GENERAL REGULATIONS OF

LCH LIMITED

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Scope

Save where expressly stated to the contrary in these Regulations or the Procedures, these Regulations govern clearing services provided by LCH Limited. They do not cover clearing services provided by LCH SA which are governed by a separate set of rules.

For the purposes of these Regulations, LCH Limited is referred to as the "**the Clearing House**". The terms "**Member**" or "**Clearing Member**" are used to refer to an undertaking which is entitled to receive clearing services from LCH Limited (see "Definitions"). They do not mean "shareholder" of LCH Limited or of any other undertaking in the LCH Group.

Any Regulation or group of Regulations expressly stated not to apply to a category, or categories, of Contract shall not apply to such category, or categories, of Contract.

Regulation 54 to Regulation 60 (inclusive) apply only to SwapClear Contracts. Save as provided in Regulation 54, the provisions of Regulation 2 to Regulation 52 (inclusive) shall not apply to SwapClear Contracts.

Regulation 61 to Regulation 66 (inclusive) apply only to RepoClear Contracts. Save as provided in Regulation 61, the provisions of Regulation 2 to Regulation 52 (inclusive) shall not apply to RepoClear Contracts.

Regulation 67 to Regulation 72 (inclusive) apply only to EquityClear Contracts. Save as provided in Regulation 67, the provisions of Regulation 2 to Regulation 52 (inclusive) shall not apply to EquityClear Contracts.

Regulation 90 to Regulation 106A (inclusive) apply only to ForexClear Contracts. Save as provided in Regulation 90, the provisions of Regulation 2 to Regulation 52 (inclusive) shall not apply to ForexClear Contracts.

Regulation 107 to Regulation 114 (inclusive) apply only to Listed Interest Rates Contracts. Save as provided in Regulation 107, the provisions of Regulation 2 to Regulation 52 (inclusive) shall not apply to Listed Interest Rates Contracts.

REGULATION 1 DEFINITIONS

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

"**Account Balance**"	means, in relation to a Relevant Client Clearing Business of a Clearing Member, an Individual Segregated Account Balance, an Indirect Gross Account Balance, a Custodial Segregated Account Balance or an Omnibus Segregated Account Balance
"**ACSP Compression Cycle**"	means a Multilateral Compression Cycle established by the Clearing House and facilitated by an ACSP nominated by the Clearing House, which shall be open to participation by SwapClear Clearing Members either on their own account or with respect to a SwapClear Clearing Client in accordance with the provisions of Regulation 56 and relevant Compression Documentation
"**Account Information Documents**"	means the documents called "LCH Account Structures under EMIR" and "Fees for EMIR Segregation Accounts", as published by the Clearing House on its website and made available to Clearing Members and Clearing Clients upon request
"Affected ForexClear Option Clearing Member"	has the meaning assigned to it in Regulation 101
"**Affiliated Client Omnibus Net Segregated Account**"	means, in relation to a Relevant Client Clearing Business, an account opened within the Clearing House by a Clearing Member on behalf of a group of Affiliated Omnibus Segregated Clearing Clients which is designated by the Clearing House as an Affiliated Client Omnibus Net Segregated Account
"**Affiliated Client Omnibus Segregated Account**"	means, in relation to a Relevant Client Clearing Business, (i) an Affiliated Client Omnibus Net Segregated Account or (ii) an Omnibus Gross Segregated Account opened on behalf of a group of Affiliated Omnibus Segregated Clearing Clients
"**Affiliated Omnibus Net Segregated Clearing Clients**"	means Affiliated Omnibus Segregated Clearing Clients in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Affiliated Client Omnibus Net Segregated Account

"**Affiliated Omnibus Segregated Clearing Clients**"	means certain Omnibus Segregated Clearing Clients of a Clearing Member (i) whose identities have been recorded by the Onboarding department of the Clearing House and who are grouped together in a single Omnibus Segregated Account of the Clearing Member (ii) who are known to each other and (iii) who have elected to be grouped together in an Omnibus Segregated Account due to the existence of a common relationship between them (whether structural, economic, legal and/or otherwise) which is above and beyond the fact that they are grouped together in the relevant Omnibus Segregated Account.
"**Agent Member**"	has the meaning assigned to it in the SC Regulations
"**Aggregate Excess Loss**"	means, in relation to a Default, the aggregate amount of all Excess Losses attributable to all types of Relevant Business in which the Defaulter was engaged.
"Aggregate Omnibus Client Clearing Entitlement"	has the meaning ascribed to it in Clause 9.3 of the Client Clearing Annex to the Default Rules
"Alternative Data"	has the meaning assigned to it in Section 2C1.27.2 of the Procedures
"Annex"	means the Client Clearing Annex, the Rates Service DMP Annex, the RepoClear DMP Annex and the ForexClear DMP Annex
"Applicable Law"	means any applicable statute, law, ordinance, regulation, rule and other instruments in force from time to time, including the rules, codes or practice of a Governmental Authority or Regulatory Body.

"**Applied Collateral Excess Proceeds**"	means, where the Clearing House has sold, disposed of or appropriated all or any part of the non-cash Collateral held by a Clearing Member and/or a Custodial Segregated Client with the Clearing House in an exercise of its powers under the Deed of Charge entered into with the relevant Clearing Member or the Client Charge entered into with the relevant Clearing Member and such Custodial Segregated Client, the amount (if any) of realisation proceeds from such sale or disposal remaining after the Clearing House has applied the same in or towards discharge of the relevant obligations to the Clearing House or, in the case of an appropriation, an amount of such non-cash Collateral (or, where the amount in question is less than the minimum denomination of the relevant non-cash Collateral which can be delivered, cash) having a value equal to the excess (if any) of the value of the appropriated non-cash Collateral (as determined by the Clearing House in accordance with the relevant Deed of Charge, Client Charge or Collateral Management Agreement) over the relevant obligations to the Clearing House which have been discharged by that appropriation
"**Applied FCM Buffer**"	has the meaning assigned to it in the FCM Regulations
"Appointment Notice"	means an appointment notice which is in the form prescribed and made available by the Clearing House for the purpose of a Clearing Client appointing one or more Backup Clearing Member(s)
"**approved agent**"	means a person appointed by the Clearing House to perform certain functions on its behalf in respect of an ATP
"**Approved Compression Services Provider (ACSP)**"	means an entity other than the Clearing House which is approved by the Clearing House for the facilitation of Multilateral Compression in relation to eligible SwapClear Contracts in accordance with Regulation 56 and relevant Compression Documentation.
"**Approved EquityClear Settlement Provider ("ASP")**"	means the operator of the securities depository and/or securities settlement system prescribed by the Clearing House from time to time for the provision of settlement services in respect of specified EquityClear Contracts
"**Approved EquityClear Trading Platform ("ATP")**"	means any trading platform approved as such from time to time by the Clearing House in respect of the EquityClear service
"**Approved LCH SDR**"	means any swap data repository approved by the Clearing House from time to time for the submission of swap data by SwapClear Clearing Members and ForexClear Clearing Members

"**Approved Trade Source System**"	means a system or facility, such as an exchange, a clearing house, a swap execution facility, a designated contract market, trade or affirmation system or other similar venue or system, approved by the Clearing House for submitting SwapClear Transactions to the Clearing House (and excludes, for the avoidance of doubt, the ClearLink API)
"**Associated Clearing House**"	means the clearing house appointed from time to time by a Co-operating Exchange to act as the central counterparty to some or all transactions made on, or under the rules of the Co-operating Exchange
"**Associated Collateral Balance**"	means the Account Balance or Account Balances (as applicable) that may be transferred from the Transfer Account of an Eligible Transferor to the Transfer Account of an Eligible Transferee pursuant to Regulation 60 or Regulation 95 of these Regulations and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement
"**ATP Market Rules**"	means the rules, regulations, administrative procedures, Memorandum and Articles of Association or by-laws which regulate an ATP and the market administered by it as notified from time to time to the Clearing House
"**ATS Contract**"	means any contract subject to the Regulations entered into by the Clearing House and a RepoClear Clearing Member or a RepoClear Dealer pursuant to Default Rule 6(m), following a course of dealing on any Automated Trading System between the Clearing House and a RepoClear Clearing Member or RepoClear Dealer
"**ATS Participant**"	has the meaning assigned to such term in Regulation 63(b)
"**Auction Portfolio**"	has the meaning assigned to it in the Default Rules
"AUD ForexClear Liquidity Fund Contribution"	means, in respect of a ForexClear Option Clearing Member, the amount (notified by the Clearing House pursuant to Regulation 102(b)) of cash denominated in Australian Dollars that is required to be paid by that ForexClear Option Clearing Member to the Clearing House
"**Authorised CSD**"	means a central securities depository, which is authorised or recognised under Regulation (EU) No. 909/2014 of the European Parliament and of the Council of 23 July 2014, as amended from time to time
"**Automated Trading System**"	means an automated trading system in respect of which the Clearing House has an agreement with the operator thereof and in respect of which the Clearing House has notified RepoClear Members in accordance with the Procedures

"**Automatic Early Termination Event**"	has the meaning ascribed to such term in Rule 5 of the Default Rules
"**Available Collateral Value**"	means, in respect of (i) a Client Account (other than an Omnibus Gross Segregated Account or Individual Segregated Account), the value (as determined by the Clearing House) of the Clearing Member Current Collateral Balance of such Client Account, where any Client Buffer forming part of such Clearing Member Current Collateral Balance will have a zero value, (ii) an Individual Segregated Account, the value (as determined by the Clearing House) of the Clearing Member Current Collateral Balance of such Individual Segregated Account, after the application or deduction of any Cross-ISA Deduction (as applicable), where any Client Buffer forming part of such Clearing Member Current Collateral Balance will have a zero value, and (iii) a sub-account of an Omnibus Gross Segregated Account, the value (as determined by the Clearing House) of such portion of the Clearing Member Current Collateral Balance of the Omnibus Gross Segregated Account attributed to such sub-account by the Clearing House, where any Client Buffer forming part of such Clearing Member Current Collateral Balance will have a zero value
"**Backup Clearing Member**"	means the Clearing Member(s) (a) indicated by a Clearing Client as acting as such, and (b) notified to the Clearing House from time to time in an Appointment Notice and in accordance with the procedure determined by the Clearing House
"**Backup Client**"	means an Indirect Gross Account Clearing Client identified by a Clearing Member to the Clearing House for the purposes of a transfer of Related Contracts pursuant to a Client to Client Porting
"**Backload Registration Cycle**"	has the meaning assigned to it in the Procedures
"**Backloaded Trade**"	has the meaning assigned to it in the Procedures

"**Base Liability**"	means, in respect of (i) a Client Account (other than an Omnibus Gross Segregated Account), the Total Required Margin Amount of such account, disregarding the amount by which such liability is reduced by the use of SwapClear Tolerance, and (ii) a sub-account of an Omnibus Gross Segregated Account, the Total Required Margin Amount of such account, disregarding the amount by which such liability is reduced by the use of SwapClear Tolerance
"Block IRS Trade"	means a trade the notional amount of which is at or above the minimum block size established by the CFTC pursuant to CFTC Regulation 43.6 for the interest rate asset class and in effect as of the date of submission of such trade to the Clearing House for registration
"**Board**"	means the board of directors or other governing body (whether called a board, a committee or otherwise) of an Exchange
"**Bond Trade**"	means a trading activity in which a RepoClear Participant offers to sell RepoClear Eligible Securities, and another RepoClear Participant offers to purchase those RepoClear Eligible Securities, and a trade subsequently ensues
"Bulk Event"	has the meaning as described in Regulation 60(f)
"Bulk Event Cycle"	has the meaning as described in Regulation 60(f)
"**Bulk Threshold**"	means the threshold (defined as a given number of SwapClear Contracts) established from time to time by the Clearing House in its sole and absolute discretion to distinguish Intra-Day Bulk Transfers from Intra-Day Non-Bulk Transfers and notified to SwapClear Clearing Members
"**Business**"	means any transactions, liabilities or obligations arising out of any contract and includes, in relation to the relevant Services, Equities Business, ForexClear Business, RepoClear Business and Rates Service Business.
"**business day**"	means in respect of a Cleared Exchange Contract, an OTC Contract (except where specified otherwise in the relevant OTC Contract Terms), an EquityClear Contract, and a Listed Interest Rates Contract (except where specified otherwise in the Listed Interest Rates Contract Terms) a day on which the Clearing House is open for business

"**buyer**"	means a Member (or the Clearing House where the context so requires) who is a buyer under the terms of an exchange contract, a Cleared Exchange Contract, a RepoClear Transaction, a RepoClear Contract, a RepoClear Term £GC Transaction, a RepoClear Term £GC Contract, an EquityClear ATP Match, an EquityClear Novation Transaction, a Rates Exchange Match, or a Listed Interest Rates Novation Transaction, as the case may be
"Call Currency Amount"	means, in relation to a ForexClear Option Transaction or ForexClear Option Contract, as applicable, the amount specified as such in the ForexClear Option Contract Terms evidencing such ForexClear Option Transaction or ForexClear Option Contract, as applicable
"**Capped Amount**"	has the meaning as described in Default Rule 15(c)
"**Carrying Clearing Member**"	means (a) a SwapClear Clearing Member or ForexClear Clearing Member, as the case may be, that carries a Transfer Account from which Transferring SwapClear Contracts or Transferring ForexClear Contracts and the relevant Associated Collateral Balance(s) may be transferred to the Transfer Account of a Receiving Clearing Member pursuant to Regulation 60 or Regulation 95 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement, or (b) in respect of a transfer as described in sub-paragraph (ii) of the definition of "Receiving Clearing Member", an FCM Clearing Member (and, for the avoidance of doubt, a Carrying Clearing Member may be a Receiving Clearing Member, and vice versa)
"**CEA**"	has the meaning assigned to it in the Default Rules
"**CFTC**"	has the meaning assigned to it in the Default Rules
"**CFTC Regulations**"	has the meaning assigned to it in the FCM Regulations
"CHF ForexClear Liquidity Fund Contribution"	means, in respect of a ForexClear Option Clearing Member, the amount (notified by the Clearing House pursuant to Regulation 102(b)) of cash denominated in Swiss Francs that is required to be paid by that ForexClear Option Clearing Member to the Clearing House
"**Charged Cash Collateral**"	has the meaning assigned to it in Regulation 20(s)(iii)
"**Cleared Exchange Contract**"	means a Contract entered into by the Clearing House on the terms of an exchange contract

"**Clearing Agreement**"	means in relation to Client Clearing Business entered into by a Clearing Member in respect of any Service, suitable contractual arrangements between the Clearing Member and its Clearing Client in relation to the relevant Client Clearing Service
"**Clearing Client**"	means any RepoClear Clearing Client, SwapClear Clearing Client, EquityClear Clearing Client, ForexClear Clearing Client or Listed Interest Rates Clearing Client.
"**Clearing House**"	means LCH Limited whose registered office is located at Aldgate House, 33 Aldgate High Street, London EC3N 1EA, United Kingdom
"**Clearing House Applied Collateral**"	means, in respect of an account of a Clearing Member, any cash Collateral provided by the Clearing House in respect of which the Clearing Member's obligation to return such Collateral has been discharged pursuant to the Rulebook by means of that return obligation having been set-off against an obligation owed by the Clearing House to that Clearing Member, as contemplated by Regulation 20(w)
"**Clearing House Current Collateral Balance**"	means, in respect of an account of a Clearing Member, all cash Collateral which has been transferred by the Clearing House to that Clearing Member (or which would, but for the application of Regulation 57 or another comparable payment netting provision applying in the ordinary course of business, have been transferred by the Clearing House to that Clearing Member) on account of the Clearing House's variation margin obligations relating to the relevant account pursuant to the Rulebook, less any Clearing House Applied Collateral and any Clearing House Returned Collateral in relation to that account; **provided that** any amounts transferred by the Clearing House to the Clearing Member for the purpose of settling an obligation in respect of daily settlement amounts pursuant to Regulation 23(c) or an obligation arising pursuant to a SwapClear STM Contract or a ForexClear STM Contract which is due and payable do not form part of the Clearing House Current Collateral Balance
"Clearing House Data"	means the data or data products (or any part of such) made available by or on behalf of the Clearing House or any of its group undertakings, which shall include any or derived data created or developed based on or as a result of such data or data products

"**Clearing House Returned Collateral**"	means, in respect of an account of a Clearing Member, any cash Collateral: (i) which a Clearing Member has returned to the Clearing House; or (ii) in respect of which the obligation to return such Collateral has been discharged as a result of the operation of Regulation 23(c) or as a result of the operation of Regulation 57 or another comparable payment netting provision applying in the ordinary course of business
"**Clearing House Prescribed Language**"	means, in relation to Client Clearing Business, the wording prescribed by the Clearing House for inclusion in the Clearing Agreements from time to time
"**Clearing Member Applied Collateral**"	means, in respect of an account of a Clearing Member: (i) any cash Collateral in respect of which the Clearing House's obligation to return such Collateral has been discharged pursuant to the Rulebook by means of that return obligation having been set-off against an obligation owed by that Clearing Member to the Clearing House, as contemplated by Regulation 20(v); (ii) any cash Collateral in respect of which the Clearing House's obligation to return such Collateral to a Custodial Segregated Client has been discharged by means of that return obligation having been set-off against an obligation owed by that Custodial Segregated Client to the Clearing House under the relevant Collateral Management Agreement and/or Client Charge; (iii) any cash Collateral that the Clearing House has applied in or towards discharge of the relevant obligations of the Clearing Member or a Custodial Segregated Client to the Clearing House pursuant to its powers under the relevant Client Charge; (iv) any cash Collateral that the Clearing House has applied in or towards discharge of the relevant obligations of the Clearing Member to the Clearing House pursuant to its powers under the relevant Deed of Charge; (v) any non-cash Collateral (including in the form of securities or gold) that has been appropriated and retained by the Clearing House pursuant to an exercise of its powers under a Deed of Charge or a Client Charge and applied in or towards discharge of the relevant obligations to the Clearing House; and (vi) any non-cash Collateral that has been sold or otherwise disposed of by the Clearing House pursuant to an exercise of its powers under a Deed of Charge or Client Charge

Clearing Member Current Collateral Balance"	means, in respect of an account of a Clearing Member: (A) the sum of (i) all Collateral which has been transferred by that Clearing Member and/or a Custodial Segregated Client to the Clearing House (or which would, but for the application of Regulation 57 or another comparable payment netting provision applying in the ordinary course of business, have been transferred by that Clearing Member or Custodial Segregated Client to the Clearing House) on account of any type of that Clearing Member's margin obligations relating to the relevant account pursuant to the Rulebook; (ii) the cash proceeds of any non-cash Collateral relating to the relevant account which has been sold or otherwise disposed of by the Clearing House pursuant to an exercise of its powers under a Deed of Charge, a Client Charge, the Default Rules or otherwise, to the extent that those proceeds have not been applied in or towards discharge of an obligation owed by the Clearing Member or a Custodial Segregated Client to the Clearing House; and (iii) any Applied Collateral Excess Proceeds credited to the relevant account; less (B) any Clearing Member Applied Collateral and any Clearing Member Returned Collateral in relation to that account; **provided that** any amounts transferred by the Clearing Member or a Custodial Segregated Client to the Clearing House for the purpose of settling an obligation in respect of daily settlement amounts pursuant to Regulation 23(c) or an obligation arising pursuant to a SwapClear STM Contract or ForexClear STM Contract which is due and payable do not form part of the Clearing Member Current Collateral Balance; **provided further that:** (x) any Collateral standing to the credit of a Client Buffer Account shall, except where the relevant Clearing Member is a Defaulter or where a Termination Date specified by the relevant Clearing Member has occurred under Regulation 45, not form part of the Clearing Member Current Collateral Balance in respect of the relevant Proprietary Account; and (y) any Collateral transferred from a Client Buffer Account to a Client Account shall form part of the Clearing Member Current Collateral Balance in respect of the relevant Client Account unless and until it is transferred back to the Client Buffer Account (whereupon it shall cease to form part of the Clearing Member Current Collateral Balance in respect of the relevant Client Account)

"**Clearing Member Returned Collateral**"	means, in respect of an account of a Clearing Member, any Collateral: (i) which the Clearing House has returned to a Clearing Member or a Custodial Segregated Client, as applicable (provided that the Clearing House shall only be treated as having returned any non-cash Collateral to a Clearing Member or a Custodial Segregated Client, as applicable, if the security in respect of that Clearing Member's or Custodial Segregated Client's interest in that non-cash Collateral pursuant to the relevant Deed of Charge or Client Charge has been released); or (ii) in respect of which the obligation to return such Collateral has been discharged as a result of the operation of Regulation 23(c) or as a result of the operation of Regulation 57 or another comparable payment netting provision applying in the ordinary course of business.
"**Clearing Membership Agreement**"	means the agreement so designated under which, *inter alia*, the Clearing House agrees to make available clearing services in respect of Contracts together with any extension letter or other agreement; in these Regulations and the Procedures the expressions "**Clearing Member Agreement**", "**Member Agreement**" and "**Membership Agreement**" shall have the same meaning as "**Clearing Membership Agreement**"; and in the Default Rules "**Clearing Membership Agreement**" includes the FCM Clearing Membership Agreement and the FCM Default Fund Agreement
"ClearLink API"	means the Clearing House's proprietary messaging standard used by market participants to interact with the Clearing House's clearing services
"**Client Account**"	means any Individual Segregated Account, any Indirect Gross Account, any Custodial Segregated Account and any Omnibus Segregated Account
"**Client Buffer**"	means, in respect of an SCM, an amount of Collateral (taking the form of cash in a currency acceptable to the Clearing House), which: (i) is intended to be used to support the registration of, or to meet any other intraday margin requirements in connection with, SwapClear Contracts in Client Accounts of an SCM; (ii) when not so used, is held in the Client Buffer Account of the SCM; and (iii) the Clearing House designates as "Client Buffer" in its books and records

"**Client Charge**"	means a deed of charge entered into between a Custodial Segregated Client, the Clearing House and a Clearing Member in respect of Collateral that the Custodial Segregated Client provides to the Clearing House in respect of the relevant Custodial Segregated Account
"**Client Buffer Account**"	means a sub-account of a SwapClear Clearing Member's Proprietary Account opened for the purpose of recording Client Buffer
"**Client Clearing Business**"	means each of RepoClear Client Clearing Business, SwapClear Client Clearing Business, EquityClear Client Clearing Business, ForexClear Client Clearing Business and Listed Interest Rates Client Clearing Business
"**Client Clearing Default Management Process**"	means the processes of the Clearing House outlined in the Client Clearing Annex to the Default Rules and includes the Rates Service DMP in relation to any Contract which is a SwapClear Contract and/or Listed Interest Rates Contract in respect of Rates Service Client Clearing Business, the RepoClear DMP in relation to any Fixed Income Contract in respect of RepoClear Client Clearing Business and the ForexClear DMP in relation to any Contract which is a ForexClear Contract in respect of ForexClear Client Clearing Business
"**Client Clearing End-User Notice**"	means the Client Clearing End-User Notice as specified by the Clearing House from time to time
"**Client Clearing Entitlement**"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"**Client Clearing Services**"	means SwapClear Client Clearing Services, RepoClear Client Clearing Services, EquityClear Client Clearing Services, ForexClear Client Clearing Services, FCM Clearing Services and/or Listed Interest Rates Client Clearing Services
"**Client Collateral**"	means: (i) Client Securities Collateral; and/or (ii) cash that a Custodial Segregated Client provides to the Clearing House, in respect of the relevant Custodial Segregated Account and in accordance with the relevant Collateral Management Agreement, and that the Clearing House designates as such in its books and records
"**Client Excess**"	means, in respect of a Client Account, the amount (if any) by which the value (as determined by the Clearing House) of the Clearing Member Current Collateral Balance of such Client Account exceeds the Total Required Margin Amount of such Client Account

"**Client Securities Collateral**"	means non-cash Collateral that a Custodial Segregated Client provides to the Clearing House, in respect of the relevant Custodial Segregated Account and in accordance with the relevant Collateral Management Agreement, and that the Clearing House designates as such in its books and records
"**Client to Client Porting**"	means the transfer of all of the open Related Contracts registered to the relevant Indirect Gross Sub-Account of an Indirect Gross Account to the relevant Indirect Gross Sub-Account of another Indirect Gross Account in accordance with the Procedures
"**closing-out contract**"	means for the purposes of these Regulations, a contract effected by or on behalf of the Clearing House and registered in a Member's name, being a contract on the same terms (except as to price or premium) as an open contract in the Member's name, save that where the Clearing House is a buyer or a fixed rate payer, as the case may be, under the terms of such open contract the Clearing House shall be a seller or floating rate payer, as the case may be, under the terms of such closing-out contract and vice-versa
"**CMS**"	means the Clearing House's collateral management system
"Compression Clearing Member"	has the meaning assigned to it in Regulation 56
"**Collateral**"	means cash and/or securities which are denominated in currencies and of a description acceptable to the Clearing House as prescribed by these Regulations and the Procedures and which have been transferred, or are to be transferred, to or by the Clearing House in or towards discharge of margin obligations or anticipated margin obligations or otherwise as contemplated by the Rulebook, **provided that** any amounts transferred to or by the Clearing House for the purpose of settling either (i) an obligation arising pursuant to a SwapClear STM Contract or ForexClear STM Contract, or (ii) an obligation in respect of daily settlement amounts pursuant to Regulation 23(c) shall not be "Collateral". Where the context so permits, references to "**Collateral**" held by, or transferred to, the Clearing House shall include any cash proceeds resulting from the sale or disposal by the Clearing House of any non-cash Collateral pursuant to an exercise of its powers under a Deed of Charge or Client Charge, and such proceeds shall be considered cash Collateral

"**Collateral Management Agreement**"	means a collateral management agreement entered into between a Custodial Segregated Client, a Clearing Member and the Clearing House, which sets out *(inter alia)* the terms on which the Custodial Segregated Client may provide Collateral to the Clearing House in respect of the relevant Custodial Segregated Account
"**Combined Omnibus Gross Segregated Clearing Clients**"	means two or more Omnibus Gross Segregated Clearing Clients within the same Omnibus Gross Segregated Account who have elected to have their positions combined for the purposes of calculating applicable margin requirements (on a net basis as between such Omnibus Gross Segregated Clearing Clients as if such Omnibus Gross Segregated Clearing Clients together are a single Omnibus Gross Segregated Clearing Client for the purposes of the relevant calculations)
"**Compression Documentation**"	means such documentation as may be prescribed from time to time by the Clearing House and/or any ACSP (where applicable) in relation to a Multilateral Compression Cycle or a SwapClear Clearing Member's participation in Multilateral Compression services, including: (i) for a Member Compression Cycle, such agreements and documents as the Clearing House may require from all relevant SwapClear Clearing Members in relation to Multilateral Compression in accordance with the relevant Compression Proposal; (ii) for an ACSP Compression Cycle, such agreements and documents as may be required by the nominated ACSP and/or the Clearing House in order to allow a SwapClear Clearing Member to receive the services of the ACSP and participate in that ACSP Compression Cycle; and (iii) such other documentation as the Clearing House may prescribe from time to time in Procedures, user manuals or other guidance documentation regarding Multilateral Compression.
"**Compression Proposal**"	means, in relation to any Multilateral Compression Cycle, the final statement as to the proposed set of Terminating SwapClear Contracts and the proposed set of resulting Post-Multilateral Compression Contracts, and, in relation to a SwapClear Clearing Member, references to Compression Proposal shall relate to such of the Terminating SwapClear Contracts and Post-Multilateral Compression Contracts as that SwapClear Clearing Member is or will become party to

"**Compression Time**"	means, on the date designated by the Clearing House for a Multilateral Compression Cycle, the time at which the Clearing House effects a Multilateral Compression by terminating the Terminating SwapClear Contracts and simultaneously registering the Post-Multilateral Compression Contracts in the names of the SwapClear Clearing Members participating in that Multilateral Compression Cycle in accordance with the Compression Proposal
"**Continuing Member** "	has the meaning as described in Default Rule 26
"**Contract**"	means (i) a contract subject to the Regulations entered into by the Clearing House with a Member for the purposes of or in connection with the provision of clearing services including, without limitation, an open contract, settlement contract, re-opening contract or closing-out contract; and also (ii) in the case of the Default Rules (including the Rates Service DMP Annex, RepoClear DMP Annex and ForexClear DMP Annex), the FCM Default Fund Agreement, and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM Contract and an ATS Contract
"**contract for differences**"	means a Cleared Exchange Contract, an OTC Contract, or a Listed Interest Rates Contract which is to be performed by cash settlement only
"**Contribution**"	means the contribution of a Clearing Member to a default fund of the Clearing House and includes, in each case in relation to the relevant Service, an Equities Contribution, a ForexClear Contribution, a RepoClear Contribution and, in relation to the Rates Service, a Listed Interest Rates Contribution and a SwapClear Contribution
"**Converting ForexClear Clearing Member**"	has the meaning assigned to it in Regulation 106A(n)
"**Converting SwapClear Clearing Member**"	has the meaning assigned to it in Regulation 57A
"**Co-operating Clearing House**"	means a clearing house party to an agreement with the Clearing House in respect of the co-clearing of an Exchange pursuant to which such organisation co-clears specific types of Contract and agrees to be bound by these Regulations as a Member to the extent and subject to any variations agreed in such agreement

"**Co-operating Clearing House Contract**"	means, in respect of a Co-operating Clearing House, a class of contract, which is cleared by the Co-operating Clearing House from time to time, permitted to be made by members of the Co-operating Clearing House under Co-operating Clearing House Rules and which is the subject of a Link
"**Co-operating Clearing House Rules**"	means the provisions of a Co-operating Clearing House's Memorandum or Articles of Association or other constitutional documents, by-laws, rules, regulations, procedures, customs, practices, notices and resolutions in whatever form adopted by such Co-operating Clearing House that regulate Co-operating Clearing House Contracts and the members and markets cleared by the Co-operating Clearing House and any amendment, variation or addition thereto
"Corrupted Data"	has the meaning assigned to it in Section 2C1.27 of the Procedures
"**Coupons**"	has the meaning assigned to it in section 1.1.7 of Section 4 of the Procedures
"Crossing Transaction"	has the meaning assigned to it in Chapter XIV(l)
"**Cross-ISA Deduction**"	means, if (i) the value (as determined by the Clearing House) of the Clearing Member Current Collateral Balance of an Individual Segregated Account held by a Clearing Member on behalf of an Individual Segregated Account Clearing Client (where any Client Buffer within such Clearing Member Current Collateral Balance will have a zero value) exceeds, (ii) the Total Required Margin Amount of such Individual Segregated Account (disregarding the amount by which such liability is reduced by the use of SwapClear Tolerance or ForexClear Tolerance), a deduction by the Clearing House of such excess (to the extent determined by the Clearing House) and the application of it to discharge the Total Required Margin Amount of another Individual Segregated Account held by the same Clearing Member on behalf of the same Individual Segregated Account Clearing Client

"**Cumulative Net Present Value**"	has: (i) in the case of a SwapClear STM Contract, the meaning assigned to it in Regulation 57A; and (ii) in the case of a ForexClear STM Contract, the meaning assigned to it in Regulation 106A
"**Custodial Segregated Account**"	means an account opened within the Clearing House by a Clearing Member which: (i) enables the relevant Clearing Member to distinguish the assets and positions held for the account of a Custodial Segregated Client from the assets and positions held for the account of its other clients; (ii) is designated by the Clearing House as a Custodial Segregated Account; and (iii) allows a Custodial Segregated Client to provide Client Collateral
"**Custodial Segregated Account Balance**"	means, in respect of a Custodial Segregated Client of a Clearing Member, the Clearing Member Current Collateral Balance of the relevant Custodial Segregated Account held by such Clearing Member on behalf of such Custodial Segregated Client (together with any receivables, rights, intangibles and any other collateral or assets deposited or held with the Clearing House in connection with such an account)
"**Custodial Segregated Client**"	means a Clearing Client in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in a Custodial Segregated Account and who has entered into a Collateral Management Agreement and Client Charge
"**daily settlement amounts**"	means amounts due to the Clearing House from a Member or to a Member from the Clearing House, as the case may be, arising out of settlement of open contracts pursuant to Regulation 23 or Regulation 99 and the Procedures
"**Dealer**"	means a ForexClear Dealer, RepoClear Dealer and/or SwapClear Dealer, as the context may require
"**Dealer Clearing Agreement**"	means a ForexClear Dealer Clearing Agreement, RepoClear Dealer Clearing Agreement, and/or SwapClear Dealer Clearing Agreement, as the context may require
"**Dealer Register**"	means one or more of the Register of ForexClear Dealers, the Register of RepoClear Dealers and/or the Register of SwapClear Dealers, as the context may require
"**Deed of Charge**"	means a deed of charge entered into between a Clearing Member and the Clearing House in respect of (*inter alia*) non-cash Collateral transferred to the Clearing House by that Clearing Member

"**Default**"	means the issue, in respect of a Clearing Member, of a Default Notice as provided for by Default Rule 3 or the occurrence, in respect of a Clearing Member, of an Automatic Early Termination Event
"**Defaulter**"	has the meaning assigned to it in Default Rule 4
"**Defaulting Clearing Member**"	means a Clearing Member who is a Defaulter
"**Defaulting FXCCM**"	means a FXCCM who is a Defaulter
"**Defaulting Listed Interest Rates Clearing Member**"	means a Listed Interest Rates Clearing Member who has defaulted
"**Defaulting Rates Service Clearing Member**"	means a Rates Service Clearing Member who is a Defaulter
"**Defaulting RCM**"	means a RCM who is a Defaulter
"**Defaulting SCM** "	means a SCM who is a Defaulter
"**Default Loss**"	has the meaning assigned to it in Default Rule 16(b)
"**Default Management Process Agreement Amendment Agreement**"	has the meaning assigned to it in Regulation 11(s)
"**Default Notice**"	has the meaning assigned to it in Default Rule 3
"**Default Rules**"	means the Clearing House's Default Rules including the Supplements from time to time in force pursuant to Part IV of The Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001 which, for the avoidance of doubt, form a part of these General Regulations
"Deliverable Forward Settled ForexClear Option Transaction"	means a ForexClear Option Transaction which the parties thereto have agreed (as evidenced by the ForexClear Deliverable Forward Contract Terms applicable to that ForexClear Option Transaction) shall be settled by the entry into a ForexClear Deliverable Forward Transaction

"**delivery contract**"	means a Cleared Exchange Contract or Listed Interest Rates Contract between the Clearing House and a Member: (a) for the immediate sale and purchase of a reference asset or commodity arising on the exercise of an option pursuant to these Regulations; or (b) for the sale and purchase of a reference asset or commodity for delivery on the date specified in the contract or on the date agreed between the parties, in either case being an open contract under which tender is not required to be given
"**delivery month**"	means in respect of an exchange contract, the meaning ascribed to it in the Exchange Rules governing such contract, or in respect of a Listed Interest Rates Contract, the meaning ascribed to such Contract in the Listed Interest Rates Contract Terms
"**Depository**"	means a collateral agent, custodian, central securities depository, securities settlement system or other similar entity
"Designated Group Member"	has the meaning assigned to it in Chapter XIV(k)
"Designated Rates Exchange"	has the meaning assigned to it in Regulation 100(a)
"Designated Listed Interest Rates Contract "	has the meaning assigned to it in Regulation 100(b)
"**Determination Date**"	means the date for calculation of a Contribution other than an Unfunded Contribution or a Supplementary Contribution, as provided for in a Supplement, and includes an Equities Determination Date, a ForexClear Determination Date, a Listed Interest Rates Determination Date, a RepoClear Determination Date and a SwapClear Determination Date
"**Determined Omnibus Net Segregated Clearing Clients**"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"**Economic Terms**"	means that part of the SwapClear Contract Terms, RepoClear Contract Terms, RepoClear Term £GC Contract Terms, EquityClear Contract Terms, ForexClear Contract Terms, or, in respect of a Designated Listed Interest Rates Contract, the Listed Interest Rates Contract Terms as the case may require, designated as Economic Terms by the Clearing House from time to time

"**Eligible Listed Interest Rates Contracts**"	means those Listed Interest Rates Contracts meeting the eligibility criteria in respect of Portfolio Margined Contracts as set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"Eligible ForexClear Compression Contracts"	has the meaning set out in 0
"Eligible SwapClear Compression Contract"	has the meaning set out in Regulation 56(a)
"**Eligible Trading Venue**"	means: (i) in respect of a SwapClear Clearing Member, a Trading Venue for which the Clearing House's records reflect that such SwapClear Clearing Member has completed the Clearing House's process for enabling the SwapClear Clearing Member to be eligible to present (or have presented on its behalf) to the Clearing House for registration a transaction executed on such Trading Venue by a third party Executing Party other than a SwapClear Dealer; and (ii) in respect of an FXCCM, a Trading Venue for which the Clearing House's records reflect that such FXCCM has completed the Clearing House's process for enabling the FXCCM to be eligible to present (or have presented on its behalf) to the Clearing House for registration a transaction executed on such Trading Venue by a third party Executing Party other than a ForexClear Dealer

