Notice.

The transfer in full ownership of securities as Collateral to LCH SA occurs when the relevant accounts are credited, in accordance with:

- Articles L.440-7 and L.440-8 of the French Monetary and Financial Code, or;
- Article 261 n°4 of the Portuguese Securities Code, or;
- Article 12 of the Belgian law dated 15 December 2004 "*relative aux sûretés financières et portant des dispositions fiscales diverses en matière de conventions constitutives de sûreté et de prêts portant sur des instruments financiers*".

Article 19

In order to calculate the Margin requirements (with the exception of Variation Margins), LCH SA re-evaluates, on a daily basis, shares and bonds Collateral in the light of their market value as published by the relevant financial data provider, and brought to the Clearing Member's knowledge via the files which can be downloaded beforehand /the day before the Margins are called.

The above principle also applies to Intra-day Margin requirements. The revaluation rules are set out in a Notice.

Article 20

A discount rate ("haircut"), as determined by LCH SA in a Notice, shall be applied to Securities posted as Collateral according to the estimated risk incurred on such Securities.

Article 21

As for each deposit or return of Collateral composed of securities, the Clearing Member must inform LCH SA through its collateral management system, specifying the allocation among Margin accounts.

Notifications of movements for value on day D must be received by LCH SA in compliance with the time limits set-up in a Notice.

Consequently, and at the Clearing Member's request, the available balance in EURO can be modified and a new situation report can be issued.

The securities posted as Collateral shall be taken into account by LCH SA and revaluated at their real time price at the Intra-day calculation session, if they are credited on LCH SA account held at the Central Securities Depository of Reference or at the triparty agent with respect to Securities provided as Collateral using the triparty Collateral solution set-out in Chapter 4 of this Instruction or, with respect to Securities provided as Collateral by way of a Belgian law security interest pursuant to and in accordance with

Chapter 3 of this Instruction, on the special pledged accounts opened in Euroclear Bank's books, in compliance with the time limits set-out in a Notice.

Article 22

On request, LCH SA shall return the Collateral composed of securities provided that the Clearing Member has previously deposited some other Collateral to fulfil its Margin obligations and/or has fulfilled all its payment obligations towards LCH SA.

Article 23

With regards to the corporate events on shares held as Collateral, the Clearing Member can choose between one of the following options for the payment of dividends:

- dividends in shares are credited free of charges and less any relevant withholding tax, if any, to the Clearing Member's account with the relevant depository;
- dividends in cash are credited less any relevant withholding tax, if any, on the Clearing Member's account, its Payment Agent's account or the Clearing Member's account held with a central bank, as referred to in Annex 1, as soon as LCH SA has been credited;
- the shares are credited cum dividend less any relevant withholding tax, if any.

Article 24

Save as otherwise agreed between LCH SA and the Clearing Member with respect to (i) Securities provided as Collateral by way of a Belgian law security interest pursuant to and in accordance with Chapter 3 of this Instruction or (ii) Securities provided as Collateral using the triparty Collateral solution as set out in Chapter 4 of this Instruction, detached subscription or allotment rights are remitted to the Clearing Member's account held with the relevant central securities' depository or with the relevant triparty agent as soon as LCH SA' account has been credited.

Article 25

In the case of a lengthy suspension of a Security, the Clearing Member shall deposit, in replacement of such Security, any other Collateral accepted by LCH SA.

In this case, LCH SA shall then return the suspended Security.

Article 26

Securities are automatically returned in the case of a take-over bid, public exchange offer, split or reverse split.

Article 27

When debt securities are reaching, or are about to reach the minimum term to maturity, as set out in Appendix 2, Clearing Members shall retrieve from Collateral posted to LCH SA such debt securities, which do not longer comply with Collateral eligibility criteria. Such Collateral movements shall be performed with respect to time limits for Collateral deposit and returns as defined in a Notice.

Article 28

In order to ensure that securities held as Collateral by LCH SA remain sufficiently liquid and sufficiently diversified at all times, LCH SA monitors the credit quality, market liquidity and price volatility of each security eligible as Collateral.

For this purpose with regards to specific particular securities, and/or issuers, LCH SA is entitled to take specific measures which may apply to all Clearing Member or one of them, such as:

- modify the discount rate ("haircut").
- add concentration limits.
- exclude and/or limit the eligibility of some securities as Collateral, notably, but not only, if they are issued by a company belonging to the same Financial Group.