"**Eligible Trading Venue Transaction**"	means: (i) in respect of a SwapClear Clearing Member, a transaction, entered into by a third party Executing Party other than a SwapClear Dealer, recorded in the Clearing House's systems (via applicable messaging from the relevant Trading Venue, Approved Trade Source System or otherwise) as a transaction that was executed on a Trading Venue that, as at the time of such execution, was an Eligible Trading Venue in respect of such SwapClear Clearing Member; and (ii) in respect of an FXCCM, a transaction, entered into by a third party Executing Party other than a ForexClear Dealer, recorded in the Clearing House's systems (via applicable messaging from the relevant Trading Venue, ForexClear Approved Trade Source System or otherwise) as a transaction that was executed on a Trading Venue that, as at the time of such execution, was an Eligible Trading Venue in respect of such FXCCM
"**Eligible Transferee**"	means a SwapClear Clearing Member or ForexClear Clearing Member, acting for its own account or for the account of a Clearing Client, that the Clearing House permits, in its sole and absolute discretion, and subject always to compliance with Applicable Law, to receive Transferring SwapClear Contracts or Transferring ForexClear Contracts transferred by an Eligible Transferor pursuant to Regulation 60 or Regulation 95 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement
"**Eligible Transferor**"	means an SCM, acting for its own account or for the account of a SwapClear Clearing Client, that the Clearing House permits, in its sole and absolute discretion, and subject always to compliance with Applicable Law, to transfer all or part of its Transferring SwapClear Contracts to an Eligible Transferee pursuant to Regulation 60 of these Regulations and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement
"**EMIR**"	means Regulation (EU) No 648/2012 of the European Parliament and the Council of 4 July 2012 on OTC Derivatives, Central Counterparties, and Trade Repositories

"**End-of-Day Full Transfer**"	means an end-of-day transfer of all (and not some) of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member and which may, but is not required to, include the transfer of an Associated Collateral Balance (except that no transfer of an Associated Collateral Balance is permitted for transfers between a Proprietary Account of a Carrying Clearing Member to a Proprietary Account of a Receiving Clearing Member without the prior consent of the Clearing House)
"**End-of-Day Partial Transfer**"	means an end-of-day transfer of some (but not all) of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member, where such transfer does not include the transfer of an Associated Collateral Balance
"**EONIA**"	means in relation to a RepoClear Contribution, the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page (or, if such a rate is not available, such EONIA-linked rate as may be determined in light of market conditions at such time by the Clearing House and notified by the Clearing House to Clearing Members)
"**Equities Business**"	means any transaction, obligation or liability arising out of any Equities Contract
"**Equities Clearing Member**"	means a Clearing Member which engages in Equities Business and includes an EquityClear Clearing Member
"**Equities Contract**"	means any cash equity contracts, EquityClear (ccCFD) Contracts and equity derivative contracts cleared by the Clearing House
"**Equities Contribution**"	an Equities Clearing Member's Contribution provided for under the Equities Default Fund Supplement and shall include any relevant Unfunded Contributions and any relevant Supplementary Contribution in respect of the Equities Clearing Member
"**Equities Default Fund Supplement**"	means the Supplement relating to Equities Business
"**Equities Determination Date**"	has the meaning assigned to "Determination Date" in Rule E2(b) and E7(f) of the Equities Default Fund Supplement

"**Equities Excess Loss**"	means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of Equities Business, less (a) the proportion of the Capped Amount applicable to Equities Business under Default Rule 15(c) and (b) any sums then immediately payable in respect of Equities Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House
"**Equities Fund Amount**"	means the amount of the equities default fund established from time to time pursuant to the Equities Default Fund Supplement
"**Equities Service**"	means the clearing service of the Clearing House relating to Equities Business
"**EquityClear ATP Match**"	means an EquityClear (Equities) ATP Match or EquityClear (ccCFD) ATP Match
"**EquityClear Business**"	means any transaction, obligation or liability arising out of any EquityClear Contract
"**EquityClear (ccCFD) ATP Match**"	means, in respect of an ATP, a match on such ATP of Trading Platform Particulars which relate to EquityClear Eligible ccCFDs and are submitted by, or on behalf of, EquityClear Clearing Members, (i) which match the Clearing House and the ATP have agreed will be cleared in accordance with, and subject to, the ATP Market Rules and the Rulebook via the EquityClear (ccCFD) Open Offer clearing mechanism (and not via novation under Regulation 69); and (ii) regardless of whether such match is described or characterised as a trade, transaction or agreement in the relevant ATP Market Rules
"**EquityClear (ccCFD) Contract**"	means an EquityClear Contract entered into by the Clearing House with an EquityClear Clearing Member on the EquityClear (ccCFD) Contract Terms or such other terms specified by the relevant ATP
"**EquityClear(ccCFD) Contract Terms**"	means the terms applicable to each EquityClear (ccCFD) Contract, where such terms are not specified by the ATP, as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual

"**EquityClear (ccCFD) Open Offer**"	means the open offer made by the Clearing House in respect of an EquityClear (ccCFD) ATP Match under Regulation 68(c)
"**EquityClear Clearing Client**"	means, in respect of EquityClear Client Clearing Business, an Individual Segregated Account Clearing Client, Indirect Gross Account Clearing Client or an Omnibus Segregated Clearing Client
"**EquityClear Clearing House Business**"	means EquityClear Contracts entered into by an EquityClear Clearing Member with the Clearing House on a proprietary basis and for its own account
"**EquityClear Clearing Member**"	means a Member who is designated by the Clearing House as an EquityClear Clearing Member eligible to clear EquityClear Contracts
"**EquityClear Client Clearing Business**"	means the provision of EquityClear Client Clearing Services by an EquityClear Clearing Member
"**EquityClear Client Clearing Services**"	means the entering into of EquityClear Contracts by an EquityClear Clearing Member in respect of its Individual Segregated Account Clearing Clients, Indirect Gross Account Clearing Clients and/or its Omnibus Segregated Clearing Clients
"**EquityClear Contract**"	means an EquityClear (Equities) Contract and/or an EquityClear (ccCFD) Contract (as applicable)
"**EquityClear Contract Terms**"	means the EquityClear (Equities) Contract Terms and/or the EquityClear (ccCFD) Contract Terms as the case may be
"**EquityClear Eligibility Criteria**"	means the EquityClear Open Offer Eligibility Criteria or the EquityClear Novation Transaction Eligibility Criteria (as applicable)
"**EquityClear Eligible ccCFD**"	means a contract for difference in respect of an EquityClear Eligible Instrument prescribed by the Clearing House and eligible for those prescribed parts of the EquityClear service and which appear in the list or lists published for this purpose from time to time by the Clearing House
"**EquityClear Eligible Equities**"	means securities prescribed from time to time by the Clearing House which are eligible for any part or parts of the EquityClear service and which appear in the list or lists published from time to time by the Clearing House
"**EquityClear Eligible Instruments**"	has the meaning assigned to it in Section 1.1.3 *(EquityClear Eligible Instruments)* of Procedure 2D (*EquityClear Clearing Service*)

"**EquityClear (Equities) ATP Match**"	means, in respect of an ATP, a match on such ATP of Trading Platform Particulars which relate to EquityClear Eligible Equities and are submitted by, or on behalf of: (i) two EquityClear Clearing Members (with one as buyer and one as seller); or (ii) one EquityClear Clearing Member and one member of a relevant Co-operating Clearing House (with one as buyer and one as seller), (i) which match the Clearing House and the ATP have agreed will be cleared in accordance with, and subject to, the ATP Market Rules and the Rulebook via the EquityClear (Equities) Open Offer clearing mechanism (and not via novation under Regulation 69); and (ii) regardless of whether such match is described or characterised as a trade, transaction or agreement in the relevant ATP Market Rules
"**EquityClear (Equities) Contract**"	means an EquityClear Contract entered into by the Clearing House with an EquityClear Clearing Member on the EquityClear (Equities) Contract Terms or such other terms specified by the relevant ATP
"**EquityClear (Equities) Contract Terms**"	means the terms applicable to each EquityClear (Equities) Contract, where such terms are not specified by the ATP, as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual
"**EquityClear (Equities) Open Offer**"	means the open offer made by the Clearing House in respect of an EquityClear (Equities) ATP Match under Regulation 68(c)
"**EquityClear Mixed Member Match**"	means (i) an EquityClear ATP Match reflecting matched Trading Platform Particulars submitted by, or on behalf of, an EquityClear Clearing Member and a member of a relevant Co-operating Clearing House (with one as buyer and one as seller), or (ii) an EquityClear Novation Transaction between an EquityClear Clearing Member and a member of a relevant Co-operating Clearing House (with one as buyer and one as seller)
"**EquityClear Novation Transaction**"	means, in respect of an ATP, the matched Trading Platform Particulars representing a bilateral transaction and either: (i) concluded other than through an order book of the ATP; or (ii) concluded through an order book of the ATP, and

	in each case: (a) presented for registration by, or on behalf of, one EquityClear Clearing Member (or, in respect of an EquityClear Mixed Member Match, one member of the relevant Co-operating Clearing House) identified as, or as acting as clearing member for, the buyer and the same or another EquityClear Clearing Member identified as, or as acting as clearing member for, the seller; and (b) which the Clearing House and the ATP have agreed will be cleared in accordance with, and subject to, the ATP Market Rules and the Rulebook via novation under Regulation 69 (and not via the EquityClear Open Offer clearing mechanism)
"**EquityClear Novation Transaction Eligibility Criteria**"	has the meaning set out in Regulation 69(b)
"**EquityClear Open Offer"**	means an EquityClear (Equities) Open Offer or EquityClear (ccCFD) Open Offer
"**EquityClear Open Offer Eligibility Criteria**"	has the meaning set out in Regulation 68(c)
"**EquityClear Regulations**"	means those Regulations which apply to EquityClear Contracts as specified in Regulation 67
"EquityClear Service"	the service provided by the Clearing House under the EquityClear Regulations
"**EUR ForexClear Liquidity Fund Contribution**"	means, in respect of a ForexClear Option Clearing Member, the amount (notified by the Clearing House pursuant to Regulation 102(b)) of cash denominated in Euros that is required to be paid by that ForexClear Option Clearing Member to the Clearing House

"**Excess Loss**"	means in relation to any Relevant Business and any Default, the net sum or aggregate of net sums certified to be payable by the Defaulter by a Rule 19 Certificate in respect of the Relevant Business, less (a) the proportion of the Capped Amount applicable to the Relevant Business under Rule 15(c) and (b) any sums then immediately payable in respect of Default Losses for that Relevant Business by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House, and includes, in relation to the relevant Services, an Equities Excess Loss, a ForexClear Excess Loss, a Listed Interest Rates Excess Loss, a RepoClear Excess Loss and a Rates Service Excess Loss
"**Exchange**"	means an organisation (whether an exchange, association, company or otherwise) responsible for administering a futures, options, stock or other market, to which the Clearing House provides clearing services. The term "**Exchange**" shall include a Rates Exchange, as the case may be, save where the context otherwise requires.
"**Exchange Closed-out Contracts**"	has the meaning assigned to it in the Rates Service DMP Annex
"**exchange contract**"	means a class of contract (1) on the terms published from time to time by an Exchange and permitted to be made by a member of such Exchange on the market administered by that Exchange or otherwise in accordance with Exchange Rules, or (2) eligible for submission to the Clearing House for registration pursuant to the Exchange Rules. For the purposes of these Regulations "**exchange contract**" shall not include any class of contract capable of being made on the London Stock Exchange, on any ATP, or on any Rates Exchange
"**Exchange Rules**"	means the rules, regulations, administrative procedures, Memorandum and Articles of Association or by-laws which regulate an Exchange and the market administered by it as notified from time to time to the Clearing House and, without prejudice to the generality of the foregoing, any regulations or directions made by the Board and any procedures, practices and administrative requirements of the Exchange. The term "**Exchange Rules**" shall include Rates Exchange Rules, save where the context otherwise requires
"**Executing Party**"	means each person described as a party to a SwapClear Transaction, FCM SwapClear Transaction, ForexClear Transaction or EquityClear Novation Transaction (as applicable) in the details presented to the Clearing House as provided for in the Procedures

"**Execution Terms**"	means the terms (if any) that apply to a SwapClear Transaction, ForexClear Transaction or EquityClear Novation Transaction (as applicable) relating to the registration or non-registration of such transaction, including (without limitation) any such terms contained in an agreement between (i) a Trading Venue and its participants, and (ii) the Executing Parties to such transaction
"**Exempt Client Clearing Member**"	means a Clearing Member to which, in the sole determination of the Clearing House, an Exempting Client Clearing Rule would apply upon such Clearing Member becoming a defaulter
"**Exempting Client Clearing Rule**"	means, in relation to a Clearing Member, any law, regulation or statutory provision (having the force of law) of a Governmental Authority the effect of which, in the determination of the Clearing House in its absolute discretion, is to protect the operation of the Client Clearing Annex of the Default Rules from challenge under the insolvency laws applicable to that Clearing Member
"**expiry date or month**"	means a date or month prescribed by Exchange Rules or, where relevant, the Product Specific Contract Terms and Eligibility Criteria Manual, in respect of an option contract
"**FCM Approved Trade Source System**"	has the meaning assigned to it in the FCM Regulations
"**FCM Buffer**"	has the meaning assigned to it in the FCM Regulations
"**FCM Clearing Member**"	has the meaning assigned to it in the FCM Regulations
"**FCM Clearing Membership Agreement**"	has the meaning assigned to it in the FCM Regulations
"**FCM Client**"	has the meaning assigned to it in the FCM Regulations
"**FCM Client Segregated Sub-Account**"	has the meaning assigned to it in the FCM Regulations
"**FCM Contract**"	has the meaning assigned to it in the FCM Regulations
"**FCM Default Fund Agreement**"	has the meaning assigned to it in the FCM Regulations
"**FCM ForexClear Client Clearing Services**"	has the meaning assigned to it in the FCM Regulations
"**FCM ForexClear Contract**"	has the meaning assigned to it in the FCM Regulations

"**FCM ForexClear Transaction**"	has the meaning assigned to it in the FCM Regulations
"**FCM Omnibus Clearing Product Client Account with LCH**"	has the meaning assigned to it in the FCM Regulations
"**FCM Omnibus ForexClear Client Account with LCH**"	has the meaning assigned to it in the FCM Regulations
"**FCM Omnibus SwapClear Client Account with LCH**"	has the meaning assigned to it in the FCM Regulations
"**FCM Procedures**"	has the meaning assigned to it in the FCM Regulations
"**FCM Regulations**"	means the Clearing House's FCM Regulations
"**FCM SwapClear Client Clearing Services**"	has the meaning assigned to it in the FCM Regulations
"**FCM SwapClear Contract**"	has the meaning assigned to it in the FCM Regulations
"**FCM SwapClear Suspension Sub-Account**"	has the meaning assigned to it in the FCM Regulations
"**FCM SwapClear Transaction**"	has the meaning assigned to it in the FCM Regulations
"**FCM Transaction**"	has the meaning assigned to it in the FCM Regulations
"**Fed Funds Rate**"	means the Federal Funds Rate as published by the Federal Reserve Bank of New York (or, if such a rate is not available, such Fed Fund-linked rate as may be determined in light of market conditions at such time by the Clearing House and notified by the Clearing House to Clearing Members)
"**First Defaulter**"	has the meaning as described in Default Rule 22
"**Fixed Income Contract**"	means a RepoClear Contract or a RepoClear Term £GC Contract
"**ForexClear AET Requirement**"	means, in respect of an FXCCM, that all of the ForexClear Contracts in the name of such FXCCM have been closed out or transferred to another Clearing Member

"**ForexClear Approved Trade Source System**"	means a system or facility, such as an exchange, a clearing house, a swap execution facility, a designated contract market, trade or affirmation system, a ForexClear Matcher or other similar venue or system, approved by the Clearing House for submitting ForexClear Transactions to the Clearing House (and excludes, for the avoidance of doubt, the ClearLink API)
"**ForexClear Business**"	means any transaction, obligation or liability arising out of any ForexClear Contract
"**ForexClear Clearing Client**"	means, in respect of ForexClear Client Clearing Business, an Individual Segregated Account Clearing Client, Indirect Gross Account Clearing Client or Omnibus Segregated Clearing Client
"**ForexClear Clearing House Business**"	means ForexClear Contracts entered into by a ForexClear Clearing Member with the Clearing House on a proprietary basis and for its own account
"**ForexClear Clearing Member (FXCCM)**"	means a Member who is designated by the Clearing House as a ForexClear Clearing Member eligible to clear ForexClear Contracts which includes, in the case of the Default Rules (including the ForexClear DMP Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM Clearing Member
"**ForexClear Client Clearing Business**	means the provision of ForexClear Client Clearing Services by a ForexClear Clearing Member
"**ForexClear Client Clearing Services**"	means the entering into of ForexClear Contracts by a ForexClear Clearing Member in respect of its Individual Segregated Account Clearing Clients, Indirect Gross Account Clearing Clients and/or Omnibus Segregated Clearing Clients
"**ForexClear Contract**"	means a ForexClear NDF Contract, a ForexClear Spot Contract, a ForexClear Deliverable Forward Contract, a ForexClear Option Contract or a ForexClear Swap Contract
"**ForexClear Contract Terms**"	means the ForexClear NDF Contract Terms, the ForexClear Spot Contract Terms, the ForexClear Deliverable Forward Contract Terms, the ForexClear Option Contract Terms or the ForexClear Swap Contract Terms (as applicable)

"**ForexClear Contribution**"	means an FXCCM's Contribution provided for under the ForexClear Default Fund Supplement and shall include (i) any relevant ForexClear Unfunded Contributions in respect of the FXCCM, (ii) any relevant Supplementary Contribution in respect of the FXCCM, and (iii) if the Clearing Member is a ForexClear Option Clearing Member, the ForexClear Option Service Default Fund Contribution of that ForexClear Option Clearing Member. For the avoidance of doubt, the ForexClear Contribution shall not include any of the ForexClear Liquidity Fund Contributions made by a ForexClear Option Clearing Member
"**ForexClear CTM Contract**"	means a ForexClear Contract that is not a ForexClear STM Contract
"**ForexClear Currency**"	means: (b) USD; (c) JPY; (d) EUR; (e) GBP; (f) CHF; or (g) AUD
"**ForexClear Dealer (FXD)**"	means a person admitted by the Clearing House to the Register of ForexClear Dealers and who has not been removed from the Register of ForexClear Dealers
"**ForexClear Dealer Clearing Agreement (FDC Agreement)**"	means a written agreement, in the form and on the terms prescribed by the Clearing House between an FXD, an FXCCM and the Clearing House
"**ForexClear Default Fund Supplement**"	means the Supplement relating to ForexClear Business
"**ForexClear Default Management Process**"	has the meaning assigned to it in the ForexClear DMP Annex in the Default Rules
"**ForexClear Default Management Process Completion Date**"	has the meaning assigned to it in the ForexClear DMP Annex in the Default Rules
"**ForexClear Default Period**"	has the meaning ascribed to it in Rule F2 of the ForexClear Default Fund Supplement

"**ForexClear Deliverable Forward Contract**"	means a Contract entered into by the Clearing House with a ForexClear Clearing Member on the ForexClear Deliverable Forward Contract Terms which includes, in the case of the Default Rules (including the ForexClear DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time
"**ForexClear Deliverable Forward Contract Terms**"	means the terms applicable to each ForexClear Deliverable Forward Contract as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual applicable to ForexClear Deliverable Forward Contracts
"**ForexClear Deliverable Forward STM Contract**"	means a ForexClear Deliverable Forward Contract that is either (i) registered at the Clearing House as a ForexClear Deliverable Forward STM Contract pursuant to Regulation 91, (ii) converted into a ForexClear Deliverable Forward STM Contract by the Clearing House pursuant to Regulation 106A, or (iii) a ForexClear Deliverable Forward STM Contract through novation pursuant to Regulation 12(b), in each case the terms of which therefore include the ForexClear Deliverable Forward STM Terms
"**ForexClear Deliverable Forward STM Terms**"	means the part of the ForexClear Deliverable Forward Contract Terms designated as the ForexClear Deliverable Forward STM Terms by the Clearing House from time to time
"ForexClear Deliverable Forward Transaction"	means a contract, meeting the applicable ForexClear Eligibility Criteria for registration as a ForexClear Deliverable Forward Contract, entered into between two ForexClear Participants, of which particulars are presented to the Clearing House for registration in the name of ForexClear Clearing Members in accordance with the Regulations
"**ForexClear Determination Date**"	has the meaning assigned to it in Rule F2 of the ForexClear Default Fund Supplement
"**ForexClear DMG**"	has the meaning assigned to it in the ForexClear DMP Annex in the Default Rules
"**ForexClear DMP**"	has the meaning assigned to it in the ForexClear DMP Annex in the Default Rules

"**ForexClear Eligibility Criteria**"	means the product eligibility criteria in respect of a type of ForexClear Transaction as set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time, which shall include, the ForexClear Eligibility Criteria applicable to each of (i) ForexClear Deliverable Forward Transactions, (ii) ForexClear NDF Transactions, (iii) ForexClear Option Transactions, and (iv) ForexClear Spot Tranactions (as applicable
"**ForexClear Excess Loss**"	means the net sum or aggregate of net sums certified to be payable by a Defaulter in respect of ForexClear Business by a Rule 19 Certificate less (a) the proportion of the Capped Amount applicable to ForexClear Business under Rule 15(c) and (b) any sums then immediately payable in respect of ForexClear Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House
"**ForexClear Fund Amount**"	means the amount as determined in accordance with Rule F2(c) of the ForexClear Default Fund Supplement
"**ForexClear Liquidity Event**"	means the event or circumstance specified as such in Regulation 101(a)
"**ForexClear Liquidity Fund Contributions**"	means the AUD ForexClear Liquidity Fund Contribution, CHF ForexClear Liquidity Fund Contribution, EUR ForexClear Liquidity Fund Contribution, and GBP ForexClear Liquidity Fund Contribution
"**ForexClear Loss Distribution Process**"	has the meaning assigned to it in Rule F9 of the ForexClear Default Fund Supplement
"**ForexClear Matcher**"	means a party which has been notified in writing by the Clearing House to ForexClear Participants from time to time as being a matching provider for the ForexClear Service
"**ForexClear NDF Contract**"	means a Contract entered into by the Clearing House with a ForexClear Clearing Member on the ForexClear NDF Contract Terms which includes, in the case of the Default Rules (including the ForexClear DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM ForexClear Contract

"**ForexClear NDF Contract Terms**"	means the terms applicable to each ForexClear NDF Contract as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual applicable to ForexClear NDF Contracts
"ForexClear NDF STM Contract"	means a ForexClear NDF Contract that is either (i) registered at the Clearing House as a ForexClear NDF STM Contract pursuant to Regulation 91, (ii) converted into a ForexClear NDF STM Contract by the Clearing House pursuant to Regulation 106A, or (iii) a ForexClear NDF STM Contract through novation pursuant to Regulation 12(b), in each case the terms of which therefore include the ForexClear NDF STM Terms
"ForexClear NDF STM Terms"	means the part of the ForexClear NDF Contract Terms designated as the ForexClear NDF STM Terms by the Clearing House from time to time
"**ForexClear NDF Transaction**"	means a contract, meeting the applicable ForexClear Eligibility Criteria for registration as a ForexClear NDF Contract, entered into between two ForexClear Participants, of which particulars are presented to the Clearing House for registration in the name of ForexClear Clearing Members in accordance with the Regulations. In addition, a ForexClear Transaction shall include an FCM ForexClear Transaction where the relevant ForexClear Clearing Member is an executing party
"**ForexClear Option Buyer**"	means, in relation to a ForexClear Option Contract, the party specified as the 'Buyer' in the Economic Terms of that ForexClear Option Contract
"**ForexClear Option Clearing Member**"	means, a Member who is designated by the Clearing House as a ForexClear Option Clearing Member eligible to have registered in its name ForexClear Option Contracts, ForexClear Deliverable Forward Contracts, ForexClear Spot Contracts and ForexClear Swap Contracts
"**ForexClear Option Contract**"	means a Contract entered into by the Clearing House with a ForexClear Clearing Member on the ForexClear Option Contract Terms which includes, in the case of the Default Rules (including the ForexClear DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time

"**ForexClear Option Contract Terms**"	means the terms applicable to each ForexClear Option Contract as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual applicable to ForexClear Option Contracts
"**ForexClear Option Party A**"	means, in respect of ForexClear Deliverable Forward Contract, ForexClear Spot Contract or ForexClear Swap Contract (as applicable), the ForexClear Option Clearing Member identified as "Party A" in the applicable ForexClear Deliverable Forward Contract Terms, ForexClear Spot Contract Terms or ForexClear Swap Contract Terms (as applicable)
"**ForexClear Option Party B**"	means, in respect of ForexClear Deliverable Forward Contract, ForexClear Spot Contract or ForexClear Swap Contract (as applicable), the ForexClear Option Clearing Member identified as "Party B" in the applicable ForexClear Deliverable Forward Contract Terms, ForexClear Spot Contract Terms or ForexClear Swap Contract Terms (as applicable)
"**ForexClear Option Service Default Fund Contribution**"	means, for any FXCCM which is a ForexClear Option Clearing Member, the amount of that FXCCM's Contribution attributable to the ForexClear Option Service determined in accordance with the ForexClear Default Fund Supplement and the Procedures
"**ForexClear Option Seller**"	means, in relation to a ForexClear Option Contract, the party specified as the 'Seller' in the Economic Terms of that ForexClear Option Contract
"**ForexClear Option Service**"	means the service provided by the Clearing House under the ForexClear Regulations, whereby the Clearing House makes available services in respect of ForexClear Option Contracts, ForexClear Deliverable Forward Contracts, ForexClear Spot Contracts and ForexClear Swap Contracts
"**ForexClear Option Service Membership Requirements**"	has the meaning assigned to it in the Procedures
"**ForexClear Option STM Contract**"	means a ForexClear Option Contract that is either (i) registered at the Clearing House as a ForexClear Option STM Contract pursuant to Regulation 91, (ii) converted into a ForexClear Option STM Contract by the Clearing House pursuant to Regulation 106A, or (iii) a ForexClear Option STM Contract through novation pursuant to Regulation 12(b), in each case the terms of which therefore include the ForexClear Option STM Terms

"**ForexClear Option STM Terms**"	means the part of the ForexClear Option Contract Terms designated as the ForexClear Option STM Terms by the Clearing House from time to time
"**ForexClear Option Transaction**"	means a contract, meeting the applicable ForexClear Eligibility Criteria for registration as a ForexClear Option Contract, entered into between two ForexClear Participants, of which particulars are presented to the Clearing House for registration in the name of ForexClear Clearing Members in accordance with the Regulations.
"**ForexClear Participants (FXPs)**"	means ForexClear Clearing Members, ForexClear Dealers and ForexClear Clearing Clients and "**ForexClear Participant**" means any of them
"**ForexClear Regulations**"	means those Regulations which apply to ForexClear Contract as specified in Regulation 90
"**ForexClear Service**"	means the service provided by the Clearing House under the ForexClear Regulations
"**ForexClear Settlement Event**"	means the event or circumstance specified as such in Regulation 100(g)
"**ForexClear Settlement Reduction Service**"	has the meaning ascribed to such term in the Procedures
"**ForexClear Spot Contract**"	means a Contract entered into by the Clearing House with a ForexClear Clearing Member on the ForexClear Spot Contract Terms which includes, in the case of the Default Rules (including the ForexClear DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time
"**ForexClear Spot Contract Terms**"	means the terms applicable to each ForexClear Spot Contract as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual applicable to ForexClear Spot Contracts
"**ForexClear Spot STM Contract**"	means a ForexClear Spot Contract that is either (i) registered at the Clearing House as a ForexClear Spot STM Contract pursuant to Regulation 91, (ii) converted into a ForexClear Spot STM Contract by the Clearing House pursuant to Regulation 106A, or (iii) a ForexClear Spot STM Contract through novation pursuant to Regulation 12(b), in each case the terms of which therefore include the ForexClear Spot STM Terms

"**ForexClear Spot STM Terms**"	means the part of the ForexClear Spot Contract Terms designated as the ForexClear Spot STM Terms by the Clearing House from time to time
"**ForexClear Spot Transaction**"	means a contract, meeting the applicable ForexClear Eligibility Criteria for registration as a ForexClear Spot Contract, entered into between two ForexClear Participants, of which particulars are presented to the Clearing House for registration in the name of ForexClear Clearing Members in accordance with the Regulations.
"**ForexClear STM Contract**"	means: (a) a ForexClear Deliverable Forward STM Contract; (b) a ForexClear NDF STM Contract; (c) a ForexClear Option STM Contract; (d) a ForexClear Spot STM Contract; or (e) a ForexClear Swap STM Contract
"**ForexClear STM Conversion Date"**	has the meaning assigned to it in Regulation 106A(o)
"**ForexClear STM Conversion Request**"	has the meaning assigned to it in Regulation 106A(n)
"**ForexClear STM Terms**"	means: (f) the ForexClear Deliverable Forward STM Terms; (g) the ForexClear NDF STM Terms; (h) the ForexClear Option STM Terms; (i) the ForexClear Spot STM Terms; or (j) the ForexClear Swap STM Terms
"**ForexClear Swap Contract**"	means a Contract entered into by the Clearing House with a ForexClear Clearing Member on the ForexClear Swap Contract Terms which includes, in the case of the Default Rules (including the ForexClear DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time

"**ForexClear Swap Contract Terms**"	means the terms applicable to each ForexClear Swap Contract as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual applicable to ForexClear Swap Contracts
"**ForexClear Swap STM Contract**"	means a ForexClear Swap Contract that is either (i) registered at the Clearing House as a ForexClear Swap STM Contract pursuant to Regulation 91, (ii) converted into a ForexClear Swap STM Contract by the Clearing House pursuant to Regulation 106A, or (iii) a ForexClear Swap STM Contract through novation pursuant to Regulation 12(b), in each case the terms of which therefore include the ForexClear Swap STM Terms
"**ForexClear Swap STM Terms**"	means the part of the ForexClear Swap Contract Terms designated as the ForexClear Swap STM Terms by the Clearing House from time to time
"**ForexClear Swap Transaction**"	means a contract, meeting the applicable ForexClear Eligibility Criteria for registration as a ForexClear Swap Contract, entered into for and on behalf of two ForexClear Option Clearing Members, of which particulars are deemed to be presented to the Clearing House for registration in the name of those ForexClear Clearing Members in accordance with the Regulations.
"ForexClear Tolerance"	has the meaning assigned to it in the Procedures
"**ForexClear Transaction**"	means a ForexClear NDF Transaction, a ForexClear Spot Transaction, a ForexClear Deliverable Forward Transaction a ForexClear Option Transaction or a ForexClear Swap Transaction (as applicable)
"**ForexClear Unfunded Contribution**"	has the meaning assigned to it in Rule F8 of the ForexClear Default Fund Supplement
"**ForexClear Unfunded Contribution Notice**"	has the meaning assigned to it in Rule F8 of the ForexClear Default Fund Supplement
"**ForexClear Voluntary Payment**"	has the meaning assigned to it in Rule F10 of the ForexClear Default Fund Supplement
"**ForexClear Voluntary Payment Notice**"	has the meaning assigned to it in Rule F10 of the ForexClear Default Fund Supplement

"Fund Amount"	in relation to the Equities Business and the Listed Interest Rates Business, has the meaning given to the term "Fund Amount" in the Supplement relating to each such Business and includes such amounts and the ForexClear Fund Amount, the General Fund Amount, the RepoClear Segregated Fund Amount and/or the Rates Service Fund Amount as applicable
"**GBP ForexClear Liquidity Fund Contribution**"	means, in respect of a ForexClear Option Clearing Member, the amount (notified by the Clearing House pursuant to Regulation 100(b)) of cash denominated in Sterling that is required to be paid by that ForexClear Option Clearing Member to the Clearing House
"**Governmental Authority**"	means any: (a) governmental, inter-governmental, parliamentary or supranational body, entity, agency or department; or (b) regulatory, self-regulatory or other authority, in each case, which has jurisdiction over the Clearing House and/or, in respect of a Clearing Member, the relevant Clearing Member.
"Group Member"	has the meaning assigned to it in Chapter XIV(c)(i)
"**Hedged Account**"	has the meaning assigned to it in the FCM Regulations
"**Hedging ForexClear Service Clearing Member**"	has the meaning assigned to it in the ForexClear DMP Annex in the Default Rules
"**Hedging Rates Service Clearing Member**"	has the meaning assigned to it in the Rates DMP Annex in the Default Rules
"**House Clearing Business**"	means, in respect of SwapClear, SwapClear Clearing House Business and FCM SwapClear Clearing House Business, in respect of ForexClear, ForexClear Clearing House Business and FCM ForexClear Clearing House Business, in respect of RepoClear, RepoClear Clearing House Business and in respect of any other Service, Contracts entered into by a Clearing Member with the Clearing House on a proprietary basis and for its own account
"**House Excess**"	means, in respect of a Proprietary Account, the amount (if any) by which the value (as determined by the Clearing House) of the Clearing Member Current Collateral Balance of such Proprietary Account exceeds the Total Required Margin Amount of such Proprietary Account

"**Identified Client Omnibus Net Segregated Account**"	means, in relation to a Relevant Client Clearing Business, (i) an account opened within the Clearing House by the relevant Clearing Member on behalf of its Identified Omnibus Segregated Clearing Clients which is designated by the Clearing House as an Identified Client Omnibus Net Segregated Account; together with (ii) for the purposes of the Default Rules, any Omnibus Segregated Account comprising Determined Omnibus Net Segregated Clients
"**Identified Client Omnibus Segregated Account**"	means (i) an Identified Client Omnibus Net Segregated Account or (ii) an Omnibus Gross Segregated Account opened on behalf of a group of Identified Omnibus Segregated Clearing Clients
"**Identified Omnibus Net Segregated Clearing Clients**"	means Identified Omnibus Segregated Clearing Clients in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Identified Client Omnibus Net Segregated Account
"**Identified Omnibus Segregated Clearing Clients**"	means, in relation to a Relevant Client Clearing Business, (i) certain Omnibus Segregated Clearing Clients of the relevant Clearing Member or FCM whose identities have been recorded by the Onboarding department of the Clearing House and who are grouped together in a single Omnibus Segregated Account of the Clearing Member but who are not Affiliated Omnibus Segregated Clearing Clients; together with (ii) for the purposes of the Default Rules, any Determined Omnibus Net Segregated Clearing Clients who are grouped together in a single Omnibus Segregated Account
"**Impacted ForexClear Option Clearing Member**"	has the meaning assigned to it in Regulation 100(g)
"Index"	has the meaning assigned to it in Chapter XIV(a)
"**Indirect Account**"	means an Indirect Gross Account or an Indirect Net Account
"**Indirect Clearing Client**"	means a client of an Indirect Gross Account Clearing Client or an Indirect Net Account Clearing Client in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Indirect Account

"**Indirect Gross Account**"	means, in relation to a Relevant Client Clearing Business, an account opened within the Clearing House by a Clearing Member which (i) enables such Clearing Member to distinguish the assets and positions held for the account of an Indirect Gross Account Clearing Client from the assets and positions held for the account of its other clients, (ii) is opened by such Clearing Member for the purpose of providing Client Clearing Services to such Indirect Gross Account Clearing Client who is, in turn, providing clearing services to its Indirect Clearing Clients, and (iii) is designated by the Clearing House as an Indirect Gross Account
"**Indirect Gross Account Balance**"	means, in respect of an Indirect Gross Account Clearing Client, the Clearing Member Current Collateral Balance of the Indirect Gross Account held by the relevant Clearing Member on behalf of such Indirect Gross Account Clearing Client (together with any receivables, rights, intangibles and any other collateral or assets deposited or held with the Clearing House in connection with such account)
"**Indirect Gross Account Clearing Client**"	means a Clearing Client in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Indirect Gross Account
"**Indirect Gross Sub-Account**"	means, in respect of an Indirect Gross Account, a segregated sub-account of such Indirect Gross Account, which is established on the books of the Clearing House for the purpose of recording Contracts which (i) the relevant Clearing Member has entered into with the Clearing House in respect of the relevant Indirect Gross Account Clearing Client, and (ii) are referable to a particular Indirect Clearing Client of such Indirect Gross Account Clearing Client
"**Indirect Net Account**"	means, in relation to a Relevant Client Clearing Business, an Omnibus Segregated Account which is (i) opened by a Clearing Member for the purpose of providing Client Clearing Services to one or more Indirect Net Account Clearing Clients who are, in turn, providing clearing services to their Indirect Clearing Clients, and (ii) designated by the Clearing House as an Indirect Net Account, but, for the avoidance of doubt, does not include any Omnibus Segregated Account comprising Determined Omnibus Net Segregated Clients

"**Indirect Net Account Clearing Client**"	means an Omnibus Segregated Clearing Client (i) in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Indirect Net Account, and (ii) whose identity is not recorded by the Clearing House but, for the avoidance of doubt, does not include any Determined Omnibus Net Segregated Client
"**Individual CSD-Level Segregation**"	means, in respect of an Authorised CSD and an account which the Clearing House has opened with such Authorised CSD, that the Clearing House holds Securities Collateral for one Clearing Member only (and no other person) in such account together with Sponsored Clearing Securities Collateral (if any) that the Clearing House holds for the same Clearing Member in its capacity as an Agent Member or Sponsored Member
"**Individual Segregated Account**"	means an account opened within the Clearing House by a Clearing Member or an FCM which enables the relevant Clearing Member or FCM (as applicable) to distinguish the assets and positions held for the account of an Individual Segregated Account Clearing Client from the assets and positions held for the account of its other clients, and which is designated by the Clearing House as an Individual Segregated Account
"**Individual Segregated Account Balance**"	means, in respect of an Individual Segregated Account Clearing Client, the Clearing Member Current Collateral Balance of the Individual Segregated Account held by the relevant Clearing Member on behalf of such client (together with any receivables, rights, intangibles and any other collateral or assets deposited or held with the Clearing House in connection with such an account)
"**Individual Segregated Account Clearing Client**"	means a Clearing Client in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Individual Segregated Account
"Ineligible Transaction"	has the meaning assigned to it in Regulation 91(b)
"Inflation Clearing Group"	has the meaning assigned to it in Chapter XIV(c)(i)
"Inflation Clearing Group Aggregate"	has the meaning assigned to it in Chapter XIV(c)(ii)
"Inflation Derived Data"	has the meaning assigned to it in Regulation 60A(g)
"Inflation FCM SwapClear Contract"	has the meaning assigned to it in the FCM Regulations

"Inflation SwapClear Contract"	means a SwapClear Contract of the type of Contracts which are identified as being Inflation SwapClear Contracts in the Product Specific Contract Terms and Eligibility Criteria Manual, which includes, in the case of the Default Rules (including the Rates Service DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an Inflation FCM SwapClear Contract
"Inflation Swap Business Day"	has the meaning assigned to it in Chapter XIV(f)(i)
"Inflation Swaps Operational Specifications "	means the operational specifications governing the provision of market data in relation to Inflation SwapClear Contracts, as may be amended by the Clearing House from time to time
"**initial margin**"	means an amount determined and published from time to time by the Clearing House, in respect of which Members may be required to transfer Collateral to the Clearing House in accordance with these Regulations and/or the Procedures as a condition of registration of one or more Contracts by the Clearing House or in respect of one or more Contracts registered with the Clearing House, as prescribed by these Regulations and/or the Procedures
"**Insufficient Resources Determination**"	has the meaning assigned to it in Rule E10 of the Equities Default Fund Supplement, Rule CS6 of the Rates Service Default Fund Supplement, Rule F11 of the ForexClear Default Fund Supplement, or Rule R10 of the RepoClear Default Fund Supplement, as applicable
"**Insufficient Resources Determination Rule**"	means Rule E10 of the Equities Default Fund Supplement, Rule CS6 of the Rates Service Default Fund Supplement, Rule F11 of the ForexClear Default Fund Supplement and Rule R10 of the RepoClear Default Fund Supplement
"Intellectual Property Rights"	has the meaning assigned to it in Chapter XIV(j)
"**Intra-Day Bulk Transfer**"	means an Intra-Day Full Bulk Transfer and an Intra-Day Partial Bulk Transfer, unless the context otherwise requires
"**Intra-Day Full Bulk Transfer**"	means an intra-day transfer of all (but not some) of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member

"**Intra-Day Non-Bulk Transfer**"	means an intra-day transfer of some or all of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member, where such transfer: (i) does not exceed the Bulk Threshold; and (ii) does not include the transfer of an Associated Collateral Balance
"**Intra-Day Partial Bulk Transfer**"	means an intra-day transfer of some (but not all) of the SwapClear Contracts from the Transfer Account of an Eligible Transferor of a Carrying Clearing Member to the Transfer Account of an Eligible Transferee of a Receiving Clearing Member
"**ISA Port**"	means a port of the Contracts and Account Balance held in a Custodial Segregated Account opened by a Clearing Member with the Clearing House in respect of a Custodial Segregated Client to an Individual Segregated Account opened for such Clearing Client by a Backup Clearing Member in accordance with the Default Rules and the relevant Collateral Management Agreement
"IRS FCM SwapClear Contract"	has the meaning assigned to it in the FCM Regulations
"IRS SwapClear Contract"	means a SwapClear Contract of the type of Contracts which are identified as being IRS SwapClear Contracts in the Product Specific Contract Terms and Eligibility Criteria Manual, which includes, in the case of the Default Rules (including the Rates Service DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an IRS FCM SwapClear Contract
"Joint Rates Service Clearing Member"	means, for purposes of the Portfolio Margining Service, a clearing member who is both a SwapClear Clearing Member and a Listed Interest Rates Clearing Member
"Key Tenors"	means the Key Tenors as set out in the Inflation Swaps Operational Specifications
"Key Tenors Market Data"	has the meaning assigned to it in Regulation 60A(l)
"**LCH Group**"	means the group of undertakings consisting of LCH Limited, LCH Group Holdings Limited, LCH.Clearnet LLC, LCH Service Company Limited, SwapAgent Limited and Banque Centrale de Compensation S.A. trading as LCH SA. (any references to a "**member**" of LCH Group Holdings Limited within these Regulations is to be construed accordingly)

"**LCIA Rules**"	means the LCIA Arbitration Rules of The London Court of International Arbitration
"**LIBOR**"	means, in relation to a Contribution, the rate per annum (rounded upwards, if not already such a multiple, to the next whole multiple of one-sixteenth of one per cent) known as the British Bankers' Association Interest Settlement Rate for three-month deposits in sterling being offered to prime banking names in London at or about the time specified by the Procedures for fixing the rate of interest for the period for which interest is payable or, where no such rate is available, such rate as in the opinion of the Clearing House approximates thereto
"**Link**"	means the trading and/or clearing arrangements established by the Clearing House and a Co-operating Clearing House and, as the case may be, an Exchange in respect of one or more exchange contracts
"**Link Agreement**"	means an agreement entered into between the Clearing House and a Co-operating Clearing House and if applicable, an Exchange for the purposes of a Link
"**Linked Member**"	means an member of a Co-operating Exchange
"**Listed Interest Rates Business**"	means any transaction, obligation or liability arising out of a Listed Interest Rates Contract (which, for the avoidance of doubt, does not include for purposes of the Rates Service DMP Annex any Listed Interest Rates Contracts that are Portfolio Margined Contracts)
"**Listed Interest Rates Clearing Client**"	means, in respect of Listed Interest Rates Client Clearing Business, an Individual Segregated Account Clearing Client, Indirect Gross Account Clearing Client or Omnibus Segregated Clearing Client
"**Listed Interest Rates Clearing House Business**"	means Listed Interest Rates Contracts entered into by a Listed Interest Rates Clearing Member with the Clearing House on a proprietary basis and for its own account
"**Listed Interest Rates Clearing Member**"	means a Clearing Member that engages in Listed Interest Rates Business
"**Listed Interest Rates Client Clearing Business**"	means the provision of Listed Interest Rates Client Clearing Services by a Listed Interest Rates Clearing Member
"**Listed Interest Rates Client Clearing Services**"	means the entering into of Listed Interest Rates Contracts by a Listed Interest Rates Clearing Member in respect of its Individual Segregated Account Clearing Clients, Indirect Gross Account Clearing Clients and/or Omnibus Segregated Clearing Clients

"**Listed Interest Rates Contract**"	means any listed interest rate derivative contract cleared by the Clearing House, which includes, in the case of the Default Rules (including the Rates Service DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, and FCM Rates Contracts
"**Listed Interest Rates Contract Terms**"	means: (i) in respect of a Listed Interest Rates Contract other than a Designated Listed Interest Rates Contract, the terms set out from time to time in the relevant Rates Exchange Rules; or (ii) in respect of a Designated Listed Interest Rates Contract, the terms applicable to each Listed Interest Rates Contract as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual
"**Listed Interest Rates Contribution**"	means a Listed Interest Rates Clearing Member's Contribution provided for under Part B of the Rates Service Default Fund Supplement – Listed Interest Rates and shall include any relevant Unfunded Contributions and any relevant Supplementary Contribution in respect of the Listed Interest Rates Clearing Member
"**Listed Interest Rates Default Period**"	has the meaning ascribed to it in Rule L2 of Part B of the Rates Service Default Fund Supplement – Listed Interest Rates
"**Listed Interest Rates Determination Date**"	has the meaning assigned to it in Rule L2(a) of the Rates Service Default Fund Supplement – Listed Interest Rates
"**Listed Interest Rates Eligibility Criteria**"	means the Listed Interest Rates Open Offer Eligibility Criteria or the Listed Interest Rates Novation Transaction Eligibility Criteria (as applicable)
"**Listed Interest Rates Eligible Product**"	means a product traded under the rules of a Rates Exchange which such Rates Exchange has agreed from time to time with the Clearing House to be cleared by the Clearing House pursuant to these Regulations
"**Listed Interest Rates Excess Loss**"	means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of Listed Interest Rates Business, less (a) the proportion of the Capped Amount applicable to Listed Interest Rates Business under Default Rule 15(c) and (b) any sums then immediately payable in respect of Listed Interest Rates Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House

"**Listed Interest Rates Novation Transaction**"	means, in respect of a Rates Exchange, the matched Rates Exchange Particulars representing a bilateral transaction and either: (i) concluded other than through an order book of the Rates Exchange; or (ii) concluded through an order book of the Rates Exchange, in each case: (a) presented for registration by, or on behalf of, one Listed Interest Rates Clearing Member identified as, or as acting as a clearing member for, the buyer and the same or another Listed Interest Rates Clearing Member identified as, or as acting as clearing member for, the seller; and (b) which the Clearing House and the Rates Exchange have agreed will be cleared in accordance with, and subject to, the Rates Exchange Rules and the Rulebook via novation under Regulation 109 (and not via the Listed Interest Rates Open Offer clearing mechanism)
"**Listed Interest Rates Novation Transaction Eligibility Criteria**"	has the meaning set out in Regulation 109(b)
"**Listed Interest Rates Open Offer**"	means the open offer made by the Clearing House in respect of a Rates Exchange Match under Regulation 108(c)
"**Listed Interest Rates Open Offer Eligibility Criteria**"	has the meaning set out in Regulation 108(c)
"**Listed Interest Rates Regulations**"	means those Regulations which apply to Listed Interest Rates Contracts as specified in Regulation 107
"**Listed Interest Rates Service**"	means the Service provided by the Clearing House under the Listed Interest Rates Regulations
"**lot**"	means the standard unit or quantity prescribed by an Exchange, with the approval of the Clearing House, as the trading unit of an exchange contract. In relation to a contract other than an exchange contract, the standard unit or quantity prescribed by the relevant contract terms

"**LSE**"	means the London Stock Exchange plc or any successor in title
"**Mandatory ForexClear Swap Contract**"	means a ForexClear Swap Contract that is entered into for and on behalf of an Affected and/or Non-Affected ForexClear Option Clearing Member by the Clearing House acting pursuant to Regulation 101(d)(v) or Regulation 101(h) and Regulation 105
"Mandatory ForexClear Swap Limit"	means, in respect of a given day, a given ForexClear Currency and a given ForexClear Option Clearing Member, the maximum amount of Mandatory ForexClear Swap Transactions denominated in that ForexClear Currency that the Clearing House shall be entitled to enter into on that day on behalf of that ForexClear Option Clearing Member in accordance with Regulation 101(d)(v), as determined in accordance with the Procedures
"**Mandatory ForexClear Swap Limit Cap**"	means, in respect of a ForexClear Currency and all ForexClear Option Clearing Members, USD1,000,000,000 (or the equivalent denominated in the relevant ForexClear Currency) (as amended from time to time in accordance with the Regulations)
"**Mandatory Settlement ForexClear Swap Contract**"	means a ForexClear Swap Contract that is entered into for and on behalf of an Impacted and/or Non-Impacted ForexClear Option Clearing Member by the Clearing House acting pursuant to Regulation 100(k), Regulation 100(l) and Regulation 105
"**margin**"	means initial margin, variation margin and/or any other amounts required to be transferred and maintained under Regulation 20(a) (*Margin and Collateral*)
"**Margin Cover**"	has the meaning ascribed to such term in Default Rule 15(a)
"**Margin Shortfall**"	has the meaning assigned to it in Section 1.3.3 (*Client Buffer, SwapClear Tolerance and Standing Order Amount*) of Section 2C (*SwapClear Clearing Service*) of the Procedures
"**market**"	means a futures, options, forward, stock or other market, administered by an Exchange, or an OTC market in respect of which the Clearing House has agreed with such Exchange or, in respect of an OTC market, with certain Participants in that market, to provide clearing services on the terms of these Regulations and the Procedures
"Market Data"	has the meaning assigned to it in Chapter XIV(f)(i)

"**market day**"	means in respect of a commodity, a day on which the market on which that commodity is dealt in is open for trading
"Market Deviation Notice"	has the meaning assigned to it in Chapter XIV(l)
"**Member**" **or** "**Clearing Member**"	(a) subject to (b) means an undertaking (including a firm or company) which is entitled to be party to Contracts with the Clearing House in accordance with a Clearing Membership Agreement and the Procedures or a Co-operating Clearing House, where so agreed with the Co-operating Clearing House (as applicable). For the avoidance of doubt, the terms "**Member**" and "**Clearing Member**" for the purposes of these Regulations, Default Rules and Procedures, do not a mean shareholder of LCH Limited or of any member of LCH Group (b) "Clearing Member" includes or means (as the case may be) FCM Clearing Member for the purpose of the Default Rules (including the Rates Service DMP Annex and the ForexClear DMP Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time
"**Member Compression Cycle**"	means a Multilateral Compression Cycle requested by two or more SwapClear Clearing Members and agreed to by the Clearing House in relation to eligible SwapClear Contracts held by those requesting SwapClear Clearing Members. For the avoidance of doubt, a Member Compression Cycle will not involve any ACSP
"MER Buffer"	has the meaning assigned to it in the Procedures
"**MiFID II**"	means the recast Markets in Financial Instruments Directive (Directive 2014/65/EU), Regulation (EU) No. 600/2014 of the European Parliament and the Council of 15 May 2014 and all related implementing or supplementary legislation and technical standards, as amended from time to time
"**Minimum ForexClear Contribution**"	means USD 5,000,000
"**Minimum Non-Tolerance SwapClear Contribution**"	means £10,000,000 (which, for the avoidance of doubt, excludes the £3,000,000 minimum amount payable by an SCM in respect of the SwapClear Tolerance Contribution Amount);
"**Minimum RepoClear Contribution**"	means EUR 2,500,000

"**Minimum RepoClear Contribution Member**"	means an RCM in respect of which the Preliminary RepoClear Contribution calculated under Rule R2 of the RepoClear Default Fund Supplement, is equal to or less than the Minimum RepoClear Contribution for the time being
"**Minimum SwapClear Contribution Member**"	means an SCM in respect of which the SwapClear Non-Tolerance Contribution Amount calculated under paragraph (f) of Rule S1 of Part A of the Rates Service Default Fund Supplement is equal to or less than the Minimum Non-Tolerance SwapClear Contribution for the time being
"**Multilateral Compression**"	means the exercise in which some or all of the SwapClear Contracts submitted by two or more Compression Clearing Members either on their own account or with respect to a SwapClear Clearing Client, for inclusion in a Multilateral Compression Cycle are wholly terminated and, where relevant, replaced with other SwapClear Contracts
"**Multilateral Compression Cycle**"	means the process of Multilateral Compression in accordance with a Compression Proposal, whether by way of an ACSP Compression Cycle or a Member Compression Cycle
"**Net Recovery**"	means any sum received by the Clearing House from or for the account of a Defaulter after the issue by the Clearing House of a Rule 19 Certificate in respect of losses arising upon the Defaulter's Default less any amount payable to any insurer or provider of analogous services in respect of any amount due from but not previously paid by the Defaulter
"**New Member**"	means, on the day as at which any Contribution is to be calculated, any Clearing Member which either has become a Clearing Member, or has commenced clearing in respect of the relevant Service, since the immediately preceding day prescribed for calculating similar Contributions
"Nominated Group Member"	has the meaning assigned to it in Chapter XIV(k)
"**Non-Affected ForexClear Option Clearing Member**"	means a ForexClear Option Clearing Member that is not an Affected ForexClear Option Clearing Member
"**Non-Clearing Participant ("NCP")**"	means, in respect of a Service, a person (a) who is not a Clearing Member in such Service, (b) whom a Clearing Member has appointed as an NCP, in respect of such Service, in accordance with the Procedures, (c) who has been notified to the Clearing House in accordance with Section 1.2.2 of Section 1 of the Procedures, and (d) whose appointment as an NCP, in respect of such Service, has not been terminated in accordance with Section 1.2.3 of Section 1 of the Procedures

"**Non-Defaulting FXCCM**"	means an FXCCM which is not a Defaulter under Rule 4 of the Default Rules
"**Non-Defaulting Joint Rates Service Clearing Member**"	means a Joint Rates Service Clearing Member which is not a Defaulter under Rule 4 of the Default Rules
"**Non-Defaulting Rates Services Clearing Member**"	means a Rates Service Clearing Member which is not a Defaulter under Rule 4 of the Default Rules
"**Non-Defaulting RCM**"	means an RCM which is not a Defaulter under Rule 4 of the Default Rules
"**Non-Defaulting SCM**"	means an SCM which is not a Defaulter under Rule 4 of the Default Rules
"**Non-Eligible Listed Interest Rates Contract**"	means those Listed Interest Rates Contracts other than Eligible Listed Interest Rates Contracts
"**Non-Identified Client Omnibus Net Segregated Account**"	means, in relation to a Relevant Client Clearing Business, an account opened within the Clearing House by the relevant Clearing Member on behalf of one or more of its Non-Identified Omnibus Segregated Clearing Clients which is designated by the Clearing House as a Non-Identified Client Omnibus Net Segregated Account but, for the avoidance of doubt, does not include any Omnibus Segregated Account comprising Determined Omnibus Net Segregated Clients
"**Non-Identified Omnibus Segregated Clearing Client**"	means, in relation to a Relevant Client Clearing Business, certain Omnibus Segregated Clearing Clients of the relevant Clearing Member or FCM whose identities are not recorded by the Onboarding department of the Clearing House and who are grouped together in an Omnibus Segregated Account which is not an Identified Client Omnibus Segregated Account, an Affiliated Client Omnibus Segregated Account or an Indirect Net Account of the Clearing Member but, for the avoidance of doubt, does not include any Determined Omnibus Net Segregated Clients
"**Non-Impacted ForexClear Option Clearing Member"**	means, with respect to a ForexClear Settlement Event, each ForexClear Option Clearing Member that is not an Impacted ForexClear Option Clearing Member in respect of such ForexClear Settlement Event
"Non-Performance Notice"	has the meaning assigned to it in Chapter XIV(m)
"Non-Performer"	has the meaning assigned to it in Section 2C1.27.4 of the Procedures

"NPV Reset"	has: (i) in the case of a SwapClear STM Contract, the meaning assigned to it in Regulation 57A; and (ii) in the case of a ForexClear STM Contract, the meaning assigned to it in Regulation 106A
"Off-Market Provider"	has the meaning assigned to it in Section 2C1.27.4 of the Procedures
"**official quotation**"	means a price determined by the Clearing House under Regulation 22
"**Omnibus CSD-Level Segregation**"	means, in respect of an Authorised CSD and an account which the Clearing House has opened with such Authorised CSD, that the Clearing House holds Securities Collateral for a Clearing Member in such account together with (a) other Securities Collateral that the Clearing House holds for other Clearing Members, and/or (b) Sponsored Clearing Securities Collateral that the Clearing House holds for Agent Members and/or Sponsored Members
"**Omnibus Gross Segregated Account**"	means, in relation to a Relevant Client Clearing Business, an account opened within the Clearing House by a Clearing Member on behalf of a group of Omnibus Gross Segregated Clearing Clients which is designated by the Clearing House as an Omnibus Gross Segregated Account
"**Omnibus Gross Segregated Clearing Clients**"	means Affiliated Omnibus Segregated Clearing Clients or Identified Omnibus Segregated Clearing Clients (as applicable) in respect of whom the relevant Clearing Member clears Contracts with the Clearing House in an Omnibus Gross Segregated Account
"**Omnibus Segregated Account**"	means an account opened within the Clearing House by a Clearing Member or an FCM which enables the relevant Clearing Member or FCM (as applicable) to distinguish its assets and positions from the assets and positions held for the account of its clients (or a group of clients). For the avoidance of doubt, the term includes Identified Client Omnibus Segregated Accounts, Affiliated Client Omnibus Segregated Accounts, Non-Identified Client Omnibus Net Segregated Accounts and Indirect Net Accounts

"**Omnibus Segregated Account Balance**"	means, in respect of an individual Identified Omnibus Segregated Clearing Client or an individual Affiliated Omnibus Segregated Clearing Client, such part of the Clearing Member Current Collateral Balance of the relevant Omnibus Segregated Account which is attributed by the Clearing House to the relevant client (together with any receivables, rights, intangibles and any other collateral or assets deposited or held with the Clearing House in connection with such an account)
"**Omnibus Segregated Clearing Client**"	means an Identified Omnibus Segregated Clearing Client, an Affiliated Omnibus Segregated Clearing Client, a Non-Identified Omnibus Segregated Clearing Client and/or an Indirect Net Account Clearing Client
"**Open Contract or open contract**"	means a Contract made with a Member on the terms (subject to variation of such terms as provided in the Regulations) of an original contract or a Contract made with a Member on the terms set out in the Regulations and/or any agreement entered into with the Member, which, in either case, has not been closed-out, settled or invoiced back in accordance with the Regulations and the Procedures. The term "open contract" shall include, where relevant, an option contract and a delivery contract, but shall not include a settlement contract, a re-opening contract or a closing-out contract
"**open contract subject to tender**"	means either (i) a Cleared Exchange Contract made with a Member on the terms (unless otherwise provided in the Regulations) of an original exchange contract or (ii) a Listed Interest Rates Contract, in either case in respect of which a tender has been given, which has not been closed out, settled or invoiced back in accordance with the Regulations and the Procedures, and shall include, except where the context otherwise requires, a delivery contract
"**option**"	means a right to enter into a contract for the sale or purchase of a (i) commodity (ii) security, (iii) contract for difference, or (iv) delivery contract
"**option contract**"	means a contract for an option on the terms of (i) an exchange contract or (ii) a Listed Interest Rates Contract
"**original contract**"	means an original exchange contract, EquityClear Novation Transaction, an OTC Transaction other than a Repo Trade, Bond Trade or Term £GC Trade, or a Listed Interest Rates Novation Transaction

"**original exchange contract**" means a contract including, where relevant, an option contract on the terms of an exchange contract which:

(a) has been entered into on a market or otherwise under or in accordance with Exchange Rules and subject to Exchange Rules of which particulars are to be presented to the Clearing House for registration in the name of members in accordance with Exchange Rules, the Regulations or the Procedures; or

(b) by agreement with a Co-operating Clearing House is to be registered in the name of a Co-operating Clearing House in accordance with the terms of any agreement made with a Participating Exchange.

Where any such contract is for more than one lot there shall be deemed to be a separate contract in respect of each lot and the term "**original exchange contract**" shall be construed accordingly. The term "**original exchange contract**" shall include a confirmed contract, except where the context otherwise requires. For the avoidance of doubt, the term "**original exchange contract**" shall not include any EquityClear ATP Match made pursuant to the rules of an Approved EquityClear Trading Platform or any Rates Exchange Match

"**OTC Contract**" means a Contract entered into by the Clearing House with a Member on the relevant OTC Contract Terms, as prescribed by the Clearing House from time to time, in accordance with the Regulations and the Procedures and/or any agreement entered into with the Member

"**OTC Contract Terms**" means the SwapClear Contract Terms in respect of SwapClear Contracts, the RepoClear Contract Terms in respect of RepoClear Contracts, the RepoClear Term £GC Contract Terms in respect of the RepoClear Term £GC Contracts and the ForexClear Contract Terms in respect of ForexClear Contracts

"**OTC market**" means any dealings in an investment (as defined in section 22(1) and Schedule 2 Part II of the Financial Services and Markets Act 2000) which are entered into otherwise than on or subject to the rules of an Exchange

"**OTC Service**" means a service provided by the Clearing House for the clearing of a category of OTC Contract

"**OTC Transaction**" means a transaction being a SwapClear Transaction, RepoClear Transaction, RepoClear Term £GC Transaction, Repo Trade, Bond Trade or Term £GC Trade, or ForexClear Transaction

"**Own Resources Provision**"	means Article 35 of Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties or any law, regulation, rule, official directive or guideline (having the force of law) which replaces, supplements, modifies, amends or varies such provision
"Permitted Transfers"	has the meaning ascribed to it in Section 2C or Section 2I of the Procedures, as applicable
"**Portfolio Margined Contracts**"	means any Listed Interest Rates Contracts recorded in an account of a Portfolio Margining Clearing Member related to SwapClear Business following the operation by the Clearing House of the Portfolio Margining Arrangements
"**Portfolio Margining Clearing Member**"	means a Joint Rates Service Clearing Member who has opted in to the Portfolio Margining Service in accordance with Section 2C of the Procedures
"**Portfolio Margining Client**"	means, in respect of a Portfolio Margining Clearing Member, an Individual Segregated Account Clearing Client, a Custodial Segregated Client or an Omnibus Segregated Clearing Client which has been opted in to the Portfolio Margining Service in accordance with Section 2C of the Procedures
"**Portfolio Margining Service**"	means the portfolio margining service offered by the Clearing House pursuant to Regulation 59 and as more fully described at Section 2C of the Procedures
"**Portfolios**"	has the meaning assigned to it in the Default Rules
"**Porting Window**"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"**Porting Window Reduction**"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"**Post-Compression Contracts**"	means the Post-Multilateral Compression Contracts and/or any replacement SwapClear Contracts referred to in Regulation 56
"**Post-Multilateral Compression Contracts**"	means, in relation to a Compression Proposal, the SwapClear Contracts registered as a result of Multilateral Compression in accordance with such Compression Proposal
"**Pre-Allocation FCM Clearing Member**"	shall have the meaning assigned to it in the FCM Regulations

"**premium**"	means the consideration for the selling of an option payable by the buyer in accordance with these Regulations and the Procedures
"**Price**"	means in the case of: (a) a contract on the terms of an exchange contract or Listed Interest Rates Contract which is to be performed by delivery of a reference asset or commodity, the consideration to be paid by the buyer in cash in the currency prescribed by the terms of the exchange contract or Listed Interest Rates Contract, and in the case of an exchange contract or Listed Interest Rates Contract which is a contract for differences, the valuation quoted as a price under its terms; or (b) an OTC Contract, the price calculated by the Clearing House in accordance with the Regulations and the Procedures; or (c) an EquityClear Contract, the consideration to be paid by the buyer in cash in the currency as set out in the EquityClear ATP Match or EquityClear Novation Transaction information received by the Clearing House or its relevant approved agent
"**Price Alignment Amount**"	has: (i) in the case of a SwapClear STM Contract, the meaning assigned to it in Regulation 57A; and (ii) in the case of a ForexClear STM Contract, the meaning assigned to it in Regulation 106A
"**Price Alignment Amount Rate**"	has: (i) in the case of a SwapClear STM Contract, the meaning assigned to it in Regulation 57A; and (ii) in the case of a ForexClear STM Contract, the meaning assigned to it in Regulation 106A
"**Primary Client Account**"	means, in respect of an SCM, the Omnibus Gross Segregated Account which is in its name and which the Clearing House designates as the SCM's primary Client Account

"**Procedures**"	means Section 1 (*Clearing Member, Non-Member Market Participant and Dealer Status*), Section 2B *RepoClear Service*) to Section 2J (*Listed Interest Rates Service*) and Sections 3 (*Financial Transactions*) to 8 (*Complaints*) of the Rulebook and the procedures for application for and regulation of membership of the Clearing House and in respect of SwapClear Dealers, RepoClear Dealers, and ForexClear Dealers respectively, for: (a) application for admission to the Register of SwapClear Dealers and regulation of SwapClear Dealers admitted to the Register; (b) application for admission to the Register of RepoClear Dealers and regulation of RepoClear Dealers; (c) application for admission to the Register of ForexClear Dealers, and shall also include FCM Procedures where the term "Procedures" is used in the Default Rules. For the avoidance of doubt, a reference to "Procedures" is not intended to refer to procedures provided for or required by any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any Governmental Authority
"**Product**"	has the meaning assigned to it in the FCM Regulations
"**Product Specific Contract Terms and Eligibility Criteria Manual**"	means the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"**prompt date**"	has, in respect of (i) an exchange contract, the meaning ascribed to it in the Exchange Rules governing such contract or (ii) a Listed Interest Rates Contract, the meaning ascribed to it in the Product Specific Contract Terms and Eligibility Criteria Manual
"**Proprietary Account**"	means an account opened within the Clearing House by a Clearing Member in respect of such Clearing Member's House Clearing Business and/or for the purpose of holding Client Buffer
"**Protest**"	has the meaning given to it in Exchange Rules
"**Put Currency Amount**"	means, in relation to a ForexClear Option Transaction or ForexClear Option Contract, as applicable, the amount specified as such in the ForexClear Option Contract Terms evidencing such ForexClear Option Transaction or ForexClear Option Contract, as applicable

"Quarter Start Date"	has the meaning assigned to it in Regulation 60A(c)
"**Rate X**" **and Rate** "**Y**"	means, in relation to a SwapClear Transaction or a SwapClear Contract, the outstanding payment obligations of each party to the transaction, such that Rate X comprises the outstanding payment obligations of one party to the other and Rate Y comprises the outstanding payment obligations of the other party to the first party
"Rates Exchange"	means any trading platform approved as such from time to time by the Clearing House in respect of the Listed Interest Rates Service
"Rates Exchange Match"	means, in respect of a Rates Exchange, a match made on such Rates Exchange of Rates Exchange Particulars submitted by, or on behalf of, Listed Interest Rates Clearing Members, which is made either: (i) other than through an order book of the Rates Exchange; or (ii) through an order book of the Rates Exchange, and in each case: (a) which the Clearing House and the Rates Exchange have agreed will be cleared in accordance with, and subject to, the Rates Exchange Rules and the Rulebook via the Listed Interest Rates Open Offer clearing mechanism (and not via novation under Regulation 109); and (b) regardless of whether such match is described or characterised as a trade, transaction or agreement in the relevant Rates Exchange Rules
"Rates Exchange Particulars"	means the orders or trade particulars, in respect of a Listed Interest Rates Eligible Product, submitted to a Rates Exchange in accordance with the relevant Rates Exchange Rules by, or on behalf of, a Listed Interest Rates Clearing Member
"Rates Exchange Rules"	means the rules, regulations, administrative procedures, Memorandum and Articles of Association and by-laws which regulate a Rates Exchange and the market administered by it as notified from time to time to the Clearing House
"Rates Service"	means the SwapClear Service and the Listed Interest Rates Service

"Rates Service Business"	means SwapClear Business and/or Listed Interest Rates Business (as applicable)
"Rates Service Clearing House Business"	means SwapClear Clearing House Business and/or Listed Interest Rates Clearing House Business (as applicable)
"Rates Service Contracts"	means SwapClear Contracts and/or Listed Interest Rates Contracts
"Rates Service Clearing Member"	means a Clearing Member which is a SwapClear Clearing Member and/or a Listed Interest Rates Clearing Member
"Rates Service Client Clearing Business"	means SwapClear Client Clearing Business and/or Listed Interest Rates Client Clearing Business (as applicable)
"**Rates Service Default Fund**"	means the combined service default fund established pursuant to the Rates Service Default Fund Supplement – SwapClear and the Rates Service Default Fund Supplement – Listed Interest Rate
"Rates Service Default Fund Supplement – Listed Interest Rates"	means the Supplement relating to Listed Interest Rates Business
"Rates Service Default Fund Supplement – SwapClear"	means the Supplement relating to the SwapClear Business
"Rates Service Default Management Disclosure Notice"	means the Rates Service Default Management Disclosure Notice as specified by the Clearing House from time to time
"Rates Service Default Management Process"	has the meaning assigned to it in the Rates Service DMP Annex in the Default Rules
"Rates Service Default Management Process Completion Date"	has the meaning assigned to it in the Rates Service DMP Annex in the Default Rules
"Rates Service Default Period"	means the Listed Interest Rates Default Period and/or SwapClear Default Period (as applicable)
"Rates Service Determination Date"	has the meaning assigned to it in the Rates Service DMP Annex in the Default Rules
"Rates Service DMG"	has the meaning assigned to it in the Rates Service DMP Annex in the Default Rules
"Rates Service DMP"	has the meaning assigned to it in the Default Rules

"Rates Service Excess Loss"	means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of Rates Service Business less (a) the proportion of the Capped Amount applicable to Rates Service Business under Rule 15(c) of the Default Rules and (b) any sums then immediately payable in respect of Rates Service Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House
"Rates Service Fund Amount"	has the meaning assigned to it in the Rates Service Default Fund Supplement
"Rates Service Fund Amount – Listed Interest Rate"	means the amount as determined in accordance with Rule CS2 of the Rates Service Default Fund Supplement
"Rates Service Fund Amount - SwapClear"	means the amount as determined in accordance with Rule CS2 of the Rates Service Default Fund Supplement
"Rates Service Voluntary Payment"	has the meaning assigned to it in Rule CS5. of the Rates Service Default Fund Supplement
"Rates Service Voluntary Payment Notice	has the meaning assigned to it in Rule CS5. of the Rates Service Default Fund Supplement
"**Receiving Clearing Member**"	means a SwapClear Clearing Member, ForexClear Clearing Member or an FCM Clearing Member that carries the Transfer Account that will receive the transfer of Transferring SwapClear Contracts or Transferring ForexClear Contracts and, where applicable, the relevant Associated Collateral Balance(s) held in respect of the Eligible Transferor from a Carrying Clearing Member pursuant to Regulation 60 or Regulation 95 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement. For the avoidance of doubt, (i) an entity that is a Clearing Client may also be a Receiving Clearing Member (other than a Receiving Clearing Member that is an FCM Clearing Member), (ii) a Receiving Clearing Member that is not an FCM Clearing Member may be nominated to receive a transfer of FCM SwapClear Contracts or FCM ForexClear Contracts and associated Collateral from a Carrying Clearing Member that is an FCM Clearing Member pursuant to Regulation 46(q) or Regulation 49(r) of the FCM Regulations (capitalised terms used in this sub-paragraph (ii) having the meanings set out in the FCM Regulations), and (iii) a Receiving Clearing Member may be a Carrying Clearing Member, and vice versa

"**Reference Currency Buyer**"	means in relation to ForexClear NDF Contract, the party specified as the 'Reference Currency Buyer' in the Economic Terms
"**Reference Currency Seller**"	means in relation to ForexClear NDF Contract, the party specified as the 'Reference Currency Seller' in the Economic Terms
"**Reference Price**"	means a price (howsoever called) by reference to which a Contract is settled to market, marked to market, settled or valued in accordance with the Regulations and Procedures
"**Register of ForexClear Dealers**"	means the register which lists ForexClear Dealers regarded by the Clearing House as for the time being eligible to submit contracts for registration as ForexClear Contracts by the Clearing House
"**Register of RepoClear Dealers**"	means the register which lists RepoClear Dealers regarded by the Clearing House as for the time being eligible to submit contracts for registration as RepoClear Contracts or RepoClear Term £GC Contracts by the Clearing House or to deal through one or more Automated Trading Systems specified by the Clearing House in respect of each such RepoClear Dealer pursuant to which the Clearing House becomes a party to RepoClear Contracts or RepoClear Term £GC Contracts, as the case may be, in accordance with the terms of the RepoClear Dealer Clearing Agreement and Regulation 19
"**Register of SwapClear Dealers**"	means the register which lists SwapClear Dealers regarded by the Clearing House as for the time being eligible to submit contracts for registration as SwapClear Contracts by the Clearing House
"**Registration Time**"	(i) in respect of SwapClear Contracts shall have the meaning given in Regulation 55(f); (ii) in respect of Listed Interest Rates Contracts shall have the meaning given in the Procedures; and (iii) in respect of RepoClear Contracts, RepoClear Term £GC Contracts, EquityClear Contracts and ForexClear Contracts, shall have the meaning given in the Procedures, in each case subject to Regulation 16(e)
"**Regulations**"	means the Clearing House's General Regulations, Default Rules and Clearing House Settlement Finality Regulations, from time to time in force