B. Re-use of the Securities by LCH SA

Article 29

For the sake of clarity, and except with respect to Securities provided as Collateral by way of a Belgian law security interest pursuant to and in accordance with Chapter 3 of this Instruction, since the securities are transferred in full ownership to LCH SA including when the triparty Collateral solution as set-out in Chapter 4 of this Instruction is used, the latter shall benefit from all the prerogatives attached to such transfer of ownership, and notably the right to use/(re)sale such securities and to offset it with all related claims.

LCH SA shall give such securities back to the Clearing Member, or equivalent securities, when its Margin obligations have been fulfilled, or set off such securities with any related claim of the Clearing Member.

Notwithstanding the above, the re-use of deposited Collateral is applicable within the limits of LCH SA's relevant internal policies and all applicable legal and regulatory provisions governing Collateral provided to LCH SA acting as a clearing house and a securities settlement system.

LCH SA shall not transfer the securities posted as Collateral posted by Clearing Members to cover the risk associated to LCH SA's own positions in the framework of interoperability arrangements.

C. Realization of the securities Collateral upon an Event of Default of a Clearing Member

Article 30

Upon an Event of Default of a Clearing Member, and except with respect to Securities provided as Collateral by way of a Belgian law security interest pursuant to and in accordance with Chapter 3 of this Instruction for which the realization upon an Event of Default of a Clearing Member will be as set out in another Instruction, LCH SA, as the owner of the Securities Collateral including when the triparty Collateral solution as set-out in Chapter 4 of this Instruction is used, shall sell it off to fulfil the Clearing Member's remaining obligations set out in the Clearing Rule Book.

CHAPTER 2 COLLATERAL PROVIDED BY THE CLEARING MEMBERS VIA A CENTRAL BANK GUARANTEE

Section 2.1 Central Bank Guarantee Arrangements

Article 31

The use of Central Bank Guarantee is an alternative solution to the transfer of Collateral to LCH SA as described in Chapter 1.

The Belgian and Dutch Clearing Members can respectively enter into a Central Bank Guarantee with the National Bank of Belgium (NBB) or the Dutch National Bank (DNB).

Article 32

A Clearing Member established/having its headquarters in Belgium or in the Netherlands may enter into a Central Bank Guarantee with NBB or DNB, in order to fulfil its Margin obligations (excluding Variation Margins) by having its cash account debited or by transferring, directly or indirectly, assets accepted as collateral to NBB or DNB.

A Clearing Member shall enter into appropriate arrangements, to fulfil its Margin obligations, in order for NBB or DNB to issue a guarantee in favour of LCH SA.

Article 33

The Clearing Members which cannot enter into a central bank agreement with NBB or DNB directly, but wish to fulfil their Margin obligations through a Central Bank Guarantee, shall enter into a contractual agreement with a Credit Institution which can enter into an agreement with NBB/DNB.

The provisions of this paragraph shall compulsorily apply to Clearing Members which are not established in Belgium or in the Netherlands.

Such contractual agreement shall provide that the Credit Institution, which holds an account in the books of NBB or DNB is responsible for providing NBB/DNB with sufficient collateral regarding the Clearing Member's Margin obligations under the same conditions described above. In this case, the Clearing Member entering into an agreement with a Credit Institution shall be considered to be an "allied member".

Article 34

In order for NBB or DNB guarantee to be effective, LCH SA shall receive a confirmation from NBB/DNB that the amounts corresponding to Margin requirements are guaranteed in compliance with the time limits set-up in a Notice.

The amount guaranteed by NBB or DNB is reviewed every time LCH SA sends new Margin requirements.

Article 35

With regards to DNB guarantee, the Clearing Member's credit capacity (i.e. the amount of cash which may be called by LCH SA to DNB) is determined according to the cash Collateral that has been deposited in an account held by DNB and the securities collateral that has been transferred to Euroclear Netherlands. These Securities, which shall be qualified by DNB as eligible collateral, are subject to a pledge granted to DNB in accordance with Article 42 of the "*Securities Giro Act*".

Article 36

These arrangements shall last until the membership of the Clearing Member terminates or until the Clearing Member notifies the termination of such arrangement.