"**Regulatory Body**"	means the Bank of England, the Secretary of State, the Prudential Regulation Authority, the Financial Conduct Authority or professional body designated under Part XX of the Financial Services and Markets Act 2000 or other body given regulatory powers under that Act, the Commodity Futures Trading Commission of the United States (CFTC) or any other body or authority, in each case, that has jurisdiction to exercise in relation to the provision or use of clearing services a regulatory or supervisory function over the Clearing House and/or, in respect of a Clearing Member, the relevant Clearing Member under the laws of the United Kingdom, the United States or any other applicable jurisdiction
"Rejecting Compression Clearing Member"	has the meaning assigned to it in Regulation 56
"**Related Contract**"	means: (i) in relation to the SwapClear Service, a Related SwapClear Contract (as such term is defined in the Procedures); (ii) in relation to the RepoClear Service, a Related RepoClear Contract (as such term is defined in the Procedures); (iii) in relation to the ForexClear Service, a Related ForexClear Contract (as such term is defined in the Procedures); (iv) in relation to the EquityClear Service, a Related EquityClear Contract (as such term is defined in the Procedures); (v) in relation to the Listed Interest Rates Service, a Related Listed Interest Rates Contract (as such term is defined in the Procedures)
"**Relevant Auction Contract**"	has the meaning given to the term in the Client Clearing Annex
"**Relevant Business**"	has the meaning as described in Default Rule 15(c)
"**Relevant Client Clearing Business**"	means the Client Clearing Business conducted by a particular Clearing Member in a particular Service
"**Relevant Contract**"	has the meaning assigned to it in the Client Clearing Annex
"**Relevant Default**"	has the meaning ascribed to it in Rule S1 of Part A of the Rates Service Default Fund Supplement - SwapClear, Rule F2 of the ForexClear Default Fund Supplement or Rule R2 of the RepoClear Default Fund Supplement, as applicable
"**Relevant FX Amounts**"	means, in respect of a ForexClear Option Clearing Member and a day, all amounts that are due to be received by such ForexClear Option Clearing Member on such day under a ForexClear Option Contract, ForexClear Swap Contract, ForexClear Deliverable Forward Contract and/or ForexClear Spot Contract in any ForexClear Currency

"**Relevant FX Liability**"	has the meaning assigned to it in Regulation 101
"**re-opening contract**"	means a contract arising pursuant to Regulation 30(b) or 30(c)
"**RepoClear Additional Payments Cap**"	means, in respect of a RCM on any date, an amount equal to the Clearing Member Current Collateral Balance of that RCM in connection with its RepoClear Business as at the date of the Default causing losses leading to an Insufficient Resources Determination (or, where such an Insufficient Resources Determination is made following concurrent Defaults, the date of the earliest Default)
"**RepoClear Business**"	means any transaction, obligation or liability arising out of any Fixed Income Contract
"**RepoClear Clearing Client**"	means, in respect of RepoClear Client Clearing Business, an Individual Segregated Account Clearing Client or an Omnibus Segregated Clearing Client
"**RepoClear Clearing House Business**"	means, a Fixed Income Contract entered into by a RepoClear Clearing Member with the Clearing House on a proprietary basis and for its own account
"**RepoClear Clearing Member**" **or** "**RCM**"	means a Member who is designated by the Clearing House as a RepoClear Clearing Member participating in any part of the RepoClear Service
"**RepoClear Client Clearing Business**"	means the provision of RepoClear Client Clearing Services by a RepoClear Clearing Member
"**RepoClear Client Clearing Service**"	means the entering into of RepoClear Contracts or RepoClear Term £GC Contracts by a RepoClear Clearing Member in respect of its Individual Segregated Account Clearing Clients and/or its Omnibus Segregated Clearing Clients
"**RepoClear Contract**"	means (i) a Contract entered into by the Clearing House with a RepoClear Clearing Member on the RepoClear Contract Terms or (ii) a RepoClear DMP Contract
"**RepoClear Contract Terms**"	means the Terms set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual
"**RepoClear Contribution**"	means an RCM's Contribution provided for under the RepoClear Default Fund Supplement and shall include any relevant RepoClear Unfunded Contributions and any relevant Supplementary Contribution in respect of the RCM

"**RepoClear Dealer**"	means a person admitted by the Clearing House to the Register of RepoClear Dealers and who has not been removed from the Register
"**RepoClear Dealer Clearing Agreement**"	means a written agreement, in the form and on the terms prescribed by the Clearing House, between a RepoClear Dealer, a RepoClear Clearing Member and the Clearing House which has the function, amongst other things, of setting out the terms on which the RepoClear Clearing Member agrees to clear RepoClear Transactions, or RepoClear Term £GC Contracts, Repo Trades, Bond Trades and Term £GC Trades for the RepoClear Dealer
"**RepoClear Default**"	means any Default in respect of an RCM
"**RepoClear Default Fund Supplement**"	means the Supplement relating to the RepoClear Business
"**RepoClear Default Management Process**"	has the meaning assigned to it in the RepoClear DMP Annex in the Default Rules
"**RepoClear Default Management Process Completion Date**"	has the meaning assigned to it in the RepoClear DMP Annex in the Default Rules
"**RepoClear Default Period**"	has the meaning ascribed to it in Rule R2 of the RepoClear Default Fund Supplement
"**RepoClear Determination Date**"	has the meaning assigned to it in Rule R2 of the RepoClear Default Fund Supplement
"**RepoClear DMP Contract**"	means a contract entered into in accordance with the RepoClear DMP Annex in the Default Rules by the Clearing House with a RepoClear Clearing Member on the RepoClear Contract Terms
"**RepoClear Eligibility Criteria**"	means with regard to RepoClear Transactions, the product criteria set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"**RepoClear Eligible Securities**"	means with regard to RepoClear Transactions, Bond Trades and Repo Trades securities of a type described in the Product Specific Contract Terms and Eligibility Criteria Manual

"**RepoClear Excess Loss**"	means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of RepoClear Business less (a) the proportion of the Capped Amount applicable to RepoClear Business under Rule 15(c) and (b) any sums then immediately payable in respect of RepoClear Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House
"**RepoClear Loss Distribution Process**"	has the meaning assigned to it in Rule R8 of the RepoClear Default Fund Supplement
"**RepoClear Participants**"	means RepoClear Clearing Members and RepoClear Dealers and "RepoClear Participant" means any of them
"**RepoClear Regulations**"	means those Regulations which apply to Fixed Income Contracts as specified in Regulation 61
"**RepoClear Segregated Fund Amount**"	means the amount as determined in accordance with Rule R2 and R3 of the RepoClear Default Fund Supplement
"**RepoClear Service**"	the service provided by the Clearing House under the RepoClear Regulations
"**RepoClear Term £GC Contract**"	means a Contract entered into by the Clearing House with a RepoClear Clearing Member on the RepoClear Term £GC Contract Terms
"**RepoClear Term £GC Transaction**"	means a contract, meeting the requirements of the Regulations and Procedures for registration as a RepoClear Term £GC Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable
"**RepoClear Transaction**"	means a contract (which includes for the avoidance of doubt, ATS Contracts), meeting the requirements of the Regulations and Procedures for registration as a RepoClear Contract, details of which are presented to the Clearing House for registration in the name of RepoClear Clearing Members in accordance with the Regulations, Procedures and the terms of any agreement entered into between the Clearing House and each such RepoClear Clearing Member, and any RepoClear Dealer Clearing Agreement, as applicable. A "**RepoClear Repo Transaction**" is such a contract for the trade of a repo; a "**RepoClear Bond Transaction**" is such a contract for the trade of bond/s

"**RepoClear Unfunded Contribution**"	has the meaning assigned to it in Rule R7 of the RepoClear Default Fund Supplement
"**RepoClear Unfunded Contribution Notice**"	has the meaning assigned to it in Rule R7 of the RepoClear Default Fund Supplement
"**Repo Trade**"	means a trading activity in which a RepoClear Participant ("**the First Participant**") offers to sell (or buy) RepoClear Eligible Securities, and another RepoClear Participant ("**the Second Participant**") offers to buy (or sell, as the case may be) those securities, on condition that, at the end of a specified period of time, the Second Participant sells (or buys, as the case may be) equivalent securities and the First Participant buys (or sells, as the case may be) those equivalent securities, and a trade subsequently ensues
"Reporting Threshold Amount"	has the meaning assigned to it in Chapter XIV(e)
"**Required Initial Margin Amount**"	means, in respect of one or more Contract(s) and associated hedge positions, the most recent amount of initial margin which the Clearing House requires in respect of such Contract(s) and hedge positions as determined by the Clearing House and as recorded on its books and records
"**Required Margin Amount**"	means: (i) in respect of any type of margin and any account (other than an Omnibus Gross Segregated Account or Indirect Gross Account), (ii) in respect of any type of margin and (a) each Single Omnibus Gross Segregated Clearing Client within an Omnibus Gross Segregated Account, or (b) the Combined Omnibus Gross Segregated Clearing Clients grouped together within an Omnibus Gross Segregated Account, and (iii) in respect of any type of margin and each Indirect Gross Sub-Account, the most recent amount of each type of margin which the Clearing House requires in respect of the relevant account, sub-account or client(s) (as the case may be) as determined by the Clearing House and as recorded on its books and records
"**Requisite ForexClear Option Clearing Members**"	means, on any business day, one or more ForexClear Option Clearing Members representing at least 75% of the total number of ForexClear Option Clearing Members
"**Resignation Effective Date**"	means the date on which the termination of a Resigning Member's Clearing Member status in respect of a specific Service becomes effective, as specified in Regulation 5(a)

"**Resigning Member**"	means at any time any Clearing Member: (i) who has given notice to the Clearing House for the purposes of resigning from a particular Service; or (ii) in respect of whom the Clearing House has given notice for the purposes of requiring such Clearing Member to resign from a particular Service
"**Retirement Effective Date**"	means the date on which the termination of a Retiring Member's Clearing Member status becomes effective, as specified in Regulation 5(e)
"**Retiring Member**"	means at any time any Clearing Member or, as the context may require, any former Clearing Member: (i) who has given notice to terminate its Clearing Member status to the Clearing House; or (ii) in respect of whom the Clearing House has terminated or given notice to terminate its Clearing Member status
"**Return Window**"	has the meaning assigned to it in the Client Clearing Annex to the Default Rules
"**Revised Caps**"	has the meaning assigned to it in Regulation 100
"**Revised Limits**"	has the meaning assigned to it in Regulation 100
"**Risk Neutralisation**"	has the meaning assigned to it in the Default Rules
"**Rule 19 Certificate**"	has the meaning assigned to it in Rule 19 of the Default Rules
"**Rulebook**"	means the Regulations, Default Rules, Settlement Finality Regulations, Procedures, and such other rules of the Clearing House, as published and amended from time to time
"**Rules Change Committee**"	means the decision-making body that will oversee and implement all material alterations, amendments or extensions to the Rulebook or the Clearing Membership Agreement in accordance with its terms of reference
"**Rules of the Clearing House**"	means the Rulebook of the Clearing House including the General Regulations, Default Rules, Settlement Finality Rules and Procedures
"**SC Regulations**"	means the rules and regulations of the Clearing House denoted as such

"**SCM Branch**"	means a branch or part of a SwapClear Clearing Member, not being a different legal person from the SwapClear Clearing Member, which is authorized by the Clearing House to submit to the Clearing House, in the name of that SwapClear Clearing Member, SwapClear Transactions for registration, subject to these Regulations and the Procedures, by the Clearing House as SwapClear Contracts
"**Securities Collateral**"	means Collateral that is in the form of securities
"**Security Deed**"	means a security deed entered into by a Clearing Member in favour of its Clearing Clients in the form prescribed by the Clearing House from time to time and published on the Clearing House's website
"**segregated client**"	means a person whose monies are held by a Member separately from the Member's own monies with whom the Member has agreed (or in respect of which the Member is required) not to use such person's monies for the Member's own account
"**seller**"	means a Member (or the Clearing House where the context so requires) who is a seller under the terms of an exchange contract, a Cleared Exchange Contract, a RepoClear Transaction, a RepoClear Term £GC Transaction, a RepoClear Contract, a RepoClear Term £GC Contract, an EquityClear ATP Match, an EquityClear Novation Transaction, an EquityClear Contract, a Rates Exchange Match, or a Listed Interest Rates Novation Transaction, as the case may be
"**Service**"	means any one of the services made available by the Clearing House: (i) to an Exchange; (ii) under the SwapClear Regulations and under the FCM Regulations in respect of FCM SwapClear Contracts; (iii) under the RepoClear Regulations; (iv) under the EquityClear Regulations; (v) under the ForexClear Regulations and under the FCM Regulations in respect of FCM ForexClear Contracts; or (vi) under the Listed Interest Rates Regulations and under the FCM Regulations in respect of FCM Listed Interest Rates Contracts
"**settlement contract**"	means a contract between the Clearing House and a Member arising pursuant to Regulation 23(b) or Regulation 99(a)
"**Settlement Cycle Failure**"	has the meaning assigned to it in Regulation 101(h)
"**Settlement Exposure Amount**"	has the meaning assigned to it in Regulation 100

"**Settlement Exposure Limit**"	means, with respect to a ForexClear Option Clearing Member and a given ForexClear Currency, the "Settlement Exposure Limit" determined in accordance with the Procedures and made available from time to time by the Clearing House to that ForexClear Option Clearing Member, being the maximum permitted net deliverable or payable value in such currency on any given day arising from all ForexClear Contracts (other than ForexClear NDF Contracts) that have a Settlement Date falling more than two business days after such day
"**Settlement Exposure Limit Cap**"	means, with respect to a given ForexClear Option Clearing Member and a given ForexClear Currency, USD5,000,000,000 (as amended from time to time in accordance with the Regulations)
"**Settlement Position Amount**"	has the meaning assigned to it in Regulation 100
"**Settlement Position Limit**"	means, with respect to a ForexClear Option Clearing Member and a given ForexClear Currency, the "Settlement Position Limit" determined in accordance with the Procedures and made available from time to time by the Clearing House to that ForexClear Option Clearing Member, being the maximum permitted net deliverable or payable value in such currency on any given day arising from all ForexClear Contracts (other than ForexClear NDF Contracts) that have a Settlement Date falling two business days after such day
"**Settlement Position Limit Cap**"	means, with respect to all ForexClear Option Clearing Members and all ForexClear Currencies, USD5,000,000,000 (as amended from time to time in accordance with the Regulations)
"**settlement price**"	means one or more prices determined and issued by an Exchange in accordance with its Exchange Rules in respect of a delivery month or prompt date In relation to a Contract other than an exchange contract, one or more prices determined in accordance with the Regulations or the Procedures.
"**Settlement Service Provider**"	means CLS Bank International or any other entity approved by the Clearing House from time to time for the provision to the Clearing House of settlement services in conection with settlement under the ForexClear Service not taking place through the Clearing House Protected Payment System

"**Shortfall Ratio**"	means, in respect of an SCM and (i) a Client Account (other than an Omnibus Gross Segregated Account) of such SCM, the ratio that the Margin Shortfall for such Client Account bears to aggregate Margin Shortfalls for all Client Accounts (other than Omnibus Gross Segregated Accounts) of such SCM and all sub-accounts of each Omnibus Gross Segregated Account of such SCM, and (ii) a sub-account of an Omnibus Gross Segregated Account of such SCM, the ratio that the Margin Shortfall for such sub-account bears to aggregate Margin Shortfalls for all Client Accounts (other than Omnibus Gross Segregated Accounts) of such SCM and all sub-accounts of each Omnibus Gross Segregated Account of such SCM
"**Single Omnibus Gross Segregated Clearing Client**"	means, in respect of an Omnibus Gross Segregated Account, an Omnibus Gross Segregated Clearing Client within such account that is not a Combined Omnibus Gross Segregated Clearing Client
"**SONIA**"	means the overnight rate as calculated by the Wholesale Market Broker's Association and appearing on the Reuters Screen SONIA Page (or, if such a rate is not available, such SONIA-linked rate as may be determined in light of market conditions at such time by the Clearing House and notified by the Clearing House to Clearing Members)
"**Special Member**"	means: (a) an organisation which has the necessary licences, authorisations and approvals to act as a clearing house or otherwise provide clearing services or an organisation which has the necessary licences, authorisations and approvals to administer a futures, options, stock or other market and also to act as a clearing house in respect of such market or markets; or (b) an organisation carrying on comparable activities, as the Clearing House may determine from time to time, which has concluded a Clearing Membership Agreement with the Clearing House in such form as the parties may agree, pursuant to which such organisation clears specific types of Contract and agrees to be bound by these Regulations as a Member, to the extent and subject to any variations agreed in such Clearing Membership Agreement

"**Specified Exchange**"	means London Stock Exchange plc, Hong Kong Mercantile Exchange Limited or any Exchange succeeding to any such person
"**Sponsored Clearing Securities Collateral** "	means "Collateral" as defined in the SC Regulations that is in the form of securities
"**Sponsored Member**"	has the meaning assigned to it in the SC Regulations
"**Spot Settled ForexClear Option Transaction**"	means a ForexClear Option Transaction which the parties thereto have agreed (as evidenced by the ForexClear Spot Contract Terms applicable to that ForexClear Option Transaction) shall be settled by the entry into of a ForexClear Spot Transaction
"**Standard Terms**"	means that part of the SwapClear Contract Terms, the RepoClear Contract Terms, the ForexClear Contract Terms, or, in respect of a Designated Listed Interest Rates Contract, the Listed Interest Rates Contract Terms designated as Standard Terms by the Clearing House from time to time
"**STM Conversion Contracts**"	has the meaning assigned to it in Regulation 57A
"**STM Conversion Date**"	has the meaning assigned to it in Regulation 57A
"**STM Conversion Request**"	has the meaning assigned to it in Regulation 57A
"**strike price**"	means the price specified in an option contract which becomes the price of the reference asset or commodity under a contract for the future sale and purchase of that reference asset or commodity for future delivery or, as the case may be, under a delivery contract, in either case on the exercise of the option the subject of such option contract, in accordance with Exchange Rules, these Regulations and the Procedures, as applicable
"**Sub-Block Trading Venue Transaction**"	means a transaction, identified by the Clearing House as having been executed on a Trading Venue, the notional amount of which is below the minimum block size determined by the Clearing House in its sole and absolute discretion and published on the Clearing House's website in respect of the particular transaction and in effect as of the date of presentation of such transaction to the Clearing House for registration
"**Supplement**"	means a supplement specific to a particular Service and includes the Equities Default Fund Supplement, the ForexClear Default Fund Supplement, the Rates Service Default Fund Supplement – Listed Interest Rates, the RepoClear Default Fund Supplement and the Rates Service Default Fund Supplement – SwapClear

"**Supplementary Contribution**"	means a supplementary Contribution of a Clearing Member, provided for under Rule E7(b), F7(c), R6(c) or CS7 (as applicable) and referable to the relevant Service provided by the Clearing House
"**SwapClear AET Requirement**"	means, in respect of an SCM, that all of the SwapClear Contracts and Portfolio Margined Contracts in the name of such SCM have been closed out or transferred to another Clearing Member
"**SwapClear Business**"	means any transaction, obligation or liability arising out of any SwapClear Contract (which, for the avoidance of doubt, includes for purposes of the Rates Service DMP Annex the Portfolio Margined Contracts (if any) of a Portfolio Margining Clearing Member)
"**SwapClear Clearing Client**"	means, in respect of SwapClear Client Clearing Business, an Individual Segregated Account Clearing Client, an Indirect Gross Account Clearing Client, a Custodial Segregated Client or an Omnibus Segregated Clearing Client
"**SwapClear Clearing House Business**"	means SwapClear Contracts entered into by a SwapClear Clearing Member with the Clearing House on a proprietary basis and for its own account
"**SwapClear Clearing Member**" **or** "**SCM**"	means a Member who is designated by the Clearing House as a SwapClear Clearing Member eligible to clear SwapClear Contracts which includes, in the case of the Default Rules (including the Rates Service DMP Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM Clearing Member
"**SwapClear Client Clearing Business**"	means the provision of SwapClear Client Clearing Services by a SwapClear Clearing Member
"**SwapClear Client Clearing Services**"	means the entering into of SwapClear Contracts by a SwapClear Clearing Member in respect of its Individual Segregated Account Clearing Clients, Indirect Gross Account Clearing Clients, Custodial Segregated Clients and/or Omnibus Segregated Clearing Clients
"**SwapClear Contract**"	means a Contract entered into by the Clearing House with a SwapClear Clearing Member on the SwapClear Contract Terms which includes, in the case of the Default Rules (including the Rates Service DMP Annex but excluding, for the avoidance of doubt, the Client Clearing Annex), the FCM Default Fund Agreement and any other document, rule or procedure as specified by the Clearing House from time to time, an FCM SwapClear Contract

"**SwapClear Contract Terms**"	means the terms applicable to each SwapClear Contract as set out from time to time in the Product Specific Contract Terms and Eligibility Criteria Manual
"**SwapClear Contribution**"	means an SCM's Contribution provided for under Part A of the Rates Service Default Fund Supplement – SwapClear and shall include any relevant SwapClear Unfunded Contributions and any relevant Supplementary Contribution in respect of the SCM
"**SwapClear CTM Contract**"	means a SwapClear Contract that is not a SwapClear STM Contract
"**SwapClear Dealer Clearing Agreement**"	means a written agreement, in the form and on the terms prescribed by the Clearing House between a SwapClear Dealer, a SwapClear Clearing Member and the Clearing House
"**SwapClear Dealer**" **or** "**SD**"	means a person admitted by the Clearing House to the Register of SwapClear Dealers and who has not been removed from the Register
"**SwapClear Default Fund Supplement**"	means the Supplement relating to the SwapClear Business
"**SwapClear Default Management Process Completion Date**"	has the meaning assigned to it in the SwapClear DMP Annex in the Default Rules
"**SwapClear Default Period**"	has the meaning ascribed to it in Rule S1 of Part A of the Rates Service Default Fund Supplement – SwapClear
"**SwapClear Determination Date**"	has the meaning ascribed to it in Rule S1 of Part A of the Rates Service Default Fund Supplement – SwapClear
"**SwapClear DMG**"	has the meaning assigned to it in the SwapClear DMP Annex in the Default Rules
"**SwapClear DMP**"	has the meaning assigned to it in the Default Rules
"SwapClear Eligibility Criteria"	means the product eligibility criteria in respect of SwapClear Transactions as set out in the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website from time to time
"SwapClear End of Day Price"	has the meaning assigned to it in Chapter XIV(l)

"**SwapClear Excess Loss**"	means the net sum or aggregate of net sums certified to be payable by a Defaulter by a Rule 19 Certificate in respect of SwapClear Business less (a) the proportion of the Capped Amount applicable to SwapClear Business under Rule 15(c) of the Default Rules and (b) any sums then immediately payable in respect of SwapClear Business Default Losses owed by such Defaulter by any insurer or provider of analogous services under any policy of insurance or analogous instrument written in favour of the Clearing House
"**SwapClear Regulations**"	means those Regulations which apply to SwapClear Contracts as specified in Regulation 54
"**SwapClear Service**"	the service provided by the Clearing House under the SwapClear Regulations
"**SwapClear STM Contract**"	means a SwapClear Contract that is (i) registered at the Clearing House as a SwapClear STM Contract pursuant to Regulation 55(b), (ii) designated a SwapClear STM Contract by the Clearing House pursuant to Regulation 57A, (iii) converted into a SwapClear STM Contract by the Clearing House pursuant to Regulation 57A, or (iv) a SwapClear STM Contract through novation pursuant to Regulation 12(b), in each case the terms of which therefore include the SwapClear STM Terms.
"**SwapClear STM Terms**"	means the part of the SwapClear Contract Terms designated as the SwapClear STM Terms by the Clearing House from time to time
"**SwapClear Tolerance**"	has the meaning assigned to it in Section 1.3.3 *(Trade Registration Facilitation: SwapClear Tolerance, Client Buffer and Standing Order Amount*) of Procedure 2C (*SwapClear Clearing Service*) of the Clearing House's Procedures
"**SwapClear Tolerance Utilisation**"	means, in respect of each SCM, the value of the SwapClear Tolerance utilised by that SCM at any particular time, as determined by the Clearing House in its sole discretion
"**SwapClear Transaction**"	means any transaction the details of which are presented to the Clearing House via an Approved Trade Source System for the purpose of having such transaction registered at the Clearing House as two SwapClear Contracts or one SwapClear Contract and one FCM SwapClear Contract (as the case may be), regardless of whether such transaction (a) is an existing swap transaction, (b) was entered into in anticipation of clearing, or (c) is contingent on clearing
"**SwapClear Unfunded Contribution**"	has the meaning assigned to it in Rule S7 of Part A of the Rates Service Default Fund Supplement – SwapClear

"**SwapClear Unfunded Contribution Notice**"	has the meaning assigned to it in Rule S7 of Part A of the Rates Service Default Fund Supplement – SwapClear
"TARGET2"	means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007
"Target Settlement Day"	means any day on which TARGET2 is open for the settlement of payments in euro
"**tender**"	means a notice given by or on behalf of a seller (or buyer where Exchange Rules so require) pursuant to Exchange Rules, these Regulations and the Procedures, as applicable, of an intention to make (or take) delivery of a reference asset or commodity
"Term £GC Trade"	means a trading activity in which a RepoClear Participant ("t**he First Participant**") offers to sell (or buy) an agreed value of securities comprised in a Term £GC Basket (as defined in the Procedures), to be allocated in accordance with the RepoClear Procedures applicable to RepoClear Term £GC Contracts, and another RepoClear Participant ("t**he Second Participan**t") offers to buy (or sell, as the case may be) the securities so allocated, on the conditions that: a) at the end of a specified period of time, the Second Participant sells (or buys, as the case may be) Equivalent Securities (as such term is used in the RepoClear Term £GC Contract Terms) and the First Participant buys (or sells, as the case may be) those Equivalent Securities; and b) the understanding of the parties is that their obligations during the term of the transaction will be effected through the CREST delivery by value (DBV) functionality of Euroclear UK and Ireland, as contemplated by the rules of Euroclear UK and Ireland and RepoClear Procedures applicable to RepoClear Term £GC Contracts, and a trade subsequently ensues
"**Terminating SwapClear Contracts**"	means, in relation to any Compression Proposal, the SwapClear Contracts which will be terminated and replaced with Post-Multilateral Compression Contracts in accordance with Regulation 56
"**Third Parties Act**"	means the Contracts (Rights of Third Parties) Act 1999, as amended from time to time

"**Total Required Margin Amount**"	means the aggregate of the Required Margin Amount for all types of margin relating to (i) a Client Account (other than an Omnibus Gross Segregated Account), (ii) a Proprietary Account, or (iii) in respect of an Omnibus Gross Segregated Account, the relevant Single Omnibus Gross Segregated Clearing Client or relevant group of Combined Omnibus Gross Segregated Clearing Clients (as applicable) within such Omnibus Gross Segregated Account
"trade correction procedures"	means the procedures established for the purposes of a Link to facilitate the correction of errors contemplated by such procedures
"**Trading Platform Particulars**"	means the order or trade particulars, in respect of EquityClear Eligible Equities or EquityClear Eligible ccCFD(s), submitted to an ATP in accordance with the relevant ATP Market Rules by, or on behalf of, an EquityClear Clearing Member or a member of a relevant Co-operating Clearing House
"**Trading Venue**"	means: (i) a swap execution facility or designated contract market registered as such with the CFTC; (ii) a regulated market, multilateral trading facility or organised trading facility operated in accordance with MiFID II; or (iii) any other electronic trading facility, in each case which the Clearing House has approved for the purposes of having transactions executed thereon presented to the Clearing House for registration. For the avoidance of doubt, a Trading Venue need not be an Approved Trade Source System
"**Trading Venue Transaction**"	means, in respect of a Clearing Member, a transaction recorded in the Clearing House's systems (via applicable messaging from the relevant Trading Venue, Approved Trade Source System or otherwise) as a transaction that was executed on a Trading Venue

"**Transfer Account**"	means: (i) in respect of a Receiving Clearing Member, the account in which Transferring SwapClear Contracts or Transferring ForexClear Contracts are to be registered on behalf of an Eligible Transferee following a transfer pursuant to Regulation 60 or Regulation 95 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement (which, for the avoidance of doubt, may be a Client Account or a Proprietary Account of the Receiving Clearing Member); and (ii) in respect of a Carrying Clearing Member, the account in which Transferring SwapClear Contracts or Transferring ForexClear Contracts are to be transferred from an Eligible Transferor following a transfer pursuant to Regulation 60 or Regulation 95 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement (which, for the avoidance of doubt, may be a Client Account or a Proprietary Account of the Carrying Clearing Member)
"**Transferring ForexClear Contracts**	means those ForexClear Contracts registered in the Transfer Account of a Carrying Clearing Member that are subject to a request to be transferred to the Transfer Account of a Receiving Clearing Member and includes, in the case of a transfer as described in sub-paragraph (ii) of the definition of "Receiving Clearing Member", FCM ForexClear Contracts
"**Transferring SwapClear Contracts**"	means those SwapClear Contracts registered in the Transfer Account of a Carrying Clearing Member that are subject to a request to be transferred to the Transfer Account of a Receiving Clearing Member and includes, in the case of a transfer as described in sub-paragraph (ii) of the definition of "Receiving Clearing Member", FCM SwapClear Contracts
"**Treasury Account**"	means any accounting process under which an amount due under a Treasury Contract from a member to the Clearing House is set off against any amount due from the Clearing House to that Member
"**Treasury Contract**"	means any contract, including a contract of deposit, entered into by the Clearing House with that Member for purposes of, in connection with or otherwise in the course of its treasury management activities (and excluding, for the avoidance of doubt, ATS Contracts)
"**Unallocated FCM SwapClear Contract**"	has the meaning assigned to it in the FCM Regulations
"**Unallocated Excess**"	has the meaning assigned to it in the FCM Regulations

"**Unallocated Excess Sub-Account**"	has the meaning assigned to it in the FCM Regulations
"**Undertaking to Pay and Deliver**"	has the meaning ascribed to such term in Regulation 11(c)
"**Unfunded Contribution**"	means the unfunded Contribution of a Clearing Member referable to a specific Service provided by the Clearing House
"**US FXCCM**"	means a ForexClear Clearing Member incorporated under the laws of any state of the United States or under the federal laws of the United States
"**variation margin**"	means an amount determined by the Clearing House in accordance with these Regulations and/or the Procedures in respect of original contracts or open contracts (as the case may be)

For the purpose of a ballot under clause 9.4(c) of the Clearing Membership Agreement, "**Quarter Day**" shall be construed as referring to a Determination Date.

Any reference in these Regulations or the Procedures to statutes or statutory instruments or provisions thereof shall be to such statutes or statutory instruments or provisions thereof as amended, modified or replaced from time to time.

Reference to writing contained in these Regulations or the Procedures shall include typing, printing, lithography, photography or any other mode of representing or reproducing words in a visible form.

Words importing the singular shall, where the context permits, include the plural and vice-versa.

Any reference to time contained in these Regulations or the Procedures shall, unless otherwise stated, be to London time. Times are shown using the twenty four hour clock.

Any reference in these Regulations to a person or a party (howsoever described) shall include its successors.

Headings are used herein for ease of reference only.

CHAPTER I – SCOPE

REGULATION 2 OBLIGATIONS OF THE CLEARING HOUSE TO EACH MEMBER

(a) The Clearing House shall perform the obligations referred to in paragraph (b) below so as to ensure the performance of all open contracts in accordance with the Rulebook.

(b) The obligations of the Clearing House to each Member shall be, as a counterparty to an open contract registered in the name of a Member in accordance with the Rulebook, to perform its obligations under the terms of such open contract as principal to such Member in accordance with the Rulebook, but subject to the restrictions on the Clearing House's obligations and liabilities contained in the Rulebook.

(c) The performance by the Clearing House of its obligations under the Rulebook shall always be subject to the provisions of the Rulebook. Save as provided in Regulation 106, the benefit of the performance by the Clearing House of its obligations under the Rulebook is conferred upon Members only, as principal, and a person who is not a party to the Rulebook (where the parties to the Rulebook are the Clearing House and each Member) has no right under the Third Parties Act to enforce any term of the Rulebook, except as expressly provided in the Rulebook.

REGULATION 3 PERFORMANCE BY THE CLEARING HOUSE OF ITS OBLIGATIONS UNDER THE TERMS OF AN OPEN CONTRACT

The Clearing House's obligations under the terms of an open contract shall be performed (a) in the manner and form and by such day and time as may be prescribed in Exchange Rules (where applicable), these Regulations or the Procedures, and (b) in the case of an open contract to which the Clearing House is party with a Member which is a Co-operating Clearing House, in accordance with the terms of any agreement made with such Member, save that (i) where Exchange Rules specify a time by which the seller or the buyer shall perform its obligations under the terms of an exchange contract, the Clearing House shall be deemed to have complied with Exchange Rules if it performs its obligations under the terms of an open contract, as seller or buyer, as the case may be, promptly after such time, unless Exchange Rules expressly provide that performance must be made by the Clearing House by such time; and (ii) where any of (A) the Economic Terms of an OTC Contract, (B) the SwapClear STM Terms, (C) the ForexClear STM Terms, (D) the EquityClear Contract Terms, (E) the LCH EnClear Contract Terms or (F) the Listed Interest Rates Contract Terms, specify a time by which a party thereto shall perform its obligations, the Clearing House shall be deemed to have complied with the applicable terms if it performs its obligations promptly after such time.

CHAPTER II – STATUS

REGULATION 4 CLEARING MEMBER STATUS OF THE CLEARING HOUSE

(a) Application for clearing member status of the Clearing House shall be made in accordance with the Procedures. A Member's clearing member status of the Clearing House shall be governed by these Regulations, the Procedures and any Clearing Membership Agreement to which he is for the time being party. Clearing member status does not provide or entitle a Member to any shareholding membership of LCH Limited or any shareholding or other membership of any other member of the LCH Group or any entitlement to membership of or participation in LCH SA, which has separate and distinct membership requirements.

(b) The Clearing House shall determine which categories of Contract a Member is eligible to have registered in its name from time to time. If, in its absolute discretion, the Clearing House determines that a Member no longer meets the relevant eligibility criteria for a particular category, or categories, of Contract the Clearing House may rescind that Member's eligibility to have Contracts of such category or categories registered in his name, but without prejudice to his right to have registered in his name, subject to the Regulations, the categories of Contracts in respect of which the Member does meet the eligibility criteria. The Clearing House may from time to time publish a list of Members identifying the category or categories of Contracts which each Member is eligible to have registered in its name.

(c) A Member shall be a principal to and not an agent in respect of any Contract registered in his name with the Clearing House. In performing its obligations and exercising its rights under these Regulations, the Clearing House shall take no account of any right or interest which any person other than the Member may have in any Collateral transferred by such Member to the Clearing House.

REGULATION 5 RESIGNING AND RETIRING MEMBERS

(a) A Clearing Member may resign from a particular Service by exercising its rights under Rules E7(e), F3(e), L6(c) or S2(e) of the Default Rules (each an "**Accelerated Termination Provision**"), or by giving no less than three months' written notice to the Clearing House by completing a Resignation Letter, a copy of which can be obtained from the Clearing House Membership Department. Resignation takes effect on the Resignation Effective Date, which is:

(i) where the Clearing Member is exercising its rights under, and has complied with the requirements of, the Accelerated Termination Provision for the relevant Service, the date determined in accordance with that Accelerated Termination Provision; or

(ii) otherwise, the later of: (A) the resignation date specified in the written notice to the Clearing House in relation to the relevant Service; and (B) the date on which all Contracts registered in the Resigning Member's name on the relevant Service have been closed out or transferred so as to ensure that there are no remaining open Contracts in respect of the relevant Service to which the Resigning Member is a party.

(b) Upon the Clearing House being satisfied that the Resigning Member is not a Defaulter and that all obligations of the Resigning Member to which the relevant Collateral is capable of being applied in accordance with the Rulebook have been irrevocably paid or discharged in full and that no such obligations are capable of arising:

(i) the Clearing House shall: (A) in the case of cash Collateral transferred by the Resigning Member to the Clearing House for the purpose of collateralising the Resigning Member's obligations in respect of the relevant Service (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer an amount of cash to the Resigning Member equal to such cash; and (B) in the case of non-cash Collateral transferred by the Resigning Member to the Clearing House for the purpose of collateralising the Resigning Member's obligations in respect of the relevant Service (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer that same Collateral (or equivalent Collateral) to the Resigning Member; and

(ii) the Resigning Member shall, in the case of cash Collateral transferred to the Resigning Member for the purpose of collateralising the Clearing House's obligations in respect of the relevant Service (other than any constituting Clearing House Returned Collateral or Clearing House Applied Collateral), transfer an amount of cash to the Clearing House equal to such cash.

(c) A Resigning Member other than a Defaulter who is resigning from a particular Service shall be liable in respect of Aggregate Excess Losses relating to any Default which arises in the relevant Service prior to the relevant Resignation Effective Date. In such circumstances, and as further provided in the Default Rules, the Resigning Member may be required to maintain some or all of its Contribution in connection with that Service until after the completion of the default management process related to the

relevant Default, notwithstanding that the relevant Resignation Effective Date might occur prior to such time.

(d) A Clearing Member must at all times be a Clearing Member in respect of at least one Service, and a Clearing Member may not utilise the resignation process set out in paragraphs (a) to (c) above so as to resign from all (or all remaining) Services in respect of which he is a Clearing Member. Where a Clearing Member wishes to stop being a Clearing Member in respect of all (or all remaining) Services, the retirement process set out in paragraphs (e) to (g) below should be used.

(e) A Clearing Member may, in accordance with the Clearing Membership Agreement and as further described in the Procedures, retire from Clearing Member status altogether by giving no less than three months' written notice to the Clearing House. Retirement takes effect on the Retirement Effective Date, which is the later of: (i) the retirement date specified in the notice of retirement; and (ii) the date on which all Contracts registered in the Retiring Member's name have been closed out or transferred so as to ensure that there are no remaining open Contracts to which the Retiring Member is a party. A Clearing Member may also retire from Clearing Member status by exercising its rights under the Accelerated Termination Provision(s) applying to all Services in which it participates; in this case, the Retirement Effective Date is the date on which the Retiring Member's resignation from the last remaining Service becomes effective in accordance with the relevant Accelerated Termination Provision.

(f) Upon the Clearing House being satisfied that the Retiring Member is not a Defaulter and that all obligations of the Retiring Member to which the relevant Collateral is capable of being applied in accordance with the Rulebook have been irrevocably paid or discharged in full and that no such obligations are capable of arising:

(i) the Clearing House shall: (A) in the case of cash Collateral transferred by the Retiring Member to the Clearing House for the purpose of collateralising the Retiring Member's obligations (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer an amount of cash to the Retiring Member equal to such cash; and (B) in the case of non-cash Collateral transferred by the Retiring Member to the Clearing House for the purpose of collateralising the Retiring Member's obligations (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer that same Collateral (or equivalent Collateral) to the Retiring Member; and

(ii) the Retiring Member shall, in the case of cash Collateral transferred to the Retiring Member for the purpose of collateralising the Clearing House's obligations (other than any constituting Clearing House Returned Collateral or Clearing House Applied Collateral), transfer an amount of cash to the Clearing House equal to such cash.

(g) A Retiring Member other than a Defaulter shall be liable in respect of Aggregate Excess Losses relating to any Default which arises prior to the relevant Retirement Effective Date. In such circumstances, and as further provided in the Default Rules, the Retiring Member may be required to maintain some or all of its Contribution until after the

completion of the default management process related to the relevant Default, notwithstanding that the Retirement Effective Date might occur prior to such time.

(h) Clearing Members should contact the Clearing House Membership Department (+44 (0)20 7426 7949; membership@lch.com) for further details on how to retire from Clearing Member status or how to resign from a particular Service.

(i) The Clearing House may also, by giving no less than three months' written notice, require a Clearing Member to retire from Clearing Member status or to resign from one or more specific Services. Following the service of such a notice, the relevant Clearing Member will become a Retiring Member or a Resigning Member (as the case may be) and will be required to close out or transfer all Contracts registered in its name or all Contracts registered in its name in connection with the specified Service or Services, respectively, by the date specified in the relevant notice.

(j) The arrangements for a Clearing Member who is a Defaulter to resign from a particular Service or retire from Clearing Member status and for the repayment of the Collateral and the Contributions provided by such Defaulter to the Clearing House are as set out in the Default Rules.

REGULATION 6 CO-OPERATING CLEARING HOUSE STATUS

(a) A Co-operating Clearing House is a (i) a Co-operating Exchange or Associated Clearing House party to a Link Agreement with the Clearing House; or (ii) a clearing house party to an agreement with the Clearing House in respect of the co-clearing of an Exchange pursuant to which such organisation co-clears specific types of Contract.

(b) Regulation 4(a) above, shall not apply to a Co-operating Clearing House. Admission of a Co-operating Clearing House shall be governed by the policies of the Clearing House. A Co-operating Clearing House is a Special Member.

(c) A list of Co-operating Clearing Houses currently admitted and information regarding the Link Agreements is available on the Clearing House's website.

REGULATION 7 NON-MEMBER MARKET PARTICIPANT STATUS

(a) In accordance with this Regulation 7 and the Procedures, an NCP may submit instructions and present EquityClear ATP Matches, EquityClear Novation Transactions, Rates Exchange Matches or Listed Interest Rates Novation Transactions to the Clearing House on behalf of a Clearing Member.

(b) A Clearing Member must, in accordance with the Procedures, notify the Clearing House of the appointment of an NCP as the Clearing Member's agent.

(c) The Clearing House shall be entitled to rely on information and instructions received from an NCP. The Clearing Member remains fully responsible for meeting all obligations to the Clearing House in respect of all Contracts arising from such instructions delivered by or on behalf of an NCP.

(d) The termination by the Clearing Member of its appointment of an NCP, in respect of a Service and in accordance with the Procedures, shall be without prejudice to the Clearing Member's obligations arising from or in relation to any EquityClear ATP Match, EquityClear Novation Transaction, Rates Exchange Match, Listed Interest Rates Novation Transaction or Contract arising prior to such termination.

REGULATION 8 DEALER STATUS

(a) Application for admission to one or more Dealer Registers shall be made in accordance with these Regulations and the Procedures. An applicant for admission to a Dealer Register must satisfy the criteria prescribed by the Clearing House from time to time in order to be admitted to the relevant Dealer Register(s). A Dealer shall be subject to, and governed by, these Regulations, the Procedures and the Dealer Clearing Agreement(s) to which it is for the time being party.

(b) A person admitted to a Dealer Register shall at all times satisfy the criteria prescribed from time to time by the Clearing House for admission to that Dealer Register and any rules prescribed from time to time by the Clearing House for Dealers in the relevant Service.

(c) The Clearing House may suspend or remove a Dealer from one or more Dealer Registers in accordance with these Regulations, the Procedures and, if applicable, the Dealer Clearing Agreement(s) to which it is for the time being party. Any person who has been suspended from a Dealer Register for a period of more than three months shall be removed from that Dealer Register and must make a new application if it wishes to be re-admitted to that Dealer Register.

(d) A Dealer may request, by giving three months' written notice to the Clearing House, that its name be removed from one or more Dealer Registers. At the end of such notice period, the Clearing House shall remove the Dealer from the relevant Dealer Register(s).

(e) A SwapClear Dealer's suspension or removal from a Dealer Register under Regulation 8(c) shall not, where it is a Member, affect its membership of the Clearing House, nor, subject to any contrary determination by the Clearing House under Regulation 4, shall it affect the categories of Contract which such a person is eligible to have registered in its name.

(f) Where a Clearing Member is also a Dealer it shall, automatically on the Clearing House serving a default notice in accordance with these Regulations, be removed from each relevant Dealer Register.

(g) Without prejudice to paragraph (f) of this Regulation, the Clearing House shall suspend from each Dealer Register any Member whose Clearing Membership Agreement has been terminated or who is no longer eligible to have Contracts in the relevant Service registered in its name, and who is not, from the date of such termination or such ineligibility, party to a Dealer Clearing Agreement with another Clearing Member in the relevant Service, for such period as the Clearing House may determine.

(h) The Clearing House may, for the purposes of this Regulation 8, prescribe different criteria to be satisfied by RepoClear Dealers in respect of Repo Trades, Bond Trades, RepoClear Transactions, RepoClear Term £GC Transactions or Term £GC Trades.

REGULATION 9 SERVICE WITHDRAWAL

(a) If at any time the Clearing House decides to withdraw part or the whole of a Service it shall give not less than six months' notice in accordance with the Clearing Membership Agreement, the relevant Dealer Clearing Agreement and/or the Procedures (as applicable) to all Dealers and Clearing Members participating in that Service (for the purposes of this Regulation 9, the "affected Participants") of the date on which the service will be withdrawn (the "**Relevant Withdrawal Date**"). The accidental omission by the Clearing House to give notice under this Regulation to, or the non-receipt of notice under this Regulation by, one or more affected Participants shall not invalidate the Relevant Withdrawal Date. Where only a part of a Service is being withdrawn, notice need only be given to those Dealers and Clearing Members authorised or approved to participate in that part of the relevant Service. If the Clearing House becomes aware that it has omitted to give notice under this Regulation to any affected Participant prior to the Relevant Withdrawal Date it will immediately notify the affected Participant of the Relevant Withdrawal Date in accordance with the applicable notice provisions.

(b) Without prejudice to its rights under the Default Rules, any notice given under paragraph (a) shall specify the nature of the service which the Clearing House will provide until the Relevant Withdrawal Date. Unless otherwise specified in the notice, and without prejudice to its rights under the Default Rules, the Clearing House will not, other than pursuant to action under the Default Rules, register a Contract in respect of the relevant Service, other than a closing-out contract, after notice to withdraw the service has been given under Regulation 9(a).

(c) If at the Relevant Withdrawal Date (or, in respect of the ForexClear Service, the date falling five Business Days before the Relevant Withdrawal Date) a Clearing Member who is an affected Participant has not closed out all open Contracts in respect of the relevant Service registered in its name, the Clearing House shall (in the case of a Relevant Withdrawal Date in respect of the ForexClear Service, with five Business Days' notice to the affected ForexClear Clearing Member) at its sole discretion, be entitled to:

  (i) liquidate any or all of such Contracts and require such contracts to be cash settled at a price determined by the Clearing House; and/or

  (ii) postpone the Relevant Withdrawal Date until such time as the Clearing House determines.

(d) Business Days for the purpose of this Regulation 9 means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

CHAPTER III – ACCOUNTS AND CLIENT CLEARING

REGULATION 10 ACCOUNTS

(a) Accounts (including, where requested, Client Accounts) shall be opened between each Member and the Clearing House in accordance with the Procedures. The Clearing House shall offer segregated accounts (i) by maintaining separate records enabling it to distinguish in accounts the positions and assets held for the account of one Clearing Member from the positions and assets held for the account of any other Clearing Member; (ii) by allowing Clearing Members to provide Client Clearing Services to Clearing Clients on an Omnibus Segregated Account basis, by offering to keep separate records enabling each Clearing Member to distinguish in accounts with the Clearing House its own proprietary positions and assets from those held for the account of its Clearing Clients; (iii) by allowing Clearing Members to provide Client Clearing Services to Clearing Clients on an Individual Segregated Account basis and/or a Custodial Segregated Account basis, by offering to keep separate records enabling each Clearing Member to distinguish in accounts with the Clearing House positions and assets (including, for the avoidance of doubt, Client Excess) for the account of an individual Clearing Client from those held for the accounts of other Clearing Clients and those held by the Clearing Member; and (iv) by allowing Clearing Members to provide Client Clearing Services to Clearing Clients who are, in turn, providing clearing services to their Indirect Clearing Clients on an Indirect Account basis. Regulation 11(g) below provides information in respect of the different types of Client Accounts. For the avoidance of doubt, a Member shall be responsible for all obligations owed to the Clearing House in respect of every account opened in respect of such Member.

(b) This paragraph applies to a Member's Proprietary Accounts. In the event that more than one Proprietary Account is opened in respect of a Member, the Clearing House shall have the right to combine or consolidate the balances on any or all of the Member's Proprietary Accounts, and to set off any amount or amounts standing from time to time to the credit of any one or more of such accounts in or towards payment or satisfaction of all or any of the Member's liabilities to the Clearing House on any one or more of such accounts. Further detail in respect of the composition and operation of Proprietary Accounts is set out in the Procedures Section 3 (*Financial Transactions*), paragraph 1.1 (*Accounts and Ledgers*).

(c) This paragraph applies to a Member's Client Accounts. The Clearing House shall not combine or consolidate the balances on or positions recorded in a Member's Client Accounts or set off any amount or amounts standing to the credit of any such Client Account in or towards payment or satisfaction of the Member's liabilities to the Clearing House on any other such Client Account or on any Proprietary Account, except: (i) in the case of a Cross-ISA Deduction; (ii) as provided under Rule 15(a)(ii) of the Default Rules; or (iii) in the case of an Insufficient Resources Determination, pursuant to any of the Insufficient Resources Determination Rules. Further detail in respect of the composition and operation of Client Accounts is set out in the Procedures Section 3 (*Financial Transactions*), paragraph 1.1 (*Accounts and Ledgers*).

(d) Amounts standing to the credit of a Member's Proprietary Accounts may be applied by the Clearing House towards the payment of any sum whatsoever due by the Member to the Clearing House whether or not arising under these Regulations, save that, subject to Rule 8(d) of the Default Rules and to the Insufficient Resources Determination Rules,

no amounts standing to the credit of such accounts (other than House Excess and, to the extent not already included in the relevant Clearing Member Current Collateral Balance, Client Buffer) shall be applied in or towards payment or satisfaction of all or any of the Member's liabilities to the Clearing House on any one or more of the Member's Client Accounts. Amounts standing to the credit of a Member's account relating to Contributions made under the Default Rules may be applied as provided for in the Default Rules.

(e) Any rights of set-off, combination of accounts or appropriation which the Clearing House may have under these Regulations or otherwise shall apply whether or not accounts are denominated in the same currency.

(f) Interest calculated on a basis determined from time to time by the Clearing House in accordance with the Procedures may at the Clearing House's discretion (but subject to the provisions of the Default Rules and to Regulation 66(d) be paid, or, in the case of negative interest rates, be charged, on amounts standing to the credit of any of the Member's Proprietary Accounts and/or Client Accounts.

(g) Debit balances due to the Clearing House on any account opened in respect of a Member are payable by such Member on demand and interest may at the Clearing House's discretion be charged on debit balances remaining unpaid (whether or not demand for payment is made) on a basis and at a rate determined from time to time by the Clearing House in accordance with the Procedures.

(h) Subject to the provisions of the Default Rules, the Clearing House may at its absolute discretion alter the basis of calculating interest rates and such alteration shall be effective in respect of all current and future business on the date notified to Exchanges and to Members in accordance with the Procedures.

(i) If a Member specifies a Termination Date under Regulation 45, the Member shall be entitled to set off any or all amounts (whether present or future, liquidated or unliquidated, actual or contingent; but excluding any claims in respect of the outstanding balance of a Clearing Member's Contribution under Default Rule 16(a)(i)) due as between the Clearing House and the Member, **provided**, **however**, **that** a Termination Amount or other sum payable in respect of an amount recorded in or referable to a kind of account may not be combined or set-off against any other amount unless such other amount is recorded in or referable to the same kind of account. For the purposes of this Regulation 10(i), each Client Account of the Member shall constitute a separate "kind of account" but the Proprietary Accounts of the Member shall together constitute a single "kind of account".

(j) Where a payment has been made to the Clearing House by a Member through the PPS, that payment will only be credited to the account of the Member with the Clearing House if it (i) is paid into an account of the Clearing House with an institution which is solvent, (ii) that institution has performed its concentration function (being the transfer of net funds from the institution to a central account in the name of the Clearing House) and (iii) the institution has made the relevant payments to other Members on the date when the payment was due to be received by the Clearing House.

REGULATION 11 CLIENT CLEARING BUSINESS

(a) The Services are provided by the Clearing House to Clearing Members. Any Clearing Member who wishes to offer Client Clearing Services in respect of a Service to its clients shall apply to the Clearing House and obtain the approval of the Clearing House before first offering such Client Clearing Services in respect of such Service. Any Client Clearing Services related services which are offered by a Clearing Member prior to obtaining the approval of the Clearing House shall not be treated as Client Clearing Services and the clients of the Clearing Member receiving such services shall not be treated as Clearing Clients. In accordance with the requirement under Article 39(7) of EMIR the Clearing House has published the Account Information Documents which together contain information regarding the levels of protection and account segregation which the Clearing House provides and the costs associated with such levels of segregation. The Account Information Documents are available on the Clearing House's website and are also made available to Clearing Members and Clearing Clients upon request.

(b) Following the receipt of an application from a Clearing Member pursuant to paragraph (a) above, the Clearing House will confirm to a Clearing Member whether or not it is an Exempt Client Clearing Member.

(c) Each Clearing Member which is designated by the Clearing House as an Exempt Client Clearing Member undertakes and agrees with the Clearing House on the following terms:

(i) such Exempt Client Clearing Member shall pay or deliver (as applicable) to or to the order of the Clearing House each of the Account Balances relating to those of its Clearing Clients whose Relevant Contracts are:

(A) transferred to; or

(B) terminated and closed out and new contracts entered into on equivalent terms with,

a Backup Clearing Member in accordance with the Client Clearing Annex (each such obligation of the Exempt Client Clearing Member being accelerated so as to become immediately due and payable at the time of the relevant transfer or termination and close out);

(ii) such Exempt Client Clearing Member shall pay or deliver (as applicable) to or to the order of the Clearing House each of the Client Clearing Entitlements relating to those of its Individual Segregated Account Clearing Clients, Indirect Gross Account Clearing Clients, Custodial Segregated Clients, Affiliated Omnibus Segregated Clearing Clients and Identified Omnibus Segregated Clearing Clients, in each case, whose Relevant Contracts are closed out and liquidated in accordance with the Client Clearing Annex (each such obligation of the Exempt Client Clearing Member being accelerated so as to become immediately due and payable at the time of the relevant close out and liquidation); and

(iii) the obligations set out in sub-paragraphs (i) and (ii) of this paragraph (c) (the "**Undertaking to Pay and Deliver**") shall, for the avoidance of doubt, constitute Secured Obligations as defined in and provided for by the relevant Deed of Charge between such Exempt Client Clearing Member and the Clearing House.

(d) The approval of the offering and the provision of Client Clearing Services on an Individual Segregated Account basis, Indirect Gross Account basis, Custodial Segregated Account basis, Affiliated Client Omnibus Segregated Account basis or Identified Client Omnibus Segregated Account basis by any Clearing Member which is not such an Exempt Client Clearing Member will be conditional upon (i) the entering into by such Clearing Member of a Security Deed in respect of each of its Clearing Clients in relation to amounts due to it from the Clearing House; (ii) delivery to the Clearing House of evidence of the Clearing Member having entered into such Security Deed, such evidence to be in a form satisfactory to the Clearing House (in the Clearing House's sole discretion) and (iii) the making of any amendments to each such Security Deed as may be prescribed by the Clearing House from time to time.

(e) In determining whether or not to grant approval to a Clearing Member in respect of the offering of Client Clearing Services, the Clearing House will consider factors including but not limited to the relevant concentration of risks relating to the provision (by the Clearing Member and or any other Clearing Member) of Client Clearing Services to Clearing Clients. The Clearing House shall be entitled to require the delivery of information from a Clearing Member about the criteria and arrangements it adopts for the provision of Client Clearing Services to Clearing Clients, both at the time of the process for the approval of the offering by the relevant Clearing Member of Client Clearing Services and as deemed necessary by the Clearing House on an ongoing basis.

(f) Subject to the provisions of the Rulebook, Client Clearing Services may be provided by the relevant Clearing Member to its Clearing Clients on whatever terms the Clearing Member decides should apply provided, however, that:

(i) each Clearing Member shall, before providing the relevant Client Clearing Services to any client, ensure that it has entered into a Clearing Agreement with that client which gives the Clearing House enforceable rights against that client in the terms of the Clearing House Prescribed Language;

(ii) Contracts entered into by the Clearing Member in respect of Client Clearing Business and Collateral transferred by the Clearing Member to the Clearing House in respect of Client Clearing Business shall always be separately identified by the Clearing Member to the Clearing House and, subject to the provisions of Rule 8(d) of the Default Rules and the Insufficient Resources Determination Rules, shall never be combined with House Clearing Business or Collateral transferred to the Clearing House in respect of House Clearing Business;

(iii) in no circumstances will the client money protections provided for by the Client Assets sourcebook of the Handbook published by the Financial Conduct Authority be available in relation to accounts opened with the Clearing House in respect of Client Clearing Business;

(iv) each Clearing Member shall, before providing Client Clearing Services to any Clearing Client ensure that the Clearing Client has been provided with or has been directed to a copy of the Client Clearing End-User Notice; and

(v) each Clearing Member shall, before providing Client Clearing Services to any Individual Segregated Account Clearing Client, Indirect Gross Account Clearing Client, Custodial Segregated Client, Affiliated Omnibus Segregated Clearing Client or Identified Omnibus Segregated Clearing Client, deliver to the Clearing House information regarding the identity of such Clearing Client and, in the case of an Indirect Gross Account, of any Indirect Clearing Clients grouped within such Indirect Gross Account, in accordance with the Clearing House's client identification requirements as published from time to time on the Clearing House's website.

(g) Client Clearing Services in respect of a Service may be provided by a Clearing Member to its Clearing Clients in accordance with, and subject to, the Rulebook and Contracts may be entered into by a Clearing Member with the Clearing House in respect of such Clearing Clients, on:

(i) an Individual Segregated Account basis;

(ii) an Indirect Gross Account basis;

(iii) a Custodial Segregated Account basis; and/or

(iv) an Omnibus Segregated Account basis with segregation, by the opening of:

(A) one or more Non-Identified Client Omnibus Net Segregated Accounts;

(B) one or more Identified Client Omnibus Net Segregated Accounts;

(C) one or more Affiliated Client Omnibus Net Segregated Accounts;

(D) one or more Omnibus Gross Segregated Accounts; and/or

(E) one or more Indirect Net Accounts.

(h) A Clearing Member may operate one or more Individual Segregated Accounts on behalf of an Individual Segregated Account Clearing Client in respect of one or more Service(s).

(i) A Clearing Member may operate one or more Custodial Segregated Accounts on behalf of a Custodial Segregated Client in respect of the SwapClear Service.

(j) A Clearing Member may operate one or more Omnibus Segregated Accounts on behalf of its Clearing Clients in respect of one or more Service(s).

(k) Client Clearing Services may be provided by a Clearing Member to one or more Clearing Clients who are, in turn, providing clearing services to their Indirect Clearing Clients. In such circumstances, the following will apply:

(i) in respect of a Service, the Clearing Member may open:

(A) one or more Indirect Gross Accounts; and/or

(B) one or more Indirect Net Accounts;

(ii) [*intentionally left blank*];

(iii) the Clearing Member shall, before providing the relevant Client Clearing Services to the relevant Clearing Client, ensure that each relevant Indirect Clearing Client has been provided with or has been directed to a copy of the Client Clearing End-User Notice; and

(iv) the Clearing Member acknowledges that a Clearing Client that is an Indirect Net Account Clearing Client or an Indirect Gross Account Clearing Client acting in respect of its Indirect Clearing Clients may also be an Omnibus Segregated Clearing Client, an Individual Segregated Account Clearing Client or a Custodial Segregated Client acting for its own account and that the provisions of the Rulebook shall apply separately in respect of each capacity in which a Clearing Client may act.

(l) The fees and charges applied by the Clearing House to Clearing Members in respect of the provision, maintenance and administration of Individual Segregated Accounts, Indirect Gross Accounts, Custodial Segregated Accounts and each type of Omnibus Segregated Account shall be as set out in the Clearing House's Account Information Documents.

(m) The Total Required Margin Amount relating to each Client Account of a Clearing Member will be calculated by the Clearing House and the obligation to provide Collateral in respect of such margin obligations will be discharged by:

(i) if and to the extent that there is Collateral available in the relevant Client Account, deduction by the Clearing House of amounts from such Collateral;

(ii) if the relevant Client Account is an Individual Segregated Account, the Clearing House applying a Cross-ISA Deduction;

(iii) if the relevant account is a Client Account opened in connection with ForexClear Client Clearing Business and there is insufficient Collateral available in that Client Account, the allocation by the Clearing House of MER Buffer and then ForexClear Tolerance, in each case to the extent available;

(iv) if the relevant account is a Client Account opened in connection with SwapClear Client Clearing Business and there is insufficient Collateral available in that Client Account, allocation by the Clearing House of Client Buffer and then SwapClear Tolerance, in each case, to the extent available; and

(v) otherwise, transfer by the Clearing Member to the Clearing House of Collateral with a value which is at least sufficient to discharge the relevant requirement.

(n) Where a Clearing Member transfers Collateral to the Clearing House for the credit of a Client Account the Clearing House will record the Collateral in the relevant Client Account (as instructed by the Clearing Member or any agent or representative acting

on behalf of such Clearing Member) **provided that** the Clearing Member has informed the Clearing House of the Client Account to which such Collateral is to be credited.

(o) The Clearing House shall be entitled to rely on information received from a Clearing Member or any agent or representative acting on behalf of such Clearing Member in relation to the clearing business undertaken by it (including such information regarding the proper segregation of positions and assets in such Clearing Member's Accounts). No Clearing Member shall transfer to the Clearing House any monies or securities other than amounts provided for the purposes of, or in connection with, the provision of clearing services by the Clearing House.

(p) Without prejudice to paragraph (o) above, a Clearing Member shall, as soon as reasonably practicable following a request from the Clearing House, provide the Clearing House with any information which the Clearing House may reasonably require in relation to each Relevant Client Clearing Business of that Clearing Member.

(q) In addition to and without prejudice to any other provision in the Rulebook, in circumstances where an investment manager or similar third party agent acts on behalf of a client on behalf of whom a Clearing Member is providing Client Clearing Services, the Clearing House shall be entitled to treat instructions received from the investment manager or similar third party as if they were instructions received from the relevant underlying client.

(r) Where any formalities or registration requirements apply in respect of the Security Deed (and any other document which the Clearing House may from time to time determine), a Clearing Member is required to comply with such obligations or to procure by agreement that such requirements are to be complied with. The Clearing House agrees to exercise its default powers in a manner consistent with the provisions of the Security Deed and related documentation, including by accepting instructions from the relevant Clearing Clients of a Clearing Member following the occurrence of a Default in respect of such Clearing Member.

(s) Any reference in a deed of assignment between a SwapClear Clearing Member and the Clearing House to the "**Default Management Process Agreement Amendment Agreement**" or to the "**SwapClear Default Management Process Agreement**" shall be construed as a reference to the Client Clearing Annex.

(t) A Clearing Member (other than an FCM Clearing Member) may choose to make Client Buffer available in order to support (as further described in Procedure 2C) the registration of, or to meet any other intraday margin requirements in connection with, SwapClear Contracts in Client Accounts opened in connection with its SwapClear Client Clearing Business. By requesting the opening of a Client Buffer Account, the Clearing Member represents and warrants to the Clearing House that its participation in the Client Buffer arrangements will not give rise to a breach of Applicable Law or any contract.

CHAPTER IV – CONTRACT FORMATION, REGISTRATION AND TRANSFER

REGULATION 12 NOVATION

(a) Upon registration of an original contract by the Clearing House, such contract shall be replaced by novation (without prejudice to the Clearing House's rights to effect further novation under paragraph (b) below) by two open contracts, one between the seller and the Clearing House as buyer, as principals to such contract, and one between the buyer and the Clearing House as seller, as principals to such contract. Following such novation the original contract shall be extinguished. Each open contract shall be subject to the Regulations including the restrictions on the Clearing House's obligations and liabilities set out in the Regulations (including, without limit, Regulation 32 and Regulation 52) and otherwise on the same terms as the original contract replaced by such open contracts.

(b) Upon the transfer of an open contract (including, for the avoidance of doubt, Relevant Contracts transferred to a Backup Clearing Member pursuant to the Client Clearing Annex) pursuant to these Regulations such open contract shall be discharged and replaced by novation by an open contract between the Member into whose name the contract was transferred and the Clearing House, as principals to such open contract. Such open contract shall be subject to the Regulations and otherwise on the same terms as the open contract which it replaced, subject to (i) in the case of SwapClear Contracts, any variations contemplated under the SwapClear Regulations and (ii) in the case of ForexClear Contracts, any variations contemplated under the ForexClear Regulations

(c) Upon the exercise of an option (excluding a ForexClear Option Transaction) by or on behalf of a Member or, as the case may be, by the Clearing House or upon the deemed exercise of such option pursuant to these Regulations, the option contract shall be replaced by novation by an open contract on the terms specified in the option contract at the strike price or at some other price in accordance with the terms of such option contract.

REGULATION 13 PRESENTATION OF PARTICULARS OF ORIGINAL EXCHANGE CONTRACTS AND CONFIRMATION OF ORIGINAL EXCHANGE CONTRACTS

(a) Particulars of every original exchange contract which is to be registered by the Clearing House in the name of a Member shall be presented to the Clearing House (i) by or on behalf of the Member who made the original exchange contract on the market or otherwise under Exchange Rules, (ii) in the case of a party to the original exchange contract who is not a Member, by or on behalf of the Member who acts as his clearing member or on whose instructions the original exchange contract was made or, (iii) if made on the instructions of a member of the market who is not a Member, by or on behalf of the Member who acts as the latter's clearing member. Presentation of particulars shall be made in such form and manner and by such times as are prescribed by the Procedures or, where the Clearing House has so agreed with an Exchange, as prescribed in Exchange Rules.

(b) The obligation contained in paragraph (a) above to present particulars of original exchange contracts shall be in addition to and without prejudice to any obligation on any Member to present particulars of an original exchange contract pursuant to Regulation 28(h) or 28(i).

(c) Every original exchange contract presented for registration in the name of a Member in accordance with paragraph (a) above shall be confirmed by or on behalf of such Member, in such manner and form and by such times as are prescribed by the Procedures or, where the Clearing House has so agreed with an Exchange, as prescribed in Exchange Rules.

(d) Notwithstanding paragraph (c) above, an original exchange contract may subject to Exchange Rules and the Procedures be allocated by or on behalf of a Member to another Member or to a member of an Exchange who is not a Member and shall thus be confirmed pursuant to Regulation 14(a) instead of paragraph (c) above.

(e) If an original exchange contract is not confirmed by or on behalf of a Member pursuant to paragraph (c) above, or is not allocated by or on behalf of such Member within the prescribed time pursuant to Regulation 14, the Clearing House may in accordance with the Procedures deem such contract as having been confirmed pursuant to paragraph (c) above.

(f) Any changes to the prescribed methods, forms and times set out in the Procedures in respect of presentation of particulars of original exchange contracts and confirmation of such contracts shall be made by the Clearing House only after consultation with the relevant Exchange or Exchanges, save that the Clearing House may at its absolute discretion make such changes without such consultation where it deems it necessary in the circumstances then prevailing.

(g) Confirmation of an original exchange contract by or on behalf of a Member pursuant to this Regulation 13 or Regulation 14 and the Procedures shall be effective immediately (unless otherwise specified in the Procedures) and shall constitute the consent of the Member to such contract being registered in his name in accordance with these Regulations.

REGULATION 14 ALLOCATION OF ORIGINAL CONTRACTS

(a) Any Member proposing to allocate an original contract to another Member or to a member of an Exchange who is not a Member shall do so in such manner and form and by such time as may be prescribed by the Procedures. Allocation of an original contract by or on behalf of a Member pursuant to the Procedures shall constitute confirmation of the original contract by such Member.

(b) Unless it is intended that an original contract be allocated in accordance with the Procedures to another Member or to a member of an Exchange who is not a Member, any contract allocated to a Member or to a member of an Exchange who is not a Member shall be confirmed or, where the Procedures so prescribe, shall be deemed to have been confirmed to the Clearing House by or on behalf of such Member or, as the case may be, the Member who acts as the clearing member for such member of the Exchange, in such manner and form and by such time as may be prescribed by the Procedures. If such contract is allocated on by or on behalf of such Member to another Member or to a member of an Exchange who is not a Member, such act of allocation shall constitute confirmation of the contract by such Member.

(c) Where an original contract is allocated to a Member or to a member of an Exchange who is not a Member pursuant to paragraph (a) or (b) above and the Clearing House does not receive confirmation of such contract from that Member or the Member acting as clearing member for such member, as the case may be, within the relevant time prescribed by the Procedures, the Clearing House shall, subject to Regulation 16, register such contract in the name of the Member who sought to allocate the contract.

(d) Notwithstanding paragraph (c) above, a Member may from time to time agree in writing with the Clearing House that he shall accept for registration in his name any original contract allocated to him in accordance with paragraphs (a) or (b) above and such Member shall be deemed to have confirmed such contract in accordance with the Procedures.

(e) No original contract on the terms of an exchange contract may be allocated under this Regulation 14 to any Member who is not authorised under Exchange Rules to have original contracts on the terms of that exchange contract registered in his name.

(f) Notwithstanding the provisions of the Procedures, the Clearing House may, without assigning any reason, make any allocation of an original contract subject to any conditions stipulated by it.

REGULATION 15 DESIGNATION

A Member shall designate the account of the Member in which a Contract shall be registered in the manner and form and by the time prescribed by Exchange Rules or the Procedures. If the Member fails to so designate an account, the Clearing House may, at its discretion and in accordance with the Procedures (and where it satisfied that it has appropriate information to make the relevant determination), determine in which account of the Member the Contract should be entered.

REGULATION 16 REGISTRATION

(a) The Clearing House shall not register an original exchange contract in the name of a Member unless such contract has been confirmed or deemed confirmed pursuant to Regulation 12, 14 or 27 by or on behalf of a Member as a buyer and a Member as a seller who thereby have consented to such contract being registered in his name. For the avoidance of doubt, the same Member may act in a capacity of seller and buyer in respect of such registration of a contract. The Clearing House shall register a contract in the name of a Member which is a Co-operating Clearing House in accordance with the terms of any agreement made with the Co-operating Clearing House and none of the following paragraphs shall apply in respect of a Member which is a Co-operating Clearing House.

(b) Where the Procedures so provide the Clearing House may require the Members in whose names one or more contracts are to be registered to transfer Collateral to the Clearing House in respect of their initial and variation margin obligations as a condition of registration of such contract or contracts, and such Collateral shall be transferred to the Clearing House in accordance with Regulation 20 and, if applicable, the SwapClear Regulations, the RepoClear Regulations, the EquityClear Regulations, the ForexClear Regulations and the Listed Interest Rates Regulations.

(c) The Clearing House may decline to register a contract in the name of a Member where it considers such action advisable for its own protection or the protection of the relevant market. The Clearing House may, without assigning any reason, make the registration of any contract subject to any conditions stipulated by the Clearing House including, without limitation, the transfer of sufficient Collateral by both Members in whose name any such contract is to be registered.

(d) No original exchange contract for a commodity shall be registered in the name of a Member who is not entitled under Exchange Rules to have original exchange contracts for such commodity registered in his name.

(e) The Clearing House shall be deemed to register in the name of a Member an original contract or RepoClear Transaction at the Registration Time in respect of the relevant type of Contract, provided that, in the case of a Contract registered by the Clearing House pursuant to Rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 16 shall take effect.

(f) Without prejudice to the Clearing House's rights under paragraph (g) of this Regulation, a Clearing Member shall be bound by a Contract registered in its name pursuant to the presentation of particulars of an Exchange Transaction, an OTC Transaction, an EquityClear Novation Transaction, or a Listed Interest Rates Novation Transaction, as the case may be, by him or on his behalf, including: (i) in the case of a RepoClear Transaction or RepoClear Term £GC Transaction, where such particulars are presented by a RepoClear Dealer with whom it is party to a RepoClear Dealer Clearing Agreement; (ii) in the case of a ForexClear Transaction, where such particulars are presented by a ForexClear Dealer with whom it is party to a FDC Agreement;(iii) in the case of an EquityClear Novation Transaction, where such particulars are presented by an NCP; and (v) in the case of a Listed Interest Rates Novation Transaction, where such particulars are presented by an NCP.

(g) For the avoidance of doubt, any transaction of which details have been presented by or on behalf of a Clearing Member for registration as a Contract which is not so registered shall remain in effect between the original parties to that transaction or be terminated, as the case may be, according to any terms agreed between the parties thereto (directly or by virtue of the application of the relevant ATP Market Rules or Rates Exchange Rules or of their common participation or membership of the relevant Trading System or Rates Exchange through or on which the transaction was executed or by which it was registered) but subject to the relevant Exchange Rules and the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no obligations or liability in relation thereto.

(h) Without prejudice to the Clearing House's rights under Regulation 16(i), an original exchange contract, OTC Transaction or Listed Interest Rates Novation Transaction presented for registration must, in order that it be registered as the relevant type of Contract, meet the eligibility criteria and other requirements as prescribed on the Clearing House's website for the relevant type of Contract, at the time when the details (as prescribed from time to time by the Clearing House) of the original exchange contract, OTC Transaction or Listed Interest Rates Novation Transaction are presented to the Clearing House and at all times thereafter up to and including the Registration Time. A Clearing Member may not revoke, cancel or transfer an Exchange Transaction, OTC Transaction or Listed Interest Rates Novation Transaction that has been submitted for registration unless permitted (as applicable) by the relevant Exchange Rules and by the relevant Regulations or the relevant Procedures or with the consent of the Clearing House. A Clearing Member shall not allow the submission for registration of a transaction which is not a relevant Exchange Transaction, OTC Transaction or Listed Interest Rates Novation Transaction.

(i) If at any time after registration of a Contract the Clearing House determines that the corresponding transaction of which details were presented for registration did not, at the Registration Time, meet the eligibility criteria for registration as a Contract, the Clearing House shall, as soon as practicable thereafter, set aside each such Contract. Upon the purported Contract being set aside under this Regulation 16, the particulars of the transaction in question shall be deemed never to have been submitted to the Clearing House (and such transaction shall remain in effect between the original parties thereto or be terminated, as the case may be, in accordance with any terms agreed between them, whether directly or (where applicable) by virtue of the application of the relevant ATP Market Rules, Rates Exchange Rules or Trading System rules). Any payment made under, or in respect of, a Contract set aside under this paragraph shall be repayable to the person who made the payment and any securities delivered under such Contract shall be re-delivered to the person who made the delivery of such securities. Without prejudice to Regulation 52 and its obligations under this Regulation 16, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of a contract as a Contract in respect of a transaction which did not meet the eligibility criteria at the Registration Time to enable it to be registered as the relevant type of Contract.