Section 2.2 Realisation of the Collateral provided via a Central Bank Guarantee in case of a Clearing Member's Event of Default

Article 37

Where a Clearing Member has fulfilled its Margins obligations through a Central Bank Guarantee, such central bank shall fulfil the obligations of the Defaulting Clearing Member as follows:

- LCH SA shall address a formal request to the central bank to activate the liquidity arrangement containing a declaration of default and the amount that is requested to be activated;
- The liquidity arrangement may not exceed the total of Margin required from the Defaulting Clearing Member;
- The central bank will then transfer the relevant amount in cash to LCH SA.

CHAPTER 3 COLLATERAL PROVIDED BY THE CLEARING MEMBERS VIA A PLEDGE AGREEMENT

Article 38

Subject to any terms and conditions in connection therewith, a Clearing Member may post Securities as Collateral to satisfy the Margin (other than Variation Margin) requirements by way of a Belgian law security interest with no title transfer pursuant to the terms of a pledge agreement to be entered into between LCH SA and the Clearing Member ("**Pledge Agreement**") and in accordance with the provisions of this Instruction.

Collateral provided by a Clearing Member via the Pledge Agreement shall be taken into account to satisfy the Margin (other than Variation Margin) requirements of such Clearing Member up to a cap set out by LCH SA in a Notice. For the avoidance of doubt, Collateral provided via the Pledge Agreement in excess of such cap shall be ignored for the purposes of determining whether the Margin requirements of such Clearing Member are satisfied.

Article 39

The Pledge Agreement shall be governed by and construed in accordance with Belgian law.

In the event of any conflict between the terms of the Pledge Agreement and the Clearing Rule Book, the terms of the Pledge Agreement shall prevail to the extent permitted by law. In the event of any conflict

between the terms of the Pledge Agreement and this Instruction and any related Notices with respect thereto, the terms of the Pledge Agreement shall prevail to the extent permitted by law.

Article 40

A Clearing Member wishing to post Collateral by way of a Belgian law security interest will be required to enter into a Pledge Agreement with LCH SA which is governed by Belgian law (in particular the Belgian Royal Decree n° 62 of 10 November 1967 concerning the custody and clearing of fungible financial instruments (as coordinated in 2004) and the Law of 15 December 2004 on financial collateral implementing the Directive 2002/47/EC on financial collateral arrangements as amended from time to time).

Additionally, LCH SA and the Clearing Member will be required to enter into standard form documentation with Euroclear Bank, taking the form of the Single Pledgor Pledged Account Terms and Conditions ("**SPPA**").

Under the SPPA, Euroclear Bank agrees to act as pledge holder in accordance with the terms set out in the SPPA.

Article 41

LCH SA and each Clearing Member posting Collateral pursuant to the Pledge Agreement will open a separate special pledged account in Euroclear Bank's books in respect of each House Collateral Account (the "**House Pledged Account(s)**") and/or Client Collateral Account (the "**Client Pledged Account(s)**") for which the Clearing Member wishes to post Collateral using such solution.

The House Pledged Account(s) and the Client Pledged Account(s) shall be referred to together as the "**Pledged Accounts**" and individually as a "**Pledged Account**".

The Pledged Account(s) shall be held in the name of LCH SA as pledgee. However, the title in the pledged Collateral shall not be transferred to LCH SA (see Article 2 in fine and Article 13 of the Royal Decree 62 - the pledgee only acts as a "custodian" and does not become the owner of the securities (ownership stays with the pledgor)).

Article 42

Clearing Members may post Securities eligible pursuant to this Instruction as Collateral in accordance with the terms set forth in the Pledge Agreement, the SPPA and the Terms and Conditions Governing Use of Euroclear to fulfil its Margin (other than Variation Margin) obligations, and pursuant to the terms and conditions described in a Notice.

Where Collateral is recorded in a Clearing Member's Pledged Account, LCH SA shall use information and data provided or made available to LCH SA by Euroclear Bank to determine what Collateral recorded in such Clearing Member's Pledged Account should be taken into account for the purposes of calculating the Margin balance in respect of a particular Account Structure.

Article 43

For the avoidance of doubt, when entering into a Pledge Agreement with LCH SA and posting Collateral by way of a Belgian law security interest, the relevant Clearing Member shall accept to comply with the performance of its obligations pursuant to the Pledge Agreement as part of its continuing membership requirements, and the circumstances where the Clearing Member fails to comply with any of its obligations under the Pledge Agreement, or is likely to become unable to comply with any of its obligations under the Pledge Agreement, shall constitute a Contractual Event of Default.