(j) An Exchange Transaction, EquityClear Novation Transaction, OTC Transaction or Listed Interest Rates Novation Transaction presented for registration to, and accepted by, the Clearing House shall be registered by the Clearing House as two Contracts, one

between the First Clearing Member as the seller, Reference Currency Seller, the ForexClear Option Seller, ForexClear Option Party A or party paying a Fixed Price (as the case may be) and the Clearing House as the buyer, Reference Currency Buyer, ForexClear Option Buyer, ForexClear Option Party B or party paying a Floating Price (as the case may be) as principals to such contract, and the other between the Clearing House as the seller, Reference Currency Seller, ForexClear Option Seller, ForexClear Option Party A or party paying a Fixed Price (as the case may be) and the Second Clearing Member as the buyer, Reference Currency Buyer, ForexClear Option Buyer, ForexClear Option Party B or party paying a Floating Price (as the case may be) as principals to such contract. For the purposes of this Regulation 16:

(i) "First Clearing Member" is a Clearing Member who:

(A) was, before registration of the Contract party to the corresponding Exchange Transaction, or OTC Transaction as the seller or the party paying a Fixed Price (as the case may be);

(B) in the case of a Repo Transaction, has a subsisting RepoClear Dealer Clearing Arrangement with a RepoClear Dealer who was party to the corresponding Repo Transaction as the seller;

(C) in the case of a ForexClear NDF Transaction, was, before registration of the ForexClear NDF Contract, party to the corresponding ForexClear NDF Transaction as the Reference Currency Seller, or who has a subsisting FDC Agreement with the ForexClear Dealer who was party to the corresponding ForexClear NDF Transaction as the Reference Currency Seller;

(D) in the case of a ForexClear Deliverable Forward Transaction, was, before registration of the ForexClear Deliverable Forward Contract, party to the corresponding ForexClear Deliverable Forward Transaction as ForexClear Option Party A;

(E) in the case of a ForexClear Spot Transaction, was, before registration of the ForexClear Spot Contract, party to the corresponding ForexClear Spot Transaction as ForexClear Option Party A;

(F) in the case of a ForexClear Swap Transaction, was, before registration of the ForexClear Swap Contract, party to the corresponding ForexClear Swap Transaction as ForexClear Option Party A;

(G) in the case of a ForexClear Option Transaction, was, before registration of the ForexClear Option Contract, party to the corresponding ForexClear Option Transaction as the ForexClear Option Seller;

(H) was, before registration of the EquityClear Contract identified in the particulars of the corresponding EquityClear Novation Transaction as, or as acting as clearing member for, the seller; or

(I) was, before registration of the Listed Interest Rates Contract identified in the particulars of the corresponding Listed Interest Rates Novation Transaction as, or as acting as clearing member for, the seller.

(ii) "Second Clearing Member" is a Clearing Member (who may be the same as the First Clearing Member) who:

(A) was, before registration of the Contract, party to the corresponding Exchange Transaction or OTC Transaction as the buyer or the party paying a Floating Price (as the case may be);

(B) in the case of a Repo Transaction, has a subsisting RepoClear Dealer Clearing Arrangement with a RepoClear Dealer who was party to the corresponding Repo Transaction as the buyer;

(C) in the case of a ForexClear NDF Transaction, was, before registration of the ForexClear NDF Contract, party to the corresponding ForexClear NDF Transaction as the Reference Currency Buyer, or who has a subsisting FDC Agreement with the ForexClear Dealer who was party to the corresponding ForexClear NDF Transaction as the Reference Currency Buyer;

(D) in the case of a ForexClear Deliverable Forward Transaction, was, before registration of the ForexClear Deliverable Forward Contract, party to the corresponding ForexClear Deliverable Forward Transaction as ForexClear Option Party B;

(E) in the case of a ForexClear Spot Transaction, was, before registration of the ForexClear Spot Contract, party to the corresponding ForexClear Spot Transaction as ForexClear Option Party B;

(F) in the case of a ForexClear Swap Transaction, was, before registration of the ForexClear Swap Contract, party to the corresponding ForexClear Swap Transaction as ForexClear Option Party B;

(G) in the case of a ForexClear Option Transaction, was, before registration of the ForexClear Option Contract, party to the corresponding ForexClear Option Transaction as the ForexClear Option Buyer;

(H) was, before registration of the EquityClear Contract identified in the particulars of the corresponding EquityClear Novation Transaction as, or as acting as clearing member for, the buyer; or

(I) was, before registration of the Listed Interest Rates Contract identified in the particulars of the corresponding Listed Interest Rates Novation Transaction as, or as acting as clearing member for, the buyer.

(iii) In the case of an EquityClear Novation Transaction which is an EquityClear Mixed Member Match, Regulation 69(c) applies.

(k) With effect from registration of an Exchange Transaction, EquityClear Novation Transaction, OTC Transaction or Listed Interest Rates Novation Transaction as two Contracts under paragraph (i) of this Regulation 16:

(i) the parties to the corresponding Exchange Transaction, EquityClear Novation Transaction, OTC Transaction or Listed Interest Rates Novation Transaction shall be released and discharged from all rights and obligations thereunder which fall due for performance on or after the Registration Time;

(ii) each Contract registered under paragraph (j) of this Regulation 16 shall be governed by the relevant Contract Terms applicable to that Contract and the General Regulations and Procedures;

(iii) subject always to sub-paragraph (ii) above, the First Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the respective Contract to which it is a party as the seller, Reference Currency Seller, the ForexClear Option Seller, ForexClear Option Party A or party paying a Fixed Price (or the person identified as acting as clearing member for that person) had and owed in respect of its counterparty under the corresponding Exchange Transaction, EquityClear Novation Transaction, OTC Transaction or Listed Interest Rates Novation Transaction; and

(iv) subject always to sub-paragraph (ii) above, the Second Clearing Member shall have the same rights against, and owe the same obligations to, the Clearing House under the respective Contract to which it is a party as the buyer, Reference Currency Buyer, ForexClear Option Buyer, ForexClear Option Party B or party paying a Floating Price (or the person identified as acting as clearing member for that person) had and owed in respect of its counterparty under the corresponding Exchange Transaction, EquityClear Novation Transaction, OTC Transaction or Listed Interest Rates Novation Transaction.

In sub-paragraphs (iii) and (iv) above, a reference to the "same" rights or obligations is a reference to rights or obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations arising from the corresponding Exchange Transaction or the Economic Terms of the corresponding OTC Transaction, EquityClear Novation Transaction or, where applicable, Listed Interest Rates Novation Transaction (it being assumed, for this purpose, that such Exchange Transaction, EquityClear Novation Transaction, OTC Transaction or Listed Interest Rates Novation Transaction was a legal, valid, binding and enforceable obligation of the parties thereto and, in the case of an EquityClear Novation Transaction, OTC Transaction or, where applicable, a Listed Interest Rates Novation Transaction, that the Economic Terms thereof were as presented to the Clearing House for registration), notwithstanding the change in the person entitled to them or obliged to perform them and subject to any changes thereto as a result of the operation of the Standard Terms or of the EquityClear Contract Terms, as applicable.

(l) If an Exchange Transaction, EquityClear Novation Transaction, OTC Transaction or Listed Interest Rates Novation Transaction is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House

for registration that revocation, avoidance or invalidity shall not affect any Contract unless otherwise determined by the Clearing House.

(m) In the case of a Repo Transaction, the Clearing House may, with the agreement of RepoClear Clearing Members party to corresponding RepoClear Contracts (excluding ATS Contracts) or RepoClear Term £GC Contracts (excluding ATS Contracts), set aside or take such other steps with respect to such Contracts on such terms as may be agreed if either or both RepoClear Clearing Members consider that they have entered into a Contract in error or have agreed to certain terms of the Contract in error.

(n) In the case of ATS Contracts, the Clearing House and the RepoClear Clearing Member may agree to set aside or take such other steps with respect to such ATS Contracts on such terms as may be agreed if both the Clearing House and the RepoClear Clearing Member consider that they have entered into an ATS Contract in error or have agreed to certain terms of the ATS Contract in error.

REGULATION 17 TRADING INFORMATION

The Clearing House shall make available to a Member in the manner and by the time prescribed by the Procedures, such details of original contracts presented for registration in the name of that Member, open contracts registered in that Member's name, and Collateral transferred to the Clearing House by that Member as may be prescribed in the Procedures.

REGULATION 18 TRANSFER

(a) If a Member wishes to transfer an open contract from his name to be registered in the name of another Member, the Clearing House may, with the agreement of both Members and subject to such conditions as it may stipulate, at its absolute discretion and, without prejudice to any power of the Clearing House under the Default Rules, and where relevant with the consent of the Exchange whose Exchange Rules form part of the terms of such open contract, transfer the registration of such open contract into the name of the Member agreeing to have such contract registered in his name, whereupon Regulation 12(b) (Novation) shall take effect.

(b) No open contract on the terms of an exchange contract may be transferred pursuant to paragraph (a) above to any Member who is not entitled under Exchange Rules to have open contracts on the terms of that exchange contract registered in his name. No open contract may be transferred pursuant to paragraph (a) above to any Member who is not a Member in respect of the relevant Service.

(c) Rights under an open contract shall not be capable of assignment by a Member. Any such purported assignment by a Member shall be void.

(d) Pursuant to FCM Regulation 46(o), a Pre-Allocation FCM Clearing Member may transfer an Unallocated FCM SwapClear Contract to the Client Account of a SwapClear Clearing Member. The following provisions shall apply with respect to such a transfer:

(i) The transfer of an Unallocated FCM SwapClear Contracts as set forth above is subject to all other applicable provisions of the Rulebook including, where applicable, the provision by the applicable SwapClear Clearing Member(s) of adequate Margin, at the time of the transfer of the relevant Unallocated FCM SwapClear Contract, in respect of each of the applicable Client Accounts. If adequate Margin is not so provided in respect of each Client Account, the Clearing House may in its sole discretion, delay or reject the transfer of all or any portions of the Unallocated SwapClear FCM Contract, and may take any other actions permitted under the Rulebook.

(ii) Where an Unallocated FCM SwapClear Contract has been erroneously allocated to a Client Account the Clearing House will, in response to a written request from a SwapClear Clearing Member and subject to acceptance of the transfer by the relevant Pre-Allocation FCM Clearing Member, transfer an SwapClear Contract to the FCM SwapClear Suspension Sub-Account from which that FCM SwapClear Contract was allocated. Any transfer pursuant to this Regulation 18(d)(ii) must be requested within three Business Days of the original allocation to the relevant Client Account. Through requesting a transfer pursuant to this paragraph (ii), the SwapClear Clearing Member shall be deemed to represent and warrant that the transfer is in accordance with Applicable Law.

REGULATION 19 TRANSACTIONS ENTERED INTO THROUGH AN AUTOMATED TRADING SYSTEM OR PLATFORM

(a) This Regulation 19 applies in respect of: (i) RepoClear Contracts or RepoClear Term £GC Contracts entered into by the Clearing House under Regulation 63(d); and (ii) EquityClear Contracts entered into by the Clearing House under Regulation 68(e).

(b) Any Contract to which this Regulation applies which is entered into by the Clearing House with Clearing Members shall be registered in the name of each relevant Clearing Member following receipt of the details required by the Clearing House of such Contracts from the operator of the relevant ATS, the operator of the relevant ATP, or the relevant approved agent (in accordance with the arrangements made between the Clearing House and such ATS, ATP or approved agent from time to time), as applicable.

(c) If the details required by the Clearing House in respect of a Contract to which this Regulation 19 applies are not provided to the Clearing House by the operator of the relevant ATS, the operator of the relevant ATP or the relevant approved agent, as applicable, in accordance with the Clearing House's requirements, by the time prescribed by the Clearing House from time to time, or the Clearing House is not able to access such details, the Clearing House may decree that neither the Clearing House nor the Clearing Member party thereto shall be obliged to perform their respective obligations under the Contracts in question. If the Clearing House so decrees, such Contracts shall be performed in accordance with any directions given by the Clearing House which may, without limitation, impose a change to the terms of an affected Contract. Any directions given by the Clearing House under this paragraph (c) shall be binding on all affected Clearing Members or Dealers.

(d) Without prejudice to Regulation 52, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall not be liable to any Clearing Member or anyone else for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them in respect of any Contract to which this Regulation 19 applies if the Clearing House does not receive the relevant details referred to in paragraph (c) by the time referred to in such paragraph (c) in respect of such Contract.

(e) If the Clearing House or, where relevant, its approved agent receives details:

(i) of a trade from an ATS specified by an ATS Participant by notice given under Regulation 63(b) and the details of the trade purportedly meet the ATS Contract Eligibility Criteria set out in Regulation 63(e) (as applicable); or

(ii) of an EquityClear (Equities) ATP Match or of an EquityClear (ccCFD) ATP Match in respect of an EquityClear Clearing Member from an ATP specified in the approval given to the EquityClear Clearing Member by notice given under Regulation 68(b) and which has not been withdrawn in respect of that ATP, and the details of the EquityClear (Equities) ATP Match or EquityClear (ccCFD) ATP Match purportedly meet the relevant EquityClear Open Offer Eligibility Criteria set out in Regulation 68(c),

the ATS Participant, the RepoClear Clearing Member of the relevant ATS Participant, or the EquityClear Clearing Member (as the case may be) shall be bound by any RepoClear Contract, RepoClear Term £GC Contract, EquityClear (Equities) Contract or EquityClear (ccCFD) Contract registered in his name in respect of such trade or match and the terms of such registered Contract shall be as set out in Regulation 63(a) or Regulation 68(b), as the case may be.

(f) Without prejudice to paragraph (e), the Clearing House may with the agreement of the Clearing Members party to corresponding RepoClear Contracts (excluding ATS Contracts), RepoClear Term £GC Contracts (excluding ATS Contracts), EquityClear (Equities) Contracts or EquityClear (ccCFD) Contract set aside or take such other steps with respect to such contracts on such terms as may be agreed if either or both Clearing Members consider that they have entered into a contract in error or that certain terms of the contract have been agreed by them or their respective ATS Participants in error.

(g) Without prejudice to paragraph (e), in the case of ATS Contracts, the Clearing House and the RepoClear Clearing Member may agree to set aside or take such other steps with respect to such ATS Contracts on such terms as may be agreed if both the Clearing House and the RepoClear Clearing Member consider that they have entered into an ATS Contract in error or that certain terms of the ATS Contract have been agreed by the Clearing House and by the RepoClear Clearing Member (or by the RepoClear Member's ATS Participant, if applicable) in error.

CHAPTER V – COLLATERAL AND VALUATIONS

REGULATION 20 MARGIN AND COLLATERAL

(a) The Clearing House may in accordance with these Regulations and/or the Procedures require a Member to transfer Collateral to the Clearing House, and to maintain a Clearing Member Current Collateral Balance, in an amount or of a value determined by the Clearing House, as security for the performance by such Member of its obligations to the Clearing House in respect of all contracts from time to time to be registered in his name as open contracts pursuant to these Regulations. The obligation upon a Member to transfer Collateral to the Clearing House, and maintain a Clearing Member Current Collateral Balance, pursuant to this paragraph shall be in addition to any other obligation of the Member to transfer Collateral to the Clearing House, maintain a Clearing Member Current Collateral Balance, or make any other payment to the Clearing House pursuant to these Regulations or any OTC Contract Terms.

(b) The Clearing House may in accordance with these Regulations and/or the Procedures require a Member to transfer Collateral to the Clearing House in respect of initial or variation margin in circumstances prescribed by the Regulations and the Procedures in respect of any open contract registered in the Member's name, such Collateral to be transferred by the Member in such form and manner and by these Regulations and/or such time or times as may be prescribed by the Procedures.

(c) If insufficient Collateral is standing to the credit of a Member's account, or if any assets or monies transferred by a Member to the Clearing House as Collateral are determined by the Clearing House in accordance with the Procedures to be insufficient, such Collateral as the Member is required to transfer to the Clearing House pursuant to paragraph (b) above or Regulation 16 or the SwapClear Regulations, the RepoClear Regulations, the EquityClear Regulations, the ForexClear Regulations or the Listed Interest Rates Regulations, as applicable, shall be transferred to the Clearing House by the Member in such form and manner and by such time or times as may be prescribed by these Regulations and/or the Procedures.

(d)

(i) The Clearing House shall be entitled to assume that all securities and other assets transferred by a Member to the Clearing House as Collateral pursuant to these Regulations and/or the Procedures or under the terms of any agreement made with the Member are the sole legal and beneficial property of the Member or are transferred for the purposes of these Regulations with the legal and beneficial owner's unconditional consent and free of such owner's interest. A Member may not transfer securities or other assets to the Clearing House as Collateral otherwise than in conformity to this paragraph. It shall be accepted by every person dealing on the terms of these Regulations that a Member has such person's unconditional consent to transfer to the Clearing House as Collateral for the purposes of these Regulations and/or the Procedures any securities or other assets of such person in the Member's possession, free of such person's interest.

(ii) Each Member represents and warrants to the Clearing House as at each date on which such Member transfers securities or other assets to the Clearing House as Collateral pursuant to these Regulations (a) that such Member is the sole legal

and beneficial owner of those securities or other assets or, as the case may be, those securities or other assets are so transferred with the legal and beneficial owner's unconditional consent and free of such owner's interest and (b) that the provision to the Clearing House of such securities or other assets pursuant to these Regulations will not constitute or result in a breach of any trust, agreement or undertaking whatsoever.

(iii) The Clearing House may, in its absolute discretion and at any time require a Member to transfer other securities or assets to the Clearing House in substitution of any securities or assets transferred to the Clearing House pursuant to this Regulation 20.

(e) The rate of initial margin in respect of each exchange contract and each Listed Interest Rates Contract (other than a Designated Listed Interest Rates Contract) shall be determined from time to time by the Clearing House after consultation with the relevant Exchange and such rate shall be published from time to time by the Clearing House. Subject to paragraph (g) below, any alteration of the rate so determined shall take effect on the expiry of such period of notice to Members as shall from time to time be agreed with the relevant Exchange. Any such notice shall be given to Members in accordance with the Procedures.

(f) The rate of initial margin in respect of each category of OTC Contract shall be determined from time to time by the Clearing House, and such rate shall be published from time to time by the Clearing House. The rate of initial margin in respect of EquityClear Contracts and Designated Listed Interest Rates Contracts respectively shall be determined from time to time by the Clearing House and such rate shall be published from time to time by the Clearing House.

(g) Notwithstanding paragraph (e) or paragraph (f) above, the Clearing House shall be entitled at its absolute discretion, without assigning any reason and without prior notice to a Member or, where applicable, to an Exchange, to modify the rate of initial margin applicable to an exchange contract, an OTC Contract, EquityClear Contracts, or Listed Interest Rates Contracts, or to demand larger or additional amounts of Collateral in respect of the initial margin obligations of a Member, either before registration of a contract or at any time after registration. Any Collateral demanded by the Clearing House pursuant to this paragraph shall be transferred by the Member to the Clearing House on demand and in such form as the Clearing House may require.

(h) The Clearing House shall be entitled at any time to demand from a Member the immediate transfer of Collateral in respect of that Member's margin obligations in an amount deemed necessary by the Clearing House without reference to official quotations or Reference Prices in respect of any open contract in the Member's name, if, in the opinion of the Clearing House, the transfer to the Clearing House of such Collateral by the Member is necessary in the circumstances then prevailing which may be affecting or may in the Clearing House's opinion be likely to affect market conditions or the Member's performance of its obligations under the terms of such contracts or under the terms of any original or confirmed contract to which the Member is party.

(i) The Clearing House shall be entitled to make an accommodation charge at a rate determined by the Clearing House and published on the Clearing House's website, in

respect of any non-cash Collateral (other than Clearing Member Returned Collateral or Clearing Member Applied Collateral) transferred to the Clearing House. Any alteration in the basis of calculating the rates of accommodation charge shall become effective in respect of all current and future business by the time as published on the Clearing House's website.

(j) Without prejudice to the requirements of paragraph (e) or (f) above, the Clearing House may at its absolute discretion accept Collateral to an agreed amount in a form other than those specified in the Procedures, subject always to the Clearing House's prior assessment as to the appropriateness of such form of Collateral in accordance with its standard risk management procedures and to any special arrangements which the Clearing House may prescribe in each case (including as to valuation and haircut). The Clearing House may at its discretion make an accommodation charge at a special rate.

(k) If, in the opinion of the Clearing House, any asset which has been transferred to it by a Member as Collateral pursuant to these Regulations and/or the Procedures is no longer either of sufficient value or otherwise acceptable to the Clearing House, the Clearing House shall be entitled to demand further Collateral from such Member. Such Collateral shall be transferred by such Member to the Clearing House on demand in a form prescribed by the Procedures, **provided that** at any time the Clearing House shall be entitled to require the Member to transfer Collateral to the Clearing House in a specified form and to demand that the Member replace the whole or part of any asset transferred to the Clearing House by that Member pursuant to these Regulations with Collateral in the form of cash.

(l) Any request by a Clearing Member (including, for the avoidance of doubt, a Resigning Member or a Retiring Member) for the release or return of excess Collateral shall be dealt with in accordance with the Procedures.

(m) If the Clearing House takes any step or steps under the Default Rules in relation to a Member, any sum (including without limitation the price due to be paid by the Clearing House in respect of the delivery of any property or currency by or on behalf of the Member) standing to the credit of any of the Member's accounts shall be treated as Collateral.

(n) No Member may assign, transfer, charge or encumber (in each case, whether by way of security or otherwise) its right to the return of any cash Collateral or Contributions it has transferred to the Clearing House, except: (i) as provided in any relevant Deed of Charge; (ii) as expressly contemplated by the Rulebook; and/or (iii) with the prior written approval of the Clearing House. Any such purported assignment, transfer, charge or encumbrance shall be void.

(o) The Clearing House and each Member agree that the Clearing Membership Agreement to which they are a party is amended by the deletion of clause 2.16 of such agreement.

(p) Where the Clearing House is party to a Link Agreement with a Co-operating Clearing House:

(i) the Clearing House may request collateral from that Co-operating Clearing House in whatever form may be stipulated in the terms of that Link Agreement; and

(ii) if collateral is transferred to the Clearing House by such Co-operating Clearing House pursuant to such Link Agreement, that collateral shall be deemed to be Collateral for the purposes of these Regulations and the Default Rules.

(q) Any references in the Rulebook to (i) Collateral deposited or held by or with the Clearing House or a Clearing Member or in an account maintained by the Clearing House or a Clearing Member; (ii) balances of Collateral with the Clearing House or a Clearing Member or in an account maintained by the Clearing House or a Clearing Member; and (iii) Collateral credited to an account maintained by the Clearing House or a Clearing Member (and any phrases describing similar concepts), shall be construed as including all Collateral transferred to the Clearing House by the relevant Clearing Member or Custodial Segregated Client, or to the relevant Clearing Member by the Clearing House (as applicable) and any Applied Collateral Excess Proceeds credited to the relevant Clearing Member's account by the Clearing House, but as excluding any relevant Clearing Member Returned Collateral, Clearing Member Applied Collateral, Clearing House Returned Collateral and/or Clearing House Applied Collateral (as applicable).

(r) Expressions in the Rulebook such as “furnish”, “provide”, “deposit” and “post” (and similar expressions) are used to describe the act of transferring Collateral to or, as the case may be, from, the Clearing House and, when used in conjunction with such expressions, expressions in the Rulebook such as “margin”, “cover for margin” and “collateral” (and similar expressions) are used to describe the collateral which is transferred to or, as the case may be, from, the Clearing House. Where the context so permits, references in the Rulebook to Collateral being held in an account means that the Collateral is recorded in the books and records of the Clearing House as being attributable to a particular Clearing Member or Clearing Client. References in the Rulebook to Collateral being "transferred", "provided" or "delivered" by:

(i) a Clearing Member to the Clearing House includes Collateral that the Clearing House has recorded in its books and records as attributable to that Clearing Member and an account of that Clearing Member with the Clearing House;

(ii) a Custodial Segregated Client to the Clearing House includes Collateral that the Clearing House has recorded in its books and records as attributable to that Custodial Segregated Client and the relevant Custodial Segregated Account which a Clearing Member has opened with the Clearing House in respect of such Custodial Segregated Client.

(s) The Rulebook shall be construed such that:

(i) save as stated in sub-paragraphs (ii) and (iii), all transfers of Collateral by a Clearing Member to the Clearing House or, as the case may be, by the Clearing House to a Clearing Member are effected on an outright title-transfer basis (with there being no intention to create any form of *in rem* security interest in such collateral, and despite any references to such collateral being held by the Clearing House or a Clearing Member or in an account maintained by the Clearing House or a Clearing Member or to such collateral being credited to an account maintained by the Clearing House or a Clearing Member (or to similar concepts));

(ii) wherever non-cash Collateral is transferred by a Clearing Member to the Clearing House, it is held by the Clearing House for the Clearing Member on and subject to the terms of the relevant Deed of Charge between the Clearing House and that Clearing Member;

(iii) wherever cash Collateral is transferred by a Clearing Member to the Clearing House, and the Clearing Member's interest in such cash Collateral (or any other cash) constitutes "Charged Property" as defined in the relevant Deed of Charge between such Clearing Member and the Clearing House, such cash ("**Charged Cash Collateral**") is held by the Clearing House for such Clearing Member on and subject to the terms of such Deed of Charge;

(iv) wherever the Clearing House is required to return cash Collateral or Applied Collateral Excess Proceeds to a Clearing Member or a Clearing Member is required to return cash Collateral to the Clearing House, that requirement is to pay an amount of cash equal to the amount expressed to be so required to be returned; and

(v) wherever the Clearing House is required to return non-cash Collateral to a Clearing Member, that requirement is to return (unless otherwise provided in the Procedures) the same non-cash Collateral (or equivalent non-cash Collateral) as was transferred to the Clearing House by that Clearing Member and to release the same from the security created by the relevant Deed of Charge.

(t) In determining the amount of Collateral which the Clearing House requires to be transferred to or from the Clearing House pursuant to the Rulebook, the Clearing House shall take into account the amount of any Collateral which has previously been determined as being required to be transferred to or from the Clearing House but which, at the time of that determination, has not been so transferred.

(u) Upon the Clearing House being satisfied (acting in good faith) that all obligations of a Clearing Member pursuant to the Rulebook have been irrevocably paid or discharged in full and that no such obligations are capable of arising:

(i) the Clearing House shall (A) in the case of cash Collateral transferred by the Clearing Member to the Clearing House for the purpose of collateralising that Clearing Member's obligations (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), pay an amount of cash to that Clearing Member equal to such cash; and (B) in the case of non-cash Collateral transferred by the Clearing Member to the Clearing House for the purpose of collateralising that Clearing Member's obligations (other than any constituting Clearing Member Returned Collateral or Clearing Member Applied Collateral), transfer that same Collateral (or equivalent Collateral) to that Clearing Member; and

(ii) the Clearing Member shall, in the case of cash Collateral transferred to the Clearing Member for the purpose of collateralising the Clearing House's obligations (other than any constituting Clearing House Returned Collateral or Clearing House Applied Collateral), transfer an amount of cash to the Clearing House equal to such cash.

(v) Wherever the Rulebook contemplates an obligation of a Clearing Member being discharged by the Clearing House using, or otherwise applying, cash Collateral transferred to the Clearing House for the purpose of collateralising that Clearing Member's obligations to the Clearing House (including any Applied Collateral Excess Proceeds), the manner in which such discharge shall occur is by the acceleration of the Clearing House's obligation to return that cash Collateral or Applied Collateral Excess Proceeds to that Clearing Member or a Custodial Segregated Client (but only in an amount which does not exceed the obligation of that Clearing Member which is to be so discharged) and the set-off of that transfer obligation against that Clearing Member's obligation which is to be so discharged.

(w) Wherever the Rulebook contemplates an obligation of the Clearing House being discharged by a Clearing Member using, or otherwise applying, cash Collateral transferred to that Clearing Member for the purpose of collateralising the Clearing House's obligations to that Clearing Member, the manner in which such discharge shall occur is by the acceleration of that Clearing Member's obligation to return that cash Collateral to the Clearing House (but only in an amount which does not exceed the obligation of the Clearing House which is to be so discharged) and the set-off of that transfer obligation against the Clearing House's obligation which is to be so discharged.

(x) Where a Clearing Member is a Futures Commission Merchant and it proposes to transfer to the Clearing House Collateral relating to Client Clearing Business in connection with the clearing of a futures or options contract that is traded on an exchange that is not a designated contract market, it shall request that the Clearing House approve such proposed transfer and following the Clearing House's written approval, the Clearing House shall hold such Collateral as a foreign futures or foreign options secured amount subject to the requirements of CFTC Rule 30.7. By making such request, a Clearing Member shall be deemed to represent and undertake to the Clearing House that it will not engage in House Clearing Business or transfer Collateral in relation to House Clearing Business and the Clearing Member acknowledges that any such approval from the Clearing House is issued in reliance upon such representation or undertaking being true and accurate at all times.

The Clearing House's written approval shall satisfy the Clearing Member's requirement to obtain an acknowledgement pursuant to Part 30 of CFTC Regulations.

REGULATION 21 PREMIUM UNDER OPTION CONTRACTS

(a) The premium payable by a buyer under the terms of an option contract shall be paid by the buyer to the Clearing House in the form and manner prescribed in the Procedures and by the time specified in Exchange Rules or the Procedures with respect to the relevant contract.

(b) The Clearing House shall pay to a seller under the terms of an option contract his premium in accordance with the Procedures and by the time specified in Exchange Rules or the Procedures with respect to the relevant contract.

REGULATION 22 OFFICIAL QUOTATIONS AND REFERENCE PRICE

(a) The Clearing House may determine official quotations and Reference Prices for the purposes of these Regulations and the Procedures in such manner and at such times as may be prescribed in the Procedures. Except as prescribed in the Procedures, an official quotation or Reference Price is binding on a Clearing Member and may in no circumstances be called in question.

(b) If the official quotations and/or Reference Prices prescribed in the Procedures are unavailable, the Clearing House may determine, in its sole discretion, a substitute official quotation or Reference Price. In such circumstances, the substitute official quotation or Reference Price determined by the Clearing House is binding on a Clearing Member and may in no circumstances be called in question.

(c) For the avoidance of doubt, the Clearing House is not responsible for and does not warrant the accuracy of any settlement price determined by a third party or any index which is the subject of an exchange contract or any Reference Price.

REGULATION 23 DAILY SETTLEMENT OR MARKING TO MARKET

(a) Where Exchange Rules or the Procedures so prescribe in respect of exchange contracts, the Clearing House may effect the daily settlement to market or daily marking to market of all open contracts (in each case, as opposed to requiring the collateralisation of such open contracts) on the terms of such exchange contracts in accordance with the Procedures and Exchange Rules, save where the Procedures otherwise provide. Daily settlement to market shall not apply to open contracts which are for the account of a Member's Client Accounts.

(b) The Clearing House shall, in accordance with the Procedures, in respect of each open contract in a Member's name which is subject to daily settlement to market or daily marking to market (as opposed to a collateralisation requirement), effect and register a settlement contract, being a contract on the same terms (except as to price or premium), including the strike price where applicable, as the open contract, save that where the Member is a buyer under the terms of the open contract the Member shall be a seller under the terms of the settlement contract and vice-versa, such settlement contract to be effected in accordance with the Procedures (or Exchange Rules if applicable) at the relevant official quotation or Reference Price for that day. The Clearing House shall thereupon settle each open contract against the respective settlement contract in accordance with the Procedures.

(c) The Clearing House shall, upon completion of the process set out in paragraph (b) above, calculate the daily settlement amounts in accordance with the Procedures and shall thereafter debit or credit (as the case may be) the Member's account and upon the Clearing House so doing, the Member and the Clearing House shall (unless otherwise agreed) settle any daily settlement amounts arising as follows:

(i) any profit arising to a Member shall: (A) be credited to the applicable account; (B) to the extent that that account is a collateral account, become part of the Clearing Member Current Collateral Balance; and (C) subject to the Clearing House's right to retain such profit pursuant to these Regulations, be paid to the Member on the Member's request; and

(ii) any loss arising to a Member shall be debited from the applicable account of the Member to the extent that there is an available balance in such account and, in accordance with these Regulations, the Member shall pay the amount of any shortfall in respect of such loss to the Clearing House forthwith on demand.

(d) The Clearing House shall, upon completion of the calculation of daily settlement amounts pursuant to paragraph (c) above, in the manner prescribed by the Procedures:

(i) in respect of those open contracts in a Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily settlement to market, register at the official quotation or Reference Price referred to in paragraph (b) above, contracts in the Member's name as open contracts on the same terms (except as to price or premium), including the strike price where applicable, as the settled open contracts, save that no contract for the purchase and no contract for the sale of the same commodity, for the same delivery month, or expiry month and strike price, where applicable, shall be registered in the Member's name;

(ii) in respect of those open contracts in a Member's name which have been settled pursuant to paragraph (b) above and which are subject to daily marking to market as prescribed by the Procedures, register at the official quotation referred to in paragraph (b) above contracts in the Member's name as open contracts on the same terms (except as to price or premium) including the strike price, where applicable, as the settled open contracts.

(e) A Member may, in respect of all open contracts in his name which are subject to daily marking to market, request the Clearing House within the time and in the manner prescribed by the Procedures, to settle such contracts being the same number of contracts for the purchase and sale of the same commodity for the same delivery month or, where applicable, for the same expiry month and strike price. Such a request, once made, shall be irrevocable unless the Clearing House otherwise consents. Where such a request is made, the Clearing House shall as soon as practicable after the close of trading on that market day (but not necessarily on that day, and provided documentation has been supplied by the Member in accordance with the Procedures) debit or credit (as the case may be) the Member's account.

(f) In respect of those open contracts of which settlement might have been requested by a Member under paragraph (e) above, the Clearing House may, if no request for settlement has been received by the cessation of trading for the delivery month applicable to those contracts, at any time thereafter proceed as if settlement had been requested and debit or credit (as the case may be) the Member's accounts accordingly.

REGULATION 24 SETTLEMENT AND REVALUATION: CLEARING PROCESSING SYSTEM

(a) Where Exchange Rules or the Procedures so prescribe in respect of exchange contracts, the Clearing House may effect the settlement or revaluation of open contracts on the terms of such exchange contracts in accordance with a clearing processing system adopted by the Exchange.

(b) The settlement of open contracts under this Regulation may be effected daily or less frequently, as required by the clearing processing system. The clearing processing system may expressly or by implication require the contract value of open contracts to be altered daily or less frequently by reference to official quotations or otherwise and, if so, open contracts subject to the system shall be revalued accordingly. The Clearing House shall have no obligation to notify a Member of the revaluation of an open contract to which it is party, save as provided by the clearing processing system.

REGULATION 25 OTHER MODES OF SETTLEMENT AND REVALUATION

Settlement, revaluation and collateralisation procedures (other than those contained in Regulation 23, Regulation 24, Regulation 57, Regulation 57A and Regulation 106A) may be prescribed, in respect of open contracts on the terms of certain exchange contracts and in respect of open contracts which are OTC Contracts or EquityClear Contracts in the Procedures or where agreed with, an Exchange, in Exchange Rules. The relevant settlement, revaluation and collateralisation procedures (as applicable) may be effected by the Clearing House in accordance with such provisions.

CHAPTER VI – OPTIONS, OPEN CONTRACTS SUBJECT TO TENDER AND DELIVERY CONTRACTS

REGULATION 26 EXERCISE OF OPTIONS

(a) An option may, subject to paragraph (d) below, be exercised, or deemed to be exercised, or abandoned in accordance with paragraph (b) or (c) below on the day and by the time prescribed by Exchange Rules or, where relevant, the Procedures. If any prescribed day is not a business day, an option may be exercised, deemed to be exercised, or abandoned on such day as may be prescribed by the relevant Exchange Rules, or, where relevant, the Procedures, or if no such day is so prescribed, on the next business day.

(b) Subject to Exchange Rules or, where relevant, the Procedures, an option may be exercised by notice in writing or in such other form as may be prescribed by Exchange Rules or the Procedures and in the manner prescribed by the Procedures, and if not so exercised by the day and time referred to in paragraph (a) above, the option shall either expire or, if Exchange Rules or, where relevant, the Procedures, so provide, be deemed to have been exercised in accordance with Exchange Rules or, where relevant, the Procedures.

(c) Subject to Exchange Rules or, where relevant, the Procedures, an option may be abandoned by notice in writing or in such other form as may be prescribed by Exchange Rules or, where relevant, the Procedures and in the manner prescribed by the Procedures and if not so abandoned by the day and time referred to in paragraph (a) above, the option shall be deemed to have been exercised in accordance with the Exchange Rules or, where relevant, the Procedures.

(d) If permitted under Exchange Rules or, where relevant, the Procedures, an option may be exercised or abandoned by or on behalf of a Member prior to the day and time referred to in paragraph (a) above in accordance with Exchange Rules or, where relevant, the Procedures.

(e) The Clearing House shall be entitled to rely and act upon any form of exercise or abandonment made in accordance with paragraphs (b), (c) or (d) above without making any enquiry, investigation or check as to whether it complies with the Exchange Rules or, where relevant, the Procedures, or as to the authority of any person purporting to exercise or abandon an option on behalf of a Member save that the Clearing House may reject any notice of exercise or abandonment (or exercise or abandonment made in such other prescribed form, as the case may be) if it does not appear to comply with Exchange Rules or the Procedures notwithstanding that it may as buyer have passed on such notice or other prescribed form of exercise or abandonment to a seller.

(f) Subject to paragraph (e) above, no notice (or other form) of exercise or abandonment once received by the Clearing House may be cancelled or withdrawn.

(g) Where the Clearing House is a buyer under the terms of an option contract, the Clearing House may exercise or abandon an option in accordance with Exchange Rules or the Procedures, as applicable, and in accordance with Regulation 3.

(h) Upon the exercise or deemed exercise of an option pursuant to Regulation 12(c) and Regulation 26 shall come into effect.

REGULATION 27 DELIVERY CONTRACT ARISING UPON THE EXERCISE OF AN OPTION

(a) Subject to these Regulations open contracts which are delivery contracts shall be fulfilled in accordance with Exchange Rules or, where relevant, the Procedures. No delivery contract shall be for a unit or quantity smaller than one lot and the amount or quantity to be delivered shall be one lot or such other amount or quantity as may be specified for the commodity in (i) Exchange Rules from time to time after agreement with the Clearing House or (ii) where relevant, the Product Specific Contract Terms and Eligibility Criteria Manual.

(b) Where an open contract which is a delivery contract arises by novation pursuant to Regulation 12(c) upon the exercise or deemed exercise of an option, the buyer under the terms of the delivery contract shall give to the Clearing House such information as may be prescribed by Exchange Rules or, where relevant, the Procedures by the time and in the manner specified in Exchange Rules or the Procedures. The Clearing House as buyer under the terms of a delivery contract shall, in accordance with Regulation 3, give to the seller under the terms of such contract, such information as may be prescribed by Exchange Rules or the Procedures.

(c) The seller under the terms of a delivery contract shall deliver the commodity to the Clearing House as buyer in such manner and at such time as may be prescribed in Exchange Rules or, where relevant, the Procedures, and the Clearing House as seller under the terms of a delivery contract shall, in accordance with Regulation 3, deliver the commodity the subject of such contract to a Member as buyer under the terms of such contract.

(d) The buyer shall pay the price and such other amounts to the Clearing House as may be required by Exchange Rules or, where relevant, the Procedures in the form and manner and by the time prescribed in Exchange Rules or the Procedures, and the Clearing House shall, in accordance with Regulation 3, pay the seller his price and such other amounts as may be required by Exchange Rules or, where relevant, the Procedures.

(e) Notwithstanding paragraphs (c) and (d) above, the Clearing House may in its absolute discretion in accordance with the Procedures:

(i) direct a Member who is a seller under a delivery contract to deliver the commodity the subject matter of such contract to such other Member, being a buyer under a delivery contract, as the Clearing House may appoint; and

(ii) direct a Member who is a buyer under a delivery contract to pay the price and any other amounts payable pursuant to such contract to such other Member, being a seller under a delivery contract, as the Clearing House may appoint;

and delivery or payment in accordance with such direction shall constitute the due performance of such obligations of such buyer or seller as the case may be towards the Clearing House. Each Member agrees that it will accept delivery of a commodity, or as the case may be, payment of the price, from a Member directed in accordance with (i) or (ii) above, in satisfaction of the obligations owed to it by the Clearing House to deliver the commodity or make payment of the price and such other amounts under the terms of a delivery contract.

(f) If an invoice is not ready when payment becomes due pursuant to this Regulation, payment shall be made and received on account.

REGULATION 28 OBLIGATION TO MAKE AND ACCEPT TENDER

(a) Subject to these Regulations open contracts which are Cleared Exchange Contracts, or Listed Interest Rates Contracts shall be fulfilled in accordance with Exchange Rules or the Procedures. No Cleared Exchange Contract or Listed Interest Rates Contract shall be for a unit or quantity smaller than one lot and the amount or quantity tendered shall be for one lot or such other amount or quantity as may be specified for the commodity in (i) Exchange Rules from time to time after agreement with the Clearing House or (ii) where relevant, the Product Specific Contract Terms and Eligibility Criteria Manual. Where the terms of a Cleared Exchange Contract or Listed Interest Rates Contract so permit, the Clearing House may give directions to one or more Members concerning the performance of such contract and in such case each such Member shall be bound by and shall comply with any such direction.

(b) Paragraphs (c) to (l) below and Regulation 30 and Regulation 31 shall not apply to Cleared Exchange Contracts and Listed Interest Rates Contracts, which are contracts for differences or such option contracts as the Procedures may prescribe. Members shall fulfil their obligations to the Clearing House under the terms of such contracts in the manner and by the time prescribed by Exchange Rules, these Regulations and the Procedures, as applicable. The Clearing House shall fulfil its obligations as seller or buyer, as the case may be, under the terms of such contracts in accordance with Regulation 3. Regulation 29 shall apply and paragraphs (c) to (l) below shall not apply to delivery contracts.

(c) A Member, as seller in respect of a Cleared Exchange Contract or Listed Interest Rates Contract in his name which is not to be settled pursuant to Regulation 23 or Regulation 25 and the Procedures, shall give a tender to the Clearing House as buyer, together with such other documents as may be required by Exchange Rules or the Procedures by the time specified in Exchange Rules or the Procedures in respect of such Contract for a particular delivery month or prompt date, and in the form and manner prescribed by Exchange Rules or the Procedures. The Clearing House, as seller in respect of a Contract for which a tender has been submitted pursuant to this paragraph (c), Regulation 23 or Regulation 25, shall in accordance with Regulation 3 give a tender to the buyer under the terms of such contract, together with such other documents as may be required by Exchange Rules or the Procedures.

(d) A seller or buyer shall give to the Clearing House such additional documents or information required by Exchange Rules or, where relevant, the Procedures to be given in respect of an open contract subject to tender by the time prescribed by Exchange Rules or, where relevant, the Procedures and in the form and manner specified therein or in the Procedures. The Clearing House as seller (or buyer) under the terms of an open contract subject to tender shall in accordance with Regulation 3 give such additional documents or information to the buyer (or seller) under the terms of such contract.

(e) The Clearing House shall be under no obligation to check a tender or documents received from a Member pursuant to paragraph (c) or (d) above. The passing on by the Clearing House of such tender or such documents received from a seller (or buyer as the case may be) pursuant to the terms of an open contract subject to tender, to a buyer (or seller as the case may be) pursuant to the terms of an open contract subject to tender, shall not constitute acceptance by the Clearing House of such tender or such documents,

and if the Member to whom it passed on such tender or such documents rejects the same where permitted by Exchange Rules or, where relevant, the Procedures, the Clearing House shall be entitled to reject the same as against the Member from whom it received such tender or such documents.

(f) Every buyer (not being the Clearing House) who has a Cleared Exchange Contract or Listed Interest Rates Contract in his name for the current delivery period or prompt date shall be bound to accept in fulfilment of the Clearing House's obligations as seller under paragraph (c) any tender or documents complying with Exchange Rules or, where relevant, the Procedures, which is given to him by the Clearing House in accordance with Regulation 3.

(g) Subject to paragraph (e), no tender may be withdrawn or substituted by the seller once such tender is received by the buyer except with the consent of such buyer or otherwise in accordance with Exchange Rules or, where relevant, the Procedures.

(h) Where permitted by Exchange Rules or, where relevant, the Procedures, a tender together with such other documents as may be required by Exchange Rules or the Procedures may be given to the Clearing House by or on behalf of a seller in respect of an original exchange contract or Listed Interest Rates Novation Transaction to which the seller is party, such tender to be given to the Clearing House together with such particulars of the contract as may be required by the Clearing House, including if required the name of the buyer in respect of such contract, by the time specified in Exchange Rules or the Procedures. Registration of such contract in the name of the seller shall be effected as prescribed by the Procedures.

(i) The Clearing House may give a tender, together with such other documents as may be required by Exchanges Rules or the Procedures, to a buyer in respect of an original exchange contract or Listed Interest Rates Novation Transaction to which the buyer is party. Such particulars of the contract as the Clearing House may require shall be furnished by or on behalf of the buyer to the Clearing House in accordance with Exchange Rules or the Procedures. Registration of such contract in the name of the buyer shall be effected as prescribed by the Procedures.

(j) The Clearing House may give a tender and documents received from a seller pursuant to paragraph (h) above to a buyer in respect of an original exchange contract or Listed Interest Rates Novation Transaction to which the buyer is party, and shall do so as agent for the seller. The furnishing of particulars and the registration of such contract in the name of a buyer shall be effected as provided in paragraph (i) above. Upon registration of an original exchange contract or Listed Interest Rates Novation Transaction pursuant to paragraph (h), the giving of the tender and documents by the Clearing House to the buyer pursuant to this paragraph shall be deemed to have been given and accepted by such parties in fulfilment of their obligations under paragraph (c) and (f) above.

(k) In implementing this Regulation, the Clearing House may effect and register such contracts in a Member's name as may be prescribed in the Procedures at a price determined by the Clearing House in accordance with the Procedures.

(l) If Exchange Rules or, where relevant, the Procedures require a buyer to give a tender and a seller to receive a tender in respect of a Cleared Exchange Contract or Listed Interest Rates Contract, a reference in this Regulation and in Regulation 30 to a seller

giving a tender shall be construed as being a reference to a buyer giving a tender and a reference to a buyer receiving a tender shall be construed as being a reference to a seller receiving a tender.

REGULATION 29 DELIVERY CONTRACTS

(a) The obligations of Members under delivery contracts shall be performed in accordance with the terms of such delivery contracts and in the manner and by the time prescribed by Exchange Rules, these Regulations and the Procedures, as applicable. The Clearing House shall fulfil its obligations as seller or buyer, as the case may be, under the terms of a delivery contract in accordance with Regulation 3 and the Procedures.

(b) Where the terms of an open contract so permit, the Clearing House may give directions to one or more Members concerning the performance of such open contract and in such case each such Members shall be bound by and shall comply with any such direction.

REGULATION 30 OPEN CONTRACTS SUBJECT TO TENDER

(a) Without prejudice to the provisions of Regulation 31(a), under an open contract subject to tender or a delivery contract:

(i) the buyer shall be obliged to pay his buying price to the Clearing House as seller in the manner and by the time prescribed by Exchange Rules or the Procedures;

(ii) the Clearing House as buyer shall be obliged to pay the seller his selling price in the manner and by the time prescribed by Regulation 3;

(iii) subject to Exchange Rules or, where relevant, the Procedures, any compensation, adjusting payment, or other allowance payable by or to either the buyer or seller under the terms of the open contract shall be paid to or by the Clearing House;

(b) Notwithstanding that open contracts may have been settled under Regulation 23 a seller may, with the agreement of the Clearing House and by the time specified in the Procedures, give the Clearing House a tender in respect of any such contract so settled. Upon receipt of such tender, the Clearing House shall (unless the Procedures otherwise allow) effect on the Member's behalf re-opening contracts (that is a sale by the Member to the Clearing House and a purchase by the Member from the Clearing House of one lot, each on the same terms (including delivery) as the settled contract except as to price) and register such contracts as open contracts in the Member's name, the re-opening contracts to be effected at a price determined by the Clearing House or the Exchange as prescribed by the Procedures. The submission of a tender in accordance with the Procedures shall constitute confirmation of any such re-opening contracts and the seller's tender (or buyer's as the case may be) shall be deemed to have been made pursuant to his sale (or purchase) under the respective re-opening contract.

(c) Notwithstanding that an open contract may have been settled under Regulation 23, the Clearing House may in accordance with the Procedures give a tender to a buyer under Regulation 28 as if the contract were still open and on so doing the Clearing House shall effect on the Member's behalf re-opening contracts (defined as in paragraph (b) above and to be effected as there described) and register such contracts as open contracts in the Member's name. The receipt by the Buyer of such tender shall constitute confirmation of the re-opening contract and shall be deemed to occur pursuant to the Member's purchase under the respective re-opening contract.

(d) In implementing this Regulation, the Clearing House may effect and register such contracts in a Member's name as it may deem necessary for the purposes hereof or as may be prescribed in the Procedures and at a price determined by the Clearing House in accordance with the Procedures.

REGULATION 31 ARRANGEMENTS FOR DELIVERY AND PAYMENT OF PRICE

(a) In respect of its obligations under the terms of any open contract as seller to deliver a commodity to the buyer or as buyer to pay the price and any other payments required to be made under the terms of such contract to the seller, the Clearing House may in its absolute discretion in accordance with the Procedures:

(i) direct a Member who is a seller under an open contract to deliver the commodity the subject matter of such contract to such other Member, being a buyer under an open contract as the Clearing House may appoint; and

(ii) direct a Member who is a buyer under an open contract to pay the price and any other amounts payable pursuant to such contract to such other Member, being a seller under an open contract as the Clearing House may appoint,

and delivery or payment in accordance with such direction shall constitute the due performance of such obligations of such buyer or seller as the case may be towards the Clearing House. Each Member agrees that it will accept delivery of a commodity or, as the case may be, payment of the price, and such other amounts from another Member in accordance with such direction in satisfaction of the obligations owed to it by the Clearing House to make payment of the price or such other amounts or to deliver the commodity under the terms of an open contract.

(b) If an invoice is not ready when payment becomes due, payment shall be made and received on account.

(c) A Member may from time to time agree in writing with the Clearing House in respect of such Contracts as are prescribed in the Procedures that he shall pay to and receive from the Clearing House in accordance with the Procedures a net amount in respect of his obligations to make or take delivery (as the case may be) of a commodity where such commodity is a currency and to make or receive payment (as the case may be) of the buying or selling price.

(d) If a buyer where permitted by Exchange Rules or, where relevant, the Procedures, rejects the reference asset or commodity delivered to it pursuant to the Clearing House's obligations to make delivery of the reference asset or commodity under the terms of an open contract subject to tender, the Clearing House shall be entitled to reject the same as against the seller from whom it took delivery of the same under the terms of an open contract subject to tender, and the Clearing House shall not be deemed to have accepted a commodity delivered to it by a seller which it delivers on to a buyer until such buyer has accepted the commodity.

REGULATION 32 RESTRICTIONS ON CLEARING HOUSE'S OBLIGATIONS AND LIABILITY

(a) This Regulation shall apply to open contracts subject to tender and delivery contracts and shall not apply to contracts for differences or option contracts.

(b) The Clearing House (or any other member of the LCH Group) shall not be liable in respect of a claim made against it in respect of an open contract subject to tender or a delivery contract by a Member concerning:

(i) a tender given by the Clearing House; or

(ii) any documents accompanying a tender as required by Exchange Rules or Procedures; or

(iii) the performance by the Clearing House of its obligations under an open contract to make delivery of a commodity or to pay the price; or

(iv) any other dispute or matter arising under the terms of such contract;

unless the conditions set out in paragraphs (c), (d) and (e) below are satisfied.

(c) The Member shall (without prejudice to his taking any other steps which may be required of or open to him under the relevant Exchange Rules or the Procedures, as applicable) give written notice and particulars of his claim to the Clearing House not later than 17:00 hours (such time to be of the essence) on the seventh business day following the day on which, in accordance with the relevant Exchange Rules or the Procedures, as applicable, documents must be taken up and paid for by the buyer (whether or not a buyer fulfils such obligation), or if there are no such documents, not later than 17.00 hours (such time to be of the essence) on the seventh business day following the last day on which the buyer, in accordance with the relevant Exchange Rules or the Procedures, as applicable, must take delivery of the commodity (whether or not the buyer fulfils such obligation).

(d) Where the relevant Exchange Rules or the Regulations provide for arbitration, the Member shall refer all disputes referred to in paragraph (b) above in respect of the contract to arbitration under the relevant Exchange Rules or the Regulations, as applicable, shall give to the Clearing House notice of such referral and details of any award made.

(e) The Member shall promptly provide the Clearing House with such further particulars of his claim, as the Clearing House may from time to time require in writing.

CHAPTER VII – DISPUTE RESOLUTION

REGULATION 33 ARBITRATION: CLEARED EXCHANGE CONTRACTS, CLEARED EXCHANGE CONTRACTS OR EQUITYCLEAR CONTRACTS (FOR PHYSICAL DELIVERY)

(a) In this Regulation 33, "**Relevant Rules**" means relevant Exchange Rules or relevant ATP Market Rules.

Subject to Regulation 70(a), paragraph (e) below, and to the terms of a Link Agreement to which the Clearing House and a Co-operating Clearing House are party, a dispute arising from or in relation to any Cleared Exchange Contract or any EquityClear Contract or in relation to these Regulations relating to the clearing of Cleared Exchange Contracts or EquityClear Contracts shall, unless resolved between the Clearing House and the Member, be referred to arbitration under the Relevant Rules and arbitration shall be conducted in accordance with such Relevant Rules. The Clearing House shall be entitled to call upon a Member who is a buyer and a Member who is a seller, under the terms of Cleared Exchange Contracts or EquityClear Contracts as applicable, which have been matched by the Clearing House and in respect of which reference to arbitration has been made under the same Relevant Rules, to conduct the arbitration between them under such Relevant Rules as applicable.

(b) In the event that the Clearing House elects to call upon a seller and a buyer to arbitrate between them pursuant to Regulation 33(a) above and the Relevant Rules, the following process shall apply:

(i) the Clearing House shall give notice of such election to the buyer, the seller and the relevant Exchange or the relevant ATP as applicable, in accordance with such Relevant Rules;

(ii) the seller shall at its own expense have the conduct of the Clearing House's case against the buyer, and the buyer shall at its own expense have the conduct of the Clearing House's case against the seller, in either case, subject to the provisions of this Regulation;

(iii) copies of all pleadings, correspondence and documents shall be given to the Clearing House and the Clearing House shall be entitled to submit any additional arguments to the arbitrators in support of its own case, in which case it shall supply copies of such submissions to the seller and the buyer;

(iv) the arbitrators shall have the power to call upon the Clearing House to disclose documents relating to the arbitration which are in its custody, power or possession to the same extent as if it were a direct party to the arbitration; and

(v) the arbitrators shall issue two awards, one between the seller and the Clearing House and one between the buyer and the Clearing House which shall determine the rights of each of the seller and the buyer against the Clearing House and vice versa.

(c) If the Clearing House is found liable to one of the parties to the arbitration ("**the first party**") in respect of a breach of a Cleared Exchange Contract or an EquityClear

Contract and the other party to the arbitration ("**the second party**") is found liable to the Clearing House in respect of such breach of a Cleared Exchange Contract, or EquityClear Contract as applicable, which has been matched by the Clearing House as referred to in paragraph (a) above, the liability of the Clearing House to the first party shall be deemed to be a foreseeable consequence of the breach by the second party and the Clearing House shall be entitled to be indemnified in respect of such liability by the second party.

(d) [INTENTIONALLY LEFT BLANK]

(e) In the event that the Clearing House elects pursuant to Regulation 33(d) above, to call upon a seller and a buyer to arbitrate between them, the following process shall apply:

(i) the Clearing House shall give notice of such election to the buyer, the seller and to LSE and any relevant Co-operating Clearing House;

(ii) the seller shall at its own expense have the conduct of the Clearing House's case against the buyer, and the buyer shall at its own expense have the conduct of the Clearing House's case against the seller, in either case, subject to the provisions of this Regulation;

(iii) copies of all pleadings, correspondence and documents shall be given to the Clearing House and the Clearing House shall be entitled to submit any additional arguments to the arbitrators in support of its own case, in which case it shall supply copies of such submissions to the seller and the buyer;

(iv) the arbitrators shall have the power to call upon the Clearing House to disclose documents relating to the arbitration which are in its custody, power or possession to the same extent as if it were a direct party to the arbitration; and

(v) the arbitrators shall issue two awards, one between the seller and the Clearing House and one between the buyer and the Clearing House which shall determine the rights of each of the seller and the buyer against the Clearing House and vice versa.

(f) [INTENTIONALLY LEFT BLANK]

(g) [INTENTIONALLY LEFT BLANK]

(h) [INTENTIONALLY LEFT BLANK]

(i) [INTENTIONALLY LEFT BLANK]

(j) The Clearing House shall be bound by an arbitration award made against it in pursuance of an, arbitration whether it participates directly in the arbitration or not.

(k) No person may refer to arbitration under Exchange Rules any dispute arising from or in connection with the Default Rules or any step taken or proposed to be taken under the Default Rules.

REGULATION 34 COLLATERAL IN EVENT OF A CLAIM

If notice of claim and notice of intention to refer a dispute to arbitration is given to the Clearing House pursuant to Exchange Rules, Regulation 34 or Regulation 70 in respect of an open contract, any or all Collateral (including any Applied Collateral Excess Proceeds) standing to the credit of the account in which the relevant contract is registered (whether such Collateral is held with respect to the contract under dispute or otherwise) may be retained by the Clearing House. The Clearing House may at any time and from time to time demand transfer by such Member of additional Collateral, in such amount as it may deem appropriate in respect of such contract or contracts, to be held by the Clearing House under these Regulations until the claim is finally disposed of. The amount of such Collateral to be transferred by the Member to the Clearing House shall be assessed by reference to such circumstances as the Clearing House in its discretion deems relevant.

CHAPTER VIII – DEFAULT, DISORDER, IMPOSSIBILITY AND FORCE MAJEURE

REGULATION 35 DELIVERY (OR OTHER) FAILURES

(a) Without prejudice to the Default Rules and the Procedures, if a RepoClear Clearing Member, an EquityClear Clearing Member, a Listed Interest Rates Clearing Member or a Clearing Member acting as seller fails to deliver securities or other instruments to the Clearing House under a RepoClear Contract, RepoClear Term £GC Contract, EquityClear Contract or Listed Interest Rates Contract by the due time therefor, the Clearing House may issue directions, in accordance with the Procedures, to the seller and to a Clearing Member as buyer under a corresponding Contract regarding the performance of such Contracts and such directions shall be binding on such Clearing Members.

(b) The Clearing House shall be entitled to demand Collateral in respect of a Member's margin obligations in such amounts and in such form as it may require in accordance with the Procedures:

(i) from a Clearing Member who has failed to deliver securities under a RepoClear Contract, RepoClear Term £GC Contract or EquityClear Contract by the due time therefor and from the buying Clearing Member under the corresponding Contract; and

(ii) [INTENTIONALLY LEFT BLANK]

(iii) from a Listed Interest Rates Clearing Member where it has failed to deliver instrument or pay the Price under a Listed Interest Rates Contract by the due time therefor.

(c) A Clearing Member who has failed to deliver securities or other instruments to the Clearing House under a RepoClear Contract, RepoClear Term £GC Contract, EquityClear Contract or Listed Interest Rates Contract, or to pay the Price shall indemnify the Clearing House in respect of all losses, costs, taxes and expenses suffered or incurred by the Clearing House in taking any steps under this Regulation 35.

(d) Without prejudice to the Default Rules, if a selling Clearing Member acts in such a manner (which could, without limit, include persistent failure to deliver securities to the Clearing House under RepoClear Contracts, RepoClear Term £GC Contracts, EquityClear Contracts or Listed Interest Rates Contracts (other than in circumstances where Regulation 37 and/or Regulation 38 apply)), and the Clearing House in its reasonable opinion determines that the reputation of the relevant Service is being, or has been, undermined, the Clearing House shall be entitled to terminate, on written notice, either summarily or at the expiry of the period specified in the notice, the Clearing Member's ability to have RepoClear Contracts, RepoClear Term £GC Contracts, EquityClear Contracts and Listed Interest Rates Contracts registered in his name and to require him to liquidate or transfer under Regulation 18 open contracts, being RepoClear Contracts, RepoClear Term £GC Contracts, EquityClear Contracts and Listed Interest Rates Contracts registered in his name.

REGULATION 36 DEFAULT OF A MEMBER: SUBSTITUTED OBLIGATION

Where a Member defaults in performance of an open contract subject to tender, and by the operation of Default Rules the Member's rights and liabilities in respect of such performance are discharged and there arises in their place an obligation to account as between the Member and the Clearing House for a settlement amount, then the Clearing House shall be entitled to substitute an obligation to account for such settlement amount, or proportions thereof *pro rata*, for its rights and liabilities in respect of performance of open contracts subject to tender with one or more other Members (such open contracts and such other Members to be selected by the Clearing House in its absolute discretion) for the same commodity and delivery month or prompt date. No Member shall question the settlement amount or any determination made by the Clearing House under this Regulation.

REGULATION 37 MARKET DISORDERS, IMPOSSIBILITY OF PERFORMANCE, TRADE EMERGENCY

(a) Paragraph (c) of this Regulation 37 shall not apply to open contracts which are option contracts.

(b) In relation to Cleared Exchange Contracts and Listed Interest Rates Contracts (other than Designated Listed Interest Rates Contracts), if a Board, after consultation with the Clearing House, or the Clearing House, if it deems it impracticable to consult with the Board with respect to sub-paragraph (i) below only, or if the Clearing House, in relation to OTC Contracts, EquityClear Contracts or Designated Listed Interest Rates Contracts determines that one of the following conditions is satisfied, namely:

(i) a state of war exists or is imminent or threatened or civil unrest or terrorist or other criminal action has occurred or is imminent or threatened, and is likely to affect or has affected the normal course of business, including, but not limited to, performance under a Contract; or

(ii) the government of any nation, state or territory or any institution or agency thereof has proclaimed or given notice of its intention to exercise, vary or revoke controls which appear likely to affect the normal course of business, including, but not limited to, performance under a Contract; or

(iii) the EU or any international organisation, or any institution or agency thereof, has introduced, varied, terminated or allowed to lapse any provision so as to be likely to affect the normal course of business, including, but not limited to, performance under a Contract; or has given notice of its intention to do so or appears to be about to do so;

then:

(iv) in respect of such open contracts which are OTC Contracts, EquityClear Contracts or Designated Listed Interest Rates Contracts as specified by the Clearing House, and notified to the affected Members, the Clearing House shall be entitled to invoice back such contracts in accordance with Regulation 39 and the Procedures at a price determined by the Clearing House or to require such Members to comply with any directions issued by the Clearing House regarding the performance of, or any other direction in respect of, such contracts; and

(v) such open contracts which are Cleared Exchange Contracts or Listed Interest Rates Contracts (other than Designated Listed Interest Rates Contracts), for such delivery months, prompt dates or other delivery periods as the Board in consultation with the Clearing House or (where the Clearing House so determines without consultation with the Board) as the Clearing House shall specify (which may include open contracts under which tender or a notice or some other prescribed form of exercise has been given) shall, (unless the relevant Exchange Rules otherwise provide) upon the Board's (or the Clearing House's, as the case may be) formal announcement that such condition is satisfied, be invoiced back in accordance with Regulation 39 and the Procedures at a price determined by the Board (or the Clearing House as the case may be). In the event that a price falls to be determined by the Clearing House it shall,

adopt the settlement price which in the opinion of the Clearing House was last determined or announced by the Board pursuant to Exchange Rules.

Accounts shall be made up by the Clearing House in accordance with the Procedures for each Member who is a party to open contracts invoiced back pursuant to this paragraph. Settlement of such accounts shall be due immediately and settlement thereof shall be made forthwith in discharge of such contracts invoiced back notwithstanding any further change of circumstances.

(c) If, in the opinion of the Clearing House (and, in respect of Cleared Exchange Contracts and Listed Interest Rates Contracts other than Designated Listed Interest Rates Contracts, after consultation with the relevant Board), complete performance of an open contract becomes impossible for any reason whatsoever (except in such circumstances as are set out in paragraph (b) above), the affected contract may at the Clearing House's option thereupon be closed by invoicing back at a price determined by the Clearing House (or, in respect of Cleared Exchange Contracts and Listed Interest Rates Contracts other than Designated Listed Interest Rates Contracts, the Board), and such price shall be binding on all affected parties. Accounts shall be made up by the Clearing House in accordance with the Procedures.

(d) If an Exchange determines in accordance with its Exchange Rules that an excessive position or unwarranted speculation or any other undesirable situation or practice is developing or has developed which is affecting or capable of affecting a market in a commodity, the Clearing House may take such action as is requested of it by such Exchange in respect of one or more open contracts for such commodity in a Member's name as may be provided by Exchange Rules, or as may be agreed between the Exchange and the Clearing House.

Any formal announcement made under this Regulation shall be made by notice posted up on the floor of the market or as prescribed by the Procedures.

REGULATION 38 FORCE MAJEURE

(a) Neither the Clearing House (nor any other member of the LCH Group) nor a Member shall be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the terms of these Regulations or of any Contract if such failure, hindrance or delay arises out of events or circumstances beyond its control. Such events or circumstances may include, but are not limited to, acts of God or the public enemy, acts of a civil or military authority other than the acts referred in Regulation 37(b)(i), (ii) or (iii) above, terrorist or other criminal action, civil unrest, embargoes, fire, flood, labour dispute, unavailability or restriction of computer or data processing facilities, energy supplies, settlement systems or of bank transfer systems or wires, and any other causes beyond the parties reasonable control including, without prejudice to the foregoing, any causes specified in Exchange Rules.

(b) On the happening of any one or more of the events or circumstances referred to in paragraph (a) above, which shall immediately be notified by the party prevented, hindered or delayed from performing any of the obligations referred to in paragraph (a) above to the other:

(i) in respect of affected Cleared Exchange Contracts and Listed Interest Rates Contracts other than Designated Listed Interest Rates Contracts, the Clearing House shall be entitled at the time prescribed in the relevant Exchange Rules or if no such time is prescribed at any time after receipt of such notice, to invoice back in accordance with Chapter IX, some or all Contracts in the Member's name at a price determined by the relevant Exchange, or where Exchange Rules permit, to take such other action as it deems necessary or desirable in respect of some or all Contracts in the Member's name or require the Member to take such action as the Clearing House may direct in respect of the same; and

(ii) in respect of affected OTC Contracts, affected EquityClear Contracts and affected Designated Listed Interest Rates Contracts, the Clearing House shall be entitled to require any of the affected Contracts to be performed in accordance with directions issued by the Clearing House or invoiced back in accordance with Regulation 39, or shall be entitled to require the Member to take such action as the Clearing House may direct in respect of such Contracts.

CHAPTER IX – INVOICING BACK AND CURRENCY CONVERSION

REGULATION 39 INVOICING BACK

(a) Invoicing back of a Member's Contracts pursuant to Regulation 37 or 38 or the Default Rules or otherwise shall be carried out by the Clearing House effecting and registering pursuant to the Procedures opposite contracts between itself and the Member at the price referred to in the relevant Regulation or, where applicable, in paragraph (d) below, and thereupon settling such Contracts against such opposite contracts.

(b) The Clearing House shall, in addition to carrying out the process referred to in paragraph (a) above, register opposite contracts between itself and such other Members as the Clearing House may select in its absolute discretion in proportion to the net position of open contracts in their names for the same commodity and delivery month or prompt date as the Contracts invoiced back under paragraph (a) above to the nearest whole number of lots, or in the case of option contracts on the terms specified in the Procedures, for the same expiry month and strike price as the Contracts invoiced back under paragraph (a) above, or in the case of OTC Contracts on the same OTC Contract Terms as the Contracts invoiced back under paragraph (a) above, or, in the case of EquityClear Contracts on the same EquityClear Contract Terms as the Contracts invoiced back under paragraph (a) above or in the case of Listed Interest Rates Contracts on the same Listed Interest Rates Contract Terms (as the case may be) as the Contracts invoiced back under paragraph (a) above, and thereupon settling such open contracts against such opposite contracts.

(c) Where open contracts are invoiced back pursuant to Regulation 37(b) or Regulation 37(c) the Clearing House shall credit or debit (as the case may be) the Member's accounts affected by such invoicing back in accordance with Regulation 37(b) or Regulation 37(c), as applicable. Where a Contract is invoiced back under the Default Rules, the account of such other Member as may be affected under paragraph (b) above shall be made up in accordance with that paragraph.

(d) Opposite contracts effected and registered by the Clearing House pursuant to:

(i) paragraph (a) and (b) above, other than where done pursuant to the Default Rules, shall, subject to Regulation 37(b) or Regulation 37(c), be at a price or, where applicable, a premium fixed or determined by the relevant Board or, in the case of OTC contracts, EquityClear Contracts, or Designated Listed Interest Rates Contracts, at a price determined by the Clearing House, and, shall be binding as a final settlement upon the parties affected by invoicing back.

(ii) paragraph (a) pursuant to the Default Rules shall be at a price or, where applicable, a premium fixed or determined by the Clearing House, and, shall be binding as a final settlement upon the parties affected by invoicing back except that this paragraph shall be without prejudice to any further liability of the defaulting Member to the Clearing House or to any additional rights which the Clearing House may have against the defaulting Member whether under these Regulations, at law or otherwise.

(e) In this Regulation:

(i) "**net position**" means: in respect of open contracts which are Cleared Exchange Contracts or Listed Interest Rates Contracts other than Designated Listed Interest Rates Contracts, one or more of such Cleared Exchange Contracts or Listed Interest Rates Contracts as the case may be, against which the Member in whose name they are registered has no matching Cleared Exchange Contracts, or Listed Interest Rates Contracts as the case may be for the same delivery month, expiry month or prompt date; in respect of open contracts which are SwapClear Contracts, means one or more of such SwapClear Contracts against which the Member in whose name they are registered has no matching SwapClear Contracts on the same Economic Terms; in respect of RepoClear Contracts, means one or more of such RepoClear Contracts against which the Member in whose name they are registered has no matching RepoClear Contracts on the same Economic Terms; in respect of EquityClear Contracts, means one or more of such EquityClear Contracts against which the Member in whose name they are registered has no matching EquityClear Contracts on the same EquityClear Contract Terms; in respect of open contracts which are ForexClear Contracts, means one or more of such ForexClear Contracts against which the Member in whose name they are registered has no matching ForexClear Contracts on the same Economic Terms; and in respect of open contracts which are Designated Listed Interest Rates Contracts, means one or more of such Designated Listed Interest Rates Contracts against which the Member in whose name they are registered has no matching Designated Listed Interest Rates Contracts on the same Economic Terms;

(ii) "**opposite contract**" means a contract on the same terms (except as to price or premium), as the Contract to be invoiced back in accordance with this Regulation, but:

(A) where a Member is a seller or payor, in respect of the Cleared Exchange Contract, the RepoClear Contract, the EquityClear Contract or the Listed Interest Rates to be invoiced back, such Member shall be a buyer or payee in respect of the opposite contract and vice versa;

(B) where a SwapClear Clearing Member is a floating rate payer, in respect of a SwapClear Contract to be invoiced back, such SwapClear Clearing Member shall be a fixed rate payer in respect of the opposite contract and vice versa;

(C) where a ForexClear Clearing Member is a Reference Currency Buyer in respect of a ForexClear Contract to be invoiced back, such ForexClear Clearing Member shall be a Reference Currency Seller in respect of the opposite contract and vice versa.

REGULATION 40 CURRENCY CONVERSION

The Clearing House shall be entitled in its discretion to convert monies standing to the debit or credit of a Member's accounts (including Client Accounts) into such other currency or currencies as it thinks fit, such conversion to be effected at such reasonable rate or rates of exchange as the Clearing House may determine in accordance with the Procedures.

CHAPTER X – DISCLOSURE, FEES, RECORDS AND AMENDMENTS

REGULATION 41 DISCLOSURE AND REPORTING

(a) The Clearing House shall have authority to supply any information whatsoever concerning a Member and its trading to (a) an Exchange or an exchange with whom the Clearing House has entered into an agreement pursuant to which the parties have agreed to exchange information as required or contemplated by its Exchange Rules, (b) any Regulatory Body which is entitled to receive or request any such details or information, (c) a Co-operating Clearing House pursuant to an agreement entered into with the Co-operating Clearing House, (d) any Approved EquityClear Settlement Provider pursuant to an agreement entered into with that Approved EquityClear Settlement Provider, (e) a member of the LCH Group, (f) any other person or body to which the Clearing House is, in its reasonable opinion, legally required to disclose the same, (g) any other person or body to which the Clearing House has agreed to provide such information (including, without limitation, pursuant to Section 5 (*Disciplinary Proceedings*) of the Procedures), (h) a trade or data repository or similar body on an ongoing basis in the ordinary course of business, or (i) any securities depository or securities settlement system on an ongoing basis in the ordinary course of business.

(b) The Clearing House shall also be entitled to supply any information whatsoever concerning a Member to any person who has provided or may be contemplating entering into arrangements to provide the Clearing House directly or indirectly with stand-by or other finance, insurance cover, guarantee or other financial backing, which the Clearing House has been requested or is legally required to disclose to assist such person in relation to the provision of, or continued provision of, such finance, insurance cover, guarantee or financial backing.

(c) The Clearing House shall have authority (a) to obtain and make use of information from securities depositories, warehouses and/or any other trade repositories relating to a Member; and (b) to disclose such information to any Regulatory Body or Exchange which is entitled to receive or request any such information.