Article 44

LCH SA shall be prevented from using for any purpose, re-hypothecating or transferring Collateral delivered by any Clearing Member and pledged to LCH SA pursuant to the collateral arrangement described in this Chapter 3, without prejudice to the rights of LCH SA upon the occurrence of an Event of Default affecting this Clearing Member.

Article 45

Save as otherwise stipulated in, or inconsistent with the terms of, Chapter 3 of this Instruction, the provisions of the Preliminary Provisions and Chapter 1 of this Instruction shall also apply to Securities provided as Collateral under the Pledge Agreement.

CHAPTER 4 COLLATERAL PROVIDED BY CLEARING MEMBERS USING THE TRIPARTY COLLATERAL SOLUTION

Article 46

Subject to any terms and conditions in connection therewith, a Clearing Member may post Securities as Collateral to satisfy the Margin (other than Variation Margin) requirements (or a portion thereof) using the triparty Collateral solution with a transfer in full ownership of such Securities to LCH SA in accordance with the provisions of this Instruction.

Article 47

In order for a Clearing Member to transfer eligible Securities as Collateral to LCH SA using triparty collateral transactions pursuant to a triparty arrangement, such Clearing Member, the relevant triparty agent (Euroclear Bank or Euroclear France) and LCH SA must have completed and signed the relevant triparty documentation, made available by the triparty agent and LCH SA to such Clearing Member (the "**Triparty Documentation**").

Under the Triparty Documentation, the relevant triparty agent will be authorised by LCH SA and the Clearing Member to enter settlement instructions on their behalf into the relevant securities settlement system to perform transfer in full ownership of Securities as Collateral between LCH SA and the Clearing Member.

Article 48

Eligibility criteria, besides those listed in Annex 2 and including, without limitation, Securities eligible for posting of Collateral using the triparty Collateral solution, applicable haircuts and concentration limits, are set out in a Notice and in the Triparty Documentation.

Such eligibility criteria may be amended unilaterally by LCH SA from time to time, subject to the prior consent of the relevant triparty agent.

Article 49

Corporate events related to Securities provided as Collateral using the triparty Collateral solution shall be managed by the relevant triparty agent in accordance with the Triparty Documentation.

Article 50

For the avoidance of doubt, when entering into the Triparty Documentation with LCH SA and the triparty agent and posting Collateral by way of the triparty Collateral solution, the relevant Clearing Member shall accept to comply with the performance of its obligations pursuant to the Triparty Documentation as part of its continuing membership requirements, and the circumstances where the Clearing Member fails to comply with any of its obligations under the Triparty Documentation, or is likely to become unable to comply with any of its obligations under the Triparty Documentation, shall constitute a Contractual Event of Default.

Article 51

Save as otherwise stipulated in, or inconsistent with the terms of, Chapter 4 of this Instruction, the provisions of the Preliminary Provisions and Chapter 1 of this Instruction shall also apply to Securities provided as Collateral by way of the triparty Collateral solution.

ANNEX 1

LIST OF COMMERCIAL BANKS, CENTRAL SECURITIES DEPOSITORIES OF REFERENCE, SECURITIES SETTLEMENT SYSTEMS AND NATIONAL CENTRAL BANKS

COMMERCIAL BANKS:

- for USD Euroclear Bank
- for GBP Euroclear Bank

CENTRAL SECURITIES DEPOSITORIES OF REFERENCE, SECURITIES SETTLEMENT SYSTEMS AND NATIONAL CENTRAL BANKS:

- for French, Spanish, Austrian, Italian & German government bonds Euroclear France / Euroclear Bank
Clearstream Banking Luxembourg
- for French shares Euroclear France / Euroclear Bank
Clearstream Banking Luxembourg
- for Belgian government bonds National Bank of Belgium/ Euroclear Bank
Euroclear France / Clearstream Banking Luxembourg
- for Belgian shares Euroclear Bank / Clearstream Banking Luxembourg
- for Dutch government bonds Euroclear Bank / Euroclear Nederland
Clearstream Banking Luxembourg
- for Dutch shares Euroclear Bank / Clearstream Banking Luxembourg
- for Portuguese government Bonds & Shares Euroclear Bank / Interbolsa
Clearstream Banking Luxembourg
- for other bonds and shares Euroclear Bank / Clearstream Banking Luxembourg

ANNEX 2

LIST OF SECURITIES ELIGIBLE AS COLLATERAL

GOVERNEMENT DEBT SECURITIES:

Debt Securities issued by the French State:

- Treasury bills (BTFs) issued for 13, 26 or 52 weeks with a minimum nominal value of EURO 100,000;
- Annual fixed interest rate Treasury notes (BTANs) with a minimum nominal value of EURO 100,000;
- Fungible Treasury Bonds (OATs and OATis) for a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 4 business days;

Debt Securities issued by the United State of America (USA):

- US Treasury Bills with a minimum nominal value of USD 250,000;
- Minimum term to maturity: 3 business days;

Debt Securities issued by the German Federal State:

- Bunds with a minimal nominal value of EURO 100,000;
- Minimum term to maturity: 3 business days;

Debt Securities issued by the British State:

- Gilts for a minimum nominal value of GBP 100,000;
- Minimum term to maturity: 9 business days;

Debt Securities issued by the Belgian State:

- Belgian Treasury Certificates for a minimum nominal value of EURO 100,000;
- Belgian Linear bonds (OLOs) for a minimum nominal value of EURO 100,000;
- Belgium Bonds and Belgium Treasury Bonds (BGB)
- Minimum term to maturity: 4 business days

Debt Securities issued by the Dutch State:

- Debt Securities for a minimum nominal value of EURO 100,000;
- Dutch Treasury certificates (DTCs) for a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 10 business days

Debt Securities issued by the Italian State:

- Treasury bills (BOTs, BTPs and BTPis with a minimum nominal value of EURO 100,000;
- Certificates of Treasury (CCTs) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 3 business days

Debt Securities issued by the Portuguese State for a minimum nominal value of EURO 100,000;
Minimum term to maturity: 3 business days

Debt Securities issued by the Spanish State:

- Letras del Tesoro (LET) for a minimum nominal value of EURO 100,000;
 - Bonos del Estado (BON) for a minimum nominal value of EURO 100,000;
 - Obligaciones del Estado (OBE) for a minimum nominal value of EURO 100,000.
- Minimum term to maturity: 3 business days

Debt Securities issued by the Austrian State:

- Republic of Austria Government Bonds (RAGB) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 4 business days;

Debt Securities issued by the Finnish State:

- Republic of Finland Government Bonds (RFGB) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 4 business days;

Debt Securities issued by European Financial Stability Facility

- Bonds (EFSF) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 4 business days;

Debt Securities issued by European Stability Mechanism

- Bonds (ESM) and T Bills (ESMTB) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 4 business days;

Debt Securities issued by European Investment Bank

- Bonds (EIB) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 9 business days;

Debt Securities issued by European Union

- Bonds (EU) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 12 business days;

Debt Securities issued by Investment Bank for Reconstruction and Development

- Bonds (IBRD) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 12 business days;

Debt Securities issued by the Kreditanstalt für Wiederaufbau (KfW)

- Bunds with a minimal nominal value of EURO 100,000;
- Minimum term to maturity: 3 business days;

Debt Securities issued by Rentenbank

- Bonds (RENTEN) with a minimum nominal value of EURO 100,000;
- Minimum term to maturity: 2 business days;

Zero coupons bonds, strips bonds and perpetual bonds shall not be accepted as Collateral, with the exception of those listed in a Notice.

Each Clearing Member must ensure that the Securities posted as Collateral within accounts at the custodians, central securities depositories (including, for the avoidance of doubt and without limitation, the Pledged Account(s) or triparty agents) are not submitted to withholding tax. If they are, the Clearing Member must withdraw its Securities from such accounts before the record date and replace them by Securities that are not submitted to withholding tax. If, at record date, Clearing Members have not withdrawn from said accounts such Securities submitted to withholding tax, any coupon or dividend is paid net (less withholding tax).

SHARES:

Shares incorporated in the EURO STOXX 50 index with the exception of those listed by LCH SA in a Notice, and provided that shares will not be eligible as (i) Collateral provided by way of a Belgian law security interest pursuant to and in accordance with Chapter 3 of this Instruction or as (ii) Collateral provided using the triparty Collateral solution set-out in Chapter 4 of this Instruction.

TRIPARTY COLLATERAL SOLUTION

Eligibility criteria, besides those listed above and including, without limitation, Securities eligible for posting of Collateral using the triparty Collateral solution, applicable haircuts and concentration limits, are set out in a Notice and in the Triparty Documentation.

Such eligibility criteria may be amended unilaterally by LCH SA from time to time, subject to the prior consent of the relevant triparty agent.