REGULATION 42 FEES AND OTHER CHARGES

(a) The Clearing House shall be entitled to levy fees in respect of such matters and at such rates as may from time to time be prescribed. Such fees shall be payable by such Members, by such times, and in such manner as may be prescribed by the Procedures.

(b) Accommodation charges made by the Clearing House pursuant to Regulation 20(h) to (j) shall be payable to the Clearing House by such Members, in such manner and by such times as may be prescribed by the Procedures.

(c) Any changes to be made to the fees and charges payable pursuant to paragraphs (a) and (b) above shall take effect, as prescribed by the Procedures.

REGULATION 43 RECORDS

A Member shall not be entitled to the return of any particulars, notices or any other documentation presented to the Clearing House pursuant to Regulations 12 to 15 and Regulation 23 to Regulation 30 inclusive.

Notwithstanding any provision in the Clearing Membership Agreement, Rulebook or any other agreement or contract to which the Clearing House may be a party, the Clearing House shall maintain all records and information on all contracts it has processed for a period of at least ten years.

REGULATION 44 ALTERATION OF REGULATIONS AND THE PROCEDURES

(a) Unless the Clearing Membership Agreement or these Regulations otherwise specifically provide in relation to any proposed amendment or extension, the Rules Change Committee (acting in accordance with its terms of reference) may from time to time, by notice delivered by the Clearing House to the Exchanges and Members, alter, amend or extend these Regulations.

(b) Any such alterations, amendments or extensions may be made with immediate effect or with such deferred effect as the Rules Change Committee shall determine. Any alterations, amendments or extensions to these Regulations may take effect so as to apply to Contracts registered in a Member's name at the time such alterations, amendments or extensions come into effect if the Rules Change Committee so determines.

(c) Unless the Clearing Membership Agreement or these Regulations or the Procedures otherwise specifically provide in relation to any proposed alterations, amendments or extensions, the Rules Change Committee may from time to time alter, amend or extend the Procedures by notice delivered to such Exchanges and Members as may be affected.

(d) The accidental omission to give notice under this Regulation to, or the non-receipt of notice under this Regulation by, any Exchange or Member shall not invalidate the amendment or extension with which the notice is concerned.

CHAPTER XI – NETTING AND DISTRIBUTION

REGULATION 45 NETTING

(a) If at any time the Clearing House fails to make a payment or a delivery of an asset to a Member, other than a Defaulter, under a Contract for a period of 30 days from the date when the obligation to pay or deliver fell due then that Member may exercise its rights under paragraph (c) below.

(b) If at any time the Clearing House commences a voluntary case or other procedure seeking or proposing liquidation, administration, receivership, voluntary arrangement or a scheme of arrangement, or other similar relief with respect to itself or to its debts under any bankruptcy, insolvency, regulatory, supervisory or similar law, or if any of the foregoing cases or procedures is commenced in relation to the Clearing House by any other person which results in liquidation or winding up of the Clearing House, or if the Clearing House takes corporate action to authorise any of the foregoing, in any such case other than for the purposes of corporate restructuring (including any consolidation, amalgamation or merger), then a Member, other than a Defaulter, may exercise the right given to it under paragraph (c) below.

(c) A Member entitled to exercise rights under this paragraph may, at any time whilst any of the circumstances referred to in paragraph (a) or (b) giving rise to such rights continue, by notice in writing to the Clearing House, specify a Termination Date for the termination and liquidation of all Contracts to which it is a party in accordance with paragraph (d) below.

(d) Upon the occurrence of a Termination Date:

(i) neither the Clearing House nor the Member shall be obliged to make any further payments or deliveries under any Contract between them which would, but for this Regulation 45, have fallen due for performance on or after the Termination Date, and any obligations to make further such payments or deliveries which would otherwise have fallen due shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Termination Amount;

(ii) the Member shall (on, or as soon as reasonably practicable after, the Termination Date) determine (discounting if appropriate) in respect of each Contract its total loss or, as the case may be, gain, in each case expressed in the lawful currency of the United Kingdom (the "**Base Currency**"), (and, if appropriate, including any loss of bargain, cost of funding or, without duplication, loss or, as the case may be, gain as a result of the termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position), as a result of the termination, pursuant to this agreement, of each payment or delivery which would otherwise have been required to be made under such Contract (assuming satisfaction of each applicable condition precedent and having due regard to, if appropriate, such market quotations published on, or official settlement prices set by, a relevant exchange or clearing organisation, as may be available on, or immediately preceding, the date of calculation);

(iii) any cash Collateral balance held by the Clearing House and/or the Member in respect of the other party's initial margin and/or variation margin obligations shall (to the extent not already due and payable) be accelerated so as to become immediately due and payable to the Member or Clearing House who provided such cash Collateral, and the Member shall (on, or as soon as reasonably practicable after, the Termination Date) determine the Base Currency Equivalent of such amount(s). For the purposes of this Regulation 45, the "**Base Currency Equivalent**" means, in respect of any amount denominated in the Base Currency, such Base Currency amount and, in respect of any amount denominated in a currency other than the Base Currency (the "**Other Currency**"), the amount in the Base Currency determined by the Member as being required to purchase such amount of such Other Currency as at the relevant Termination Date, with the Base Currency; and

(iv) the Member shall treat each loss to it determined under paragraph (ii) above and the Base Currency Equivalent of any amount of cash Collateral due and payable to it as a positive amount and each gain by it determined under paragraph (ii) above and the Base Currency Equivalent of any amount of cash Collateral due and payable by it as a negative amount and, subject to paragraph (v), shall aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Base Currency (the "**Termination Amount**").

(v) Where a Member has a Proprietary Account and one or more Client Accounts:

(A) the Member shall determine one or more net amounts under paragraph (iv): a separate net amount in respect of gains and losses arising on Contracts registered in each of its Client Accounts and any corresponding cash Collateral balances held by that Member or the Clearing House; and a further separate net amount in respect of gains and losses arising on all Contracts registered in such Member's Proprietary Account (or Proprietary Accounts as combined) and any corresponding cash Collateral balances held by that Member or the Clearing House; and

(B) each of the net amounts determined under paragraph (A) shall constitute Termination Amounts.

(vi) If a Termination Amount determined pursuant to paragraph (v) above is a positive amount, the Clearing House shall pay it to the Member and if any such Termination Amount is a negative amount, the Member shall pay it to the Clearing House, in either case in accordance with paragraph (vii). The Member shall notify the Clearing House of each such Termination Amount, and by which party it is payable, immediately after the calculation thereof.

(vii) A Termination Amount shall, subject to Regulation 46, be paid in the Base Currency by the close of business on the business day following notification pursuant to paragraph (vi) above (converted as required by Applicable Law into any other currency, any costs of such conversion to be borne by, and (if applicable) deducted from any payment to, the Clearing House). Any Termination Amount which is not paid on such day shall bear interest, at the average rate at which overnight deposits in the currency of such payment are

offered by major banks in the London interbank market as of 11:00 hours (London time) (or, if no such rate is available, at such reasonable rate as the Member may select) plus 1 per cent. per annum, for each day for which any such sum remains unpaid.

(viii) For the purposes of any calculation required to be made under this Regulation, the Member may convert amounts denominated in any other currency into the Base Currency at such rate prevailing at the time of the calculation as it shall reasonably select.

The Member's rights under this Regulation 45 shall be in addition to, and not in limitation or exclusion of, any other rights which the Member may have (whether by agreement, operation of law or otherwise, including its rights under Regulation 10(i)).

(e) If a Member is a Defaulter and either:

(i) no default management process has been commenced by the Clearing House in respect of such Member within 3 business days following a Default Notice being issued in respect of that Member; or

(ii) such default management process has been commenced within such period but that Member determines (acting reasonably) that the relevant default management process is unlikely to be completed,

then, provided that an event or circumstance as described in paragraph (a) (ignoring, for this purpose, the words "other than a Defaulter" in that paragraph) or (b) above has also occurred, the relevant Member shall be entitled to exercise the rights provided under paragraph (c) above, notwithstanding that it is a Defaulter.

(f) Interpretation in Relation to FDICIA. The Clearing House and each Clearing Member intend that certain provisions of the General Regulations and the Procedures (including this Regulation 45) be interpreted in relation to certain terms that are defined in FDICIA, as follows:

(i) The Clearing House is a "clearing organization".

(ii) An obligation of a Clearing Member to make a payment to the Clearing House, or of the Clearing House to make a payment to a Clearing Member, subject to a netting contract, is a "covered clearing obligation" and a "covered contractual payment obligation".

(iii) An entitlement of a Clearing Member to receive a payment from the Clearing House, or of the Clearing House to receive a payment from a Clearing Member, subject to a netting contract, is a "covered contractual payment entitlement".

(iv) The Clearing House is a "member", and each Clearing Member is a "member".

(v) The amount by which the covered contractual payment entitlements of a Clearing Member or the Clearing House exceed the covered contractual payment obligations of such Clearing Member or the Clearing House after netting under a netting contract is its "net entitlement".

(vi) The amount by which the covered contractual payment obligations of a Clearing Member or the Clearing House exceed the covered contractual payment entitlements of such Clearing Member or the Clearing House after netting under a netting contract is its "net obligation".

(vii) The General Regulations and the Procedures, including this Regulation 45 constitute a "netting contract".

(viii) The provisions of the Rulebook (including the Default Rules) and the Procedures providing for the use and liquidation of Collateral each constitute a "security agreement of arrangement or other credit enhancement related to one or more netting contracts between any 2 members of a clearing organization".

(ix) For purposes of this Regulation 45, the term "payment" means "a payment of United States dollars, another currency, or a composite currency, and a noncash delivery, including a payment or delivery to liquidate an unmatured obligation".

REGULATION 46 DISTRIBUTION OF ASSETS

(a) Where (after any netting and set-off provided for in Regulation 45 of these Regulations, Regulation 10(i) of these Regulations, Regulation 25 of the FCM Regulations, Regulation 7(i) of the FCM Regulations, or otherwise) the Clearing House has insufficient assets available to it to pay all claims of the Clearing Members (which shall include FCM Clearing Members for the purposes of this Regulation 46) in full (including, for the avoidance of doubt, any claims in respect of outstanding Contributions under Default Rule 16(a)(i)), such claims shall be met first in an amount equal to the sum of the outstanding Contributions of each such Clearing Member and, thereafter, *pro rata* to each Clearing Member's remaining claim, taking into account any amounts already received.

(b) To the extent the Clearing House does not have sufficient assets available to it to pay each Clearing Member the amount equal to the sum of its outstanding Contributions, the Clearing House shall distribute the assets available to it to Clearing Members in respect of their claims relating to outstanding Contributions in priority to other Clearing Member claims, in each case in an amount equal to the proportion that the outstanding Contributions of the relevant Clearing Member bear to the aggregate of all outstanding Contributions of all Clearing Members.

REGULATION 46A SOLVENCY THREATENING TREASURY DEFAULT LOSS

(a) In this Regulation:

"**Calculation Period**" means, in respect of a type of Business, a period of the number of days specified in the "Combined Loss Value" calculation in relation to the Fund Amount of that type of Business and ending on the business day preceding the date on which the Clearing House determines that a Solvency Threatening Treasury Default Loss has occurred (and the terms "Business", "Combined Loss Value" and "Fund Amount" have the meanings set out in the Default Fund Rules);

"**Margin Weight**" means:

(i) the aggregate of a Clearing Member's total margin requirement (in respect of all of its Proprietary Accounts and all of its Client Accounts) for each type of Business undertaken by the Clearing Member averaged over the relevant Calculation Period preceding a determination of a Solvency Threatening Treasury Default Loss under Regulation 46A(b) below;

divided by

(ii) the total average margin requirement of all Clearing Members (including FCM Clearing Members) during the same period; and

"**Treasury Default**" means, in connection with the Clearing House's treasury management activities, the default of: (A) an issuer of a debt instrument underlying a treasury management contract; (B) a counterparty to a treasury management contract; and/or (C) a deposit-taking institution, as determined by the Clearing House in its sole discretion.

(b) In the event of a Treasury Default, the Clearing House may determine in its sole discretion that a loss has been caused by or arises out of a Treasury Default. If the Clearing House so determines, it must determine the quantum of that loss by ascertaining the gross amount of the loss and reducing it by EUR 15 million. The result is referred to as a "**Solvency Threatening Treasury Default Loss**".

(b) The Clearing House will, in respect of each Clearing Member, determine an amount of the Solvency Threatening Treasury Default Loss to be allocated to that Clearing Member based on that Clearing Member's Margin Weight (an "**Allocated Loss**"). The day on which the Clearing House determines that a Solvency Threatening Treasury Default Loss has taken place shall be the determination day for the purposes of establishing the Calculation Period.

(c) The maximum Allocated Loss that each Clearing Member can be allocated is equal to: (i) the total Clearing House treasury investment portfolio immediately prior to the Solvency Threatening Treasury Default Loss, reduced by EUR 15 million; multiplied by (ii) that Clearing Member's Margin Weight. For the purpose of the calculation of Margin Weight, the margin requirements for any Clearing Member who has become a defaulter at any point prior to the date of allocation, shall be disregarded.

(d) Each Clearing Member shall pay to the Clearing House within an hour of demand a cash amount equal to its Allocated Loss. The Clearing House shall be entitled to debit such cash amount from the PPS account associated with that Clearing Member's Proprietary Account.

(e) Any determination made by the Clearing House, and any action taken by the Clearing House, pursuant to this Regulation is binding on a Clearing Member and may in no circumstances be challenged or called into question.

(g) If, after exercising its rights under this Regulation, the Clearing House makes a recovery in respect of the Treasury Default, the Clearing House will (after deducting its own expenses) distribute the net proceeds of such recovery pro rata to the amount of the Allocated Loss paid by each Clearing Member and each FCM Clearing Member in respect of that Treasury Default by crediting the relevant Clearing Member's Proprietary Account. Nothing in this Regulation 46A(g) obliges the Clearing House to pursue any litigation or take other action in order to recover the amounts contemplated hereby.

CHAPTER XII – MISCELLANEOUS

REGULATION 47 PROCEDURES

The Procedures shall take effect and shall be binding on Members as if they formed part of these Regulations save that, in the event of any conflict between the provisions of these Regulations and the Procedures, the provisions of these Regulations shall prevail.

REGULATION 48 INTERPRETATION OF THESE REGULATIONS; APPLICABLE LAW

(a) In the event of inconsistency between the provisions of these Regulations and Exchange Rules, or between these Regulations and the rules or regulations or other contractual provisions of any trading platform or other undertaking, the provisions of these Regulations shall prevail.

(b) The headings to these Regulations are for convenience only and shall not affect their interpretation.

(c) Members shall at all times observe, interpret and give effect to the provisions of the Rulebook in a manner which promotes and maintains:

(i) the Clearing House's status as a recognised central counterparty under EMIR and a registered derivatives clearing organization under the United States Commodity Exchange Act and any other legal or regulatory status it has from time to time under any other Applicable Law;

(ii) the good reputation and integrity of the Clearing House and the Members; and

(iii) the Clearing House's obligations under EMIR and any other Applicable Law to act fairly and professionally in accordance with the best interests of Members and, where applicable, Clearing Clients and sound risk management.

(d) Members shall perform their obligations and exercise their rights under the Rulebook in accordance with Applicable Law.

REGULATION 49 WAIVER

No failure by the Clearing House to exercise, nor any delay on its part in exercising, any of its rights (in whole or in part) under these Regulations shall operate as a waiver of the Clearing House's rights or remedies upon that or any subsequent occasion, nor shall any single or partial exercise of any right or remedy prevent any further exercise thereof or any other right or remedy.

REGULATION 50 VALIDITY OF REGULATIONS AND ACTION

(a) If at any time any provision of these Regulations becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Regulations nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

(b) Action taken by the Clearing House pursuant to Exchange Rules may not be questioned on the ground that the Exchange Rules are to any extent invalid or ultra vires or that a determination or request made by the Exchange, or any agreement made by the Exchange, is ultra vires, incompatible with Exchange Rules or otherwise questionable.

REGULATION 51 GOVERNING LAW AND JURISDICTION

(a) These Regulations and the Procedures, an OTC Contract, an EquityClear Contract and a Designated Listed Interest Rates Contract and all non-contractual or other obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

(b) Any dispute arising from or in relation to any Contract or in relation to these Regulations shall, unless resolved between the Clearing House and a Member or otherwise provided for in the Regulations, be referred to arbitration under the Relevant Rules in accordance with Regulation 33. Any right of the Clearing House or the Member to bring or maintain any action, suit or other legal procedures against the other shall be conditional upon the obtaining of an arbitration award. Notwithstanding the foregoing, the Clearing House shall have an unconditional right to maintain proceedings to obtain security for a claim. This paragraph is subject to Regulation 33(k) and shall not apply to any action, suit or other legal procedure concerning a dispute there referred to.

(c) The Clearing House and every Member hereby irrevocably agree for the benefit of the Clearing House that the courts of England shall have exclusive jurisdiction to hear and determine any claim or matter arising from or in relation to any Contract or in relation to these Regulations which does not fall to be referred to arbitration under paragraph (b), or to be dealt with under the ATS Rules (as defined in Regulation 63(a)) pursuant to the provisions of Regulation 64 and each Member irrevocably submits to such jurisdiction and to waive any objection which it might otherwise have to such courts being a convenient and appropriate forum, save that this submission to the exclusive jurisdiction of the English courts shall not (and shall not be construed so as to) limit the right of the Clearing House to take proceedings in any other court of competent jurisdiction, nor shall the taking of action in one or more jurisdictions preclude the taking of action in any other jurisdiction, whether concurrently or not.

(d) Each Member irrevocably waives, with respect to itself and its revenues and assets, all immunity on the grounds of sovereignty or other similar grounds from suit, jurisdiction of any court, relief by way of injunction, order for specific performance or for recovery of property, attachment of its assets (whether before or after judgement) and execution or enforcement of any judgement to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably agrees that it will not claim any such immunity in any proceedings.

(e) Subject to paragraph (a) above and Exchange Rules, a Cleared Exchange Contract and a Listed Interest Rates Contract other than a Designated Listed Interest Rates Contract shall, after registration in the name of a Member, continue to be governed by and construed in accordance with the law governing it prior to registration.

REGULATION 52 EXCLUSION OF LIABILITY

(a) Without prejudice to the provisions of Regulations 2 and 32 and 52(e) neither the Clearing House, nor any other member of the LCH Group shall have any liability whatsoever to any Member or to any other person (including, without limitation, any Clearing Client of a Member) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Member or any other person, as the case may be, as a result of: any suspension, restriction or closure of the market administered by an Exchange, an ATP or a Co-operating Clearing House, whether for a temporary period or otherwise or as a result of a decision taken on the occurrence of a market emergency; any failure by the Clearing House or an Exchange or a Co-operating Clearing House or an ATP or its operator or the relevant approved agent or the Approved EquityClear Settlement Provider to supply each other with data or information in accordance with arrangements from time to time established between any or all of such persons; the failure of any systems, communication facilities or technology supplied, operated or used by the Clearing House, an Exchange, or a Co-operating Clearing House; any event which is outside the control of the Clearing House; any act or omission of an Exchange, or a Co-operating Clearing House in connection with a Co-operating Clearing House Contract or any contracts made on such terms, including, without limitation, any error in the establishment of a settlement price made by an Exchange; any act or omission of the Clearing House, an Exchange, or a Co-operating Clearing House (as the case may be) in connection with the operation of a Link or the arrangement for the transfer of Contracts under a Link.

(b) Neither the Clearing House nor any other member of the LCH Group shall have any liability to a Member or any other person (including without limitation a SwapClear Dealer, or a RepoClear Dealer or a ForexClear Dealer) in respect of any dispute arising from or in relation to any OTC Transaction or an ATP Match including, but not limited to, any dispute as to the validity or otherwise of such OTC Transaction, the terms of such OTC Transaction, trade or ATP Match, or whether any alleged agreement or arrangement constitutes an OTC Transaction .

(c) Without prejudice to the provisions of Regulation 2 and Regulation 52(e), neither the Clearing House nor any other member of the LCH Group shall have any liability whatsoever to any SwapClear Clearing Member, Listed Interest Rates Clearing Member, RepoClear Clearing Member, EquityClear Clearing Member, ForexClear Participant or to any other person (including, without limitation, a SwapClear Dealer or a RepoClear Dealer) in contract, tort (including without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred as a result of: any suspension of an OTC Service or the EquityClear Service whether for a temporary period or otherwise, a step taken by the Clearing House under Regulation 16(i), Regulation 37, Regulation 38, Regulation 55(h), or Regulation 72 or any failure or malfunction of any systems, communication lines or facilities, software or technology supplied, operated or used by the Clearing House or the relevant approved agent; the occurrence of any event which is outside the control of the Clearing House; or any exercise by the Clearing House of its discretion under the Regulations, or any decision by the Clearing House not to exercise any such discretion.

(d) Without prejudice to Regulation 52(c) and Regulation 52(e), unless otherwise expressly provided in the Regulations or in any other agreement to which the Clearing House is party, neither the Clearing House nor any other member of the LCH Group shall have any liability under any circumstances (including, without limitation, as a result of any negligence by the Clearing House, or any other member of the LCH Group, or their respective officers, employees, agents or representatives), to any Member, or a SwapClear Dealer, a RepoClear Dealer, or a ForexClear Dealer for any indirect or consequential loss or damage, or loss of anticipated profit (whether direct or indirect) or loss of bargain, suffered or incurred by any such Member, SwapClear Dealer, RepoClear Dealer, or a ForexClear Dealer, and shall not in any circumstances be liable for any loss, cost, damage or expense suffered or incurred by any person as a result of any negligence on the part of the Clearing House, or any other member of the LCH Group, or their respective officers, employees, agents or representatives.

(e) Nothing in this Regulation 52 shall be construed as an attempt by the Clearing House to exclude any liability for any fraud, fraudulent misrepresentation or wilful default on the part of the Clearing House. The Clearing House accepts liability for any personal injury or death caused by the negligence of the Clearing House, for any fraud or wilful default on the part of the Clearing House, for any gross negligence or wilful misconduct on the part of the Clearing House in connection with the operation of the Portfolio Margining Service, if any, offered to Clearing Members from time to time, and for any actions that it may take on the basis of advice given to it by the Rates Service DMG, and for the accuracy of the information that it distributes to the SwapClear Clearing Members and/or Listed Interest Rates Clearing Members in connection with the Rates Service DMP pursuant to the Rates Service DMP Annex in the Default Rules, and for any actions that it may take on the basis of advice given to it by the ForexClear DMG, and for the accuracy of the information that it distributes to the ForexClear Clearing Members in connection with the ForexClear DMP pursuant to the ForexClear DMP Annex in the Default Rules.

(f) Without prejudice to the provisions of Regulation 2 and Regulation 32 and Regulation 52(e) neither the Clearing House, nor any other member of the LCH Group shall have any liability whatsoever to any Member or to any other person (including, without limitation, any Clearing Client of a Member or a member of a Co-operating Clearing House or any Clearing Client of such member) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Member or any other person, as the case may be, as a result of the failure of any systems, communication facilities or technology supplied, operated or used by LSE or as a result of any negligence, wrongdoing, or other act, error, failure or omission on the part of LSE, in supplying any services to the Clearing House on the one hand and any provision of these Regulations, Default Rules and Procedures and any other Clearing House documentation on the other hand.

(g) Without prejudice to Regulation 2 and Regulation 52(e), neither the Clearing House, nor any other member of the LCH Group, shall have any liability whatsoever to any Member or to any other person (including, without limitation, any client of a Member) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by a Member or any other person as the case may be, as a

result of any service failure, whether complete or partial, of any payment or securities services provider, including (without limitation) any Securities System Operator, Settlement Service Provider, custodian, settlement agent, securities depository, securities settlement system, settlement facility or central bank.

(h) Without prejudice to any other Regulation, each ForexClear Option Clearing Member agrees to indemnify and hold harmless the Clearing House for any liability, damage, loss, cost, claim or expense (excluding any consequential, special, indirect, incidental or punitive damages, or any liability, damage, loss, cost, claim or expense arising from the fraud, wilful misconduct, negligence or bad faith of the Settlement Service Provider) suffered or incurred by the Clearing House under or arising out of its agreement(s) with the Settlement Service Provider, to the extent it is suffered or incurred as a direct result of the actions and/or omissions of the ForexClear Option Clearing Member in connection with the use of the ForexClear Option Service.

CHAPTER XIII – CLEARING HOUSE DATA

REGULATION 53 CLEARING HOUSE DATA

(a) Members, Clearing Clients (including FCM Clients) and the service providers of Members and Clearing Clients may use Clearing House Data solely for the purposes of risk management and settlement activities in relation to Contracts and positions held for the account of a Clearing Client. Members may only disclose the Clearing House Data:

(iv) to (A) Clearing Clients (including FCM Clients) for whom the Member provides Client Clearing Services and/or the service providers of such Clearing Clients and (B) the service providers of the Member, **provided** that, in each case, the Member shall require by way of written contract that each relevant Clearing Client and/or service provider shall only use Clearing House Data for the purposes of the Clearing Client's or Member's, as applicable, risk management and settlement activities in relation to Contracts and positions held for the account of a Clearing Client referencing the relevant Clearing House Data; and

(v) where required or requested to do so by law or by a regulatory authority or for the purposes of commencing, or defending, an arbitration or court proceeding.

(b) Without prejudice to paragraph (a) above and Regulation 60A, Members shall not, and shall require by way of written contract that any third party receiving Clearing House Data as a result of such Member's disclosure shall not, use any Clearing House Data for any other purpose, including:

(vi) the creation or development of any new or derived data or data product; or

(vii) "provision of a benchmark", "use of a benchmark" or "contribution of input data" under Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (Text with EEA relevance).

CHAPTER XIV – SWAPCLEAR REGULATIONS

REGULATION 54 APPLICATION OF SWAPCLEAR REGULATIONS

(a) The Clearing House shall provide the SwapClear Service subject to and in accordance with the terms of these SwapClear Regulations and the Procedures.

(b) SwapClear Clearing Members shall be bound by these SwapClear Regulations. Applications to become a SwapClear Clearing Member shall be made in accordance with Regulation 54(d) and (e). Other than as expressly specified in this Regulation 54, the remainder of the Regulations shall not apply to the SwapClear Service. A summary table of those Regulations which apply to the SwapClear Service as described in Regulation 54(a) to (q) is provided at Regulation 54(r).

(c) Regulation 2 and Regulation 3 of the Regulations apply to the SwapClear Service.

SwapClear Clearing Membership

(d) A Clearing Member may apply to become a SwapClear Clearing Member in accordance with the Procedures.

(e) Regulation 4 applies to membership of the SwapClear Service and applications for such membership.

(f) Regulation 5 applies to a SwapClear Clearing Member.

Accounts

(g) Regulation 10 applies to the opening and operation of accounts with respect to a SwapClear Clearing Member. Such accounts shall be designated in accordance with Regulation 15.

Client Clearing

(h) Regulation 11 applies to those SwapClear Clearing Members who provide (or wish to provide) Client Clearing Services.

Formation, registration and transfers of SwapClear Contracts

(i) Regulation 16(b), Regulation 16(c), Regulation 17 and Regulation 55 apply to the registration and formation of a SwapClear Contract.

(j) Regulation 18 (and, insofar as relevant, Regulation 12(b)) apply to a SwapClear Contract entered into by a SwapClear Clearing Member in respect of SwapClear Clearing House Business.

(k) Regulation 60 applies to a SwapClear Contract entered into by a SwapClear Clearing Member in respect of SwapClear Client Clearing Business, save that where a SwapClear Clearing Member is a Defaulter, Regulation 12(b) applies insofar as relevant.

(l) Regulation 54 to Regulation 60 apply to the SwapClear Service.

Margin and Collateral

(m) Regulation 20 applies to a SwapClear Clearing Member.

Reference prices and Revaluation

(n) Regulation 22 applies to open SwapClear Contracts.

Other Applicable Regulations

(o) Regulation 37 to Regulation 46A inclusive apply to SwapClear Clearing Members and SwapClear Contracts.

Default Rules

(p) The Default Rules (including the Rates Service DMP Annex) apply to SwapClear Clearing Members and SwapClear Contracts.

Clearing House Settlement Finality Regulations

(q) The Clearing House Settlement Finality Regulations apply in relation to SwapClear Clearing Members and SwapClear Contracts.

Summary table of Regulations which apply to the SwapClear Service

(r) The Regulations listed in this Regulation 54(r) apply to the SwapClear Service as described under Regulation 54(a) to (q).

Regulation	***Title***
Regulation 2	Obligation to the Clearing House to each Member
Regulation 3	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
Regulation 4	Clearing Member Status of the Clearing House
Regulation 5	Resigning and Retiring Members
Regulation 8	Dealer Status
Regulation 9	Service Withdrawal
Regulation 10	Accounts
Regulation 11	Client Clearing Business
Regulation 12(b)	Novation
Regulation 15	Designation

Regulation	***Title***
Regulation 16(b) and (c)	Registration
Regulation 17	Trading Information
Regulation 20	Margin and Collateral
Regulation 22	Official Quotations and Reference Price
Regulation 25	Other Modes of Settlement and Revaluation
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45 and Regulation 46	Netting and Distribution of Assets
Regulation 46A	Solvency Threatening Treasury Default Loss
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50(a)	Validity of Regulations and Action
Regulation 51	Governing Law and Jurisdiction
Regulation 52	Exclusion of Liability
Regulation 54 to Regulation 60	SwapClear Regulations
Default Rules	Default Rules (including Rates Service DMP Annex)

Regulation	***Title***
Settlement Finality Regulations	Settlement Finality Regulations

REGULATION 55 REGISTRATION OF SWAPCLEAR CONTRACTS

(a) A SwapClear Transaction may be presented to the Clearing House for registration as two SwapClear Contracts or one SwapClear Contract, and one FCM SwapClear Contract (in accordance with the other provisions of the Rulebook).

(b) Once a SwapClear Transaction has been presented to the Clearing House, the Clearing House shall (where applicable in accordance with paragraph (d) below and the Procedures request the consent of the relevant SwapClear Clearing Member with whom a SwapClear Contract shall be registered as a result thereof to such registration. Upon the SwapClear Clearing Member providing its consent, such SwapClear Transaction shall be deemed to have been submitted (as such term is defined in the Procedures) by such SwapClear Clearing Member to the Clearing House for registration. Any such consent shall be provided in accordance with the Procedures.

(c) Each SwapClear Contract shall be registered by the Clearing House either as a SwapClear CTM Contract or a SwapClear STM Contract, and a SwapClear Transaction may be registered as two SwapClear CTM Contracts, a SwapClear CTM Contract and an FCM SwapClear Contract, two SwapClear STM Contracts, a SwapClear STM Contract and an FCM SwapClear Contract or one SwapClear CTM Contract and one SwapClear STM Contract (in accordance with the other provisions of the Rulebook). The registration of a SwapClear Contract as a SwapClear CTM Contract or a SwapClear STM Contract shall be determined by the Clearing House on the basis of an election made by the relevant SwapClear Clearing Member (or a Clearing Client or FCM Client on its behalf) either generally, with reference to a particular account or on a case-by-case basis in accordance with the Procedures. In the absence of any such election, the Clearing House shall register the SwapClear Contract as a SwapClear CTM Contract.

(d) A SwapClear Clearing Member which has been nominated to clear the SwapClear Contract arising from the registration of a SwapClear Transaction on behalf of a third party Executing Party other than a SwapClear Dealer will (only where such SwapClear Transaction is not a Trading Venue Transaction) be notified by the Clearing House of the relevant SwapClear Transaction and shall choose whether to grant or refuse consent to the registration of such SwapClear Transaction and the SwapClear Contract resulting from such SwapClear Transaction. Where:

(i) a SwapClear Clearing Member is an Executing Party to a SwapClear Transaction and shall clear a SwapClear Contract resulting from such SwapClear Transaction;

(ii) a SwapClear Dealer approved to clear SwapClear Transactions through a SwapClear Clearing Member is an Executing Party to a SwapClear Transaction and such SwapClear Clearing Member is to clear a SwapClear Contract resulting from such SwapClear Transaction; or

(iii) a SwapClear Transaction is an Eligible Trading Venue Transaction in respect of a SwapClear Clearing Member, and a third party Executing Party (other than a SwapClear Dealer) to such SwapClear Transaction has nominated such SwapClear Clearing Member to clear a SwapClear Contract resulting from such SwapClear Transaction,

the consent of that SwapClear Clearing Member to the registration of the relevant SwapClear Contract will occur automatically and without the need for any further action by such SwapClear Clearing Member.

(e) The Clearing House shall register or reject the registration of a SwapClear Contract in respect of a SwapClear Transaction presented for registration subject to, and in accordance with these Regulations, the Procedures and all Applicable Law, where the following are conditions for registration of such SwapClear Contract :

(i) both sides of the relevant SwapClear Transaction have been properly presented and submitted for clearing by (or on behalf of the) the Executing Parties;

(ii) the relevant SwapClear Transaction meets the eligibility criteria as prescribed on the Clearing House's website at the time the particulars of the SwapClear Transaction are presented to the Clearing House and continues to meet such criteria at the Registration Time;

(iii) such SwapClear Contract is consented to by the relevant SwapClear Clearing Member (to the extent such consent is required) in accordance with paragraph (d) above and Section 1.3.2 of Procedure 2C;

(iv) the applicable SwapClear Clearing Member has transferred, upon request of the Clearing House and in accordance with Regulation 20 and such other applicable provisions of the Rulebook, all required Collateral in respect of such SwapClear Contract prior to registration (taking into account any available SwapClear Tolerance); provided that such Collateral need not be transferred prior to registration as a condition to the registration of such SwapClear Contract where such SwapClear Contract results from a SwapClear Transaction that is a Sub-Block Trading Venue Transaction; and

(v) all the conditions applicable (under the terms of the Rulebook or the FCM Rulebook, as the case may be) for the registration of the other SwapClear Contract or the FCM SwapClear Contract (as the case may be) deriving from the relevant SwapClear Transaction have been satisfied.

(f) From the time of registration by the Clearing House of two SwapClear Contracts or one SwapClear Contract and one FCM SwapClear Contract (as the case may be) (the "**Registration Time**") in respect of a SwapClear Transaction in accordance with the Procedures:

(i) in respect of an Executing Party to the SwapClear Transaction which is:

(A) not a SwapClear Clearing Member, FCM Clearing Member or SwapClear Dealer, the rights and obligations of such Executing Party, in respect of the SwapClear Transaction, shall be governed by the applicable Execution Terms (if any); and

(B) a SwapClear Clearing Member, FCM Clearing Member or SwapClear Dealer, such Executing Party shall be released and discharged from all rights and obligations (in respect of its role as Executing Party), in

respect of the SwapClear Transaction, which fall due for performance on or after the Registration Time;

(ii) the relevant SwapClear Clearing Member(s) will be deemed to be and will be bound by the SwapClear Contract(s) with the Clearing House automatically and without any further action on its part, on terms that, without limitation, incorporate all applicable terms of the Rulebook (including the SwapClear Contract Terms applicable to the relevant SwapClear Contract); and

(iii) if the SwapClear Contract applicable to a SwapClear Clearing Member is designated as a SwapClear STM Contract pursuant to Regulation 55(b), the SwapClear Contract Terms applicable to that SwapClear STM Contract will automatically, and without any further action by either party, include the SwapClear STM Terms.

(g) The Economic Terms shall be such that: (A) a SwapClear Clearing Member paying (or clearing on behalf of a person paying) Rate X and receiving (or clearing on behalf of a person receiving) Rate Y under a SwapClear Transaction shall have such rights against, and owe such obligations to, the Clearing House under the corresponding SwapClear Contract registered by it in respect of such SwapClear Transaction as further provided for in the final paragraph of this sub-paragraph (g) and (B) a SwapClear Clearing Member paying (or clearing on behalf of a person paying) Rate Y and receiving (or clearing on behalf of a person receiving) Rate X under a SwapClear Transaction shall have such rights against, and owe such obligations to, the Clearing House under the corresponding SwapClear Contract registered by it in respect of such SwapClear Transaction as further provided for in the final paragraph of this sub-paragraph (g).

In this sub-paragraph (g), a reference to the "**rights**" and "**obligations**" is a reference to rights and obligations, falling due for exercise or performance after the Registration Time, and which are the same in nature and character as the rights or obligations set out in the Economic Terms of the corresponding SwapClear Transaction (it being assumed, for this purpose, that such SwapClear Transaction was a legal, valid, binding and enforceable obligation of the parties thereto and that the Economic Terms thereof were as presented to the Clearing House for registration), notwithstanding the change in the person entitled to them or obliged to perform them, and subject to any change thereto as a result of the operation of the Standard Terms. In this sub-paragraph (g), a reference to "**paying**" means either paying under a SwapClear Transaction that is an existing swap transaction or "agreeing to pay" under a SwapClear Transaction that is contingent on clearing.

(h) If at any time after registration of a SwapClear Contract, the Clearing House determines that the corresponding SwapClear Transaction of which details were presented for registration did not, at the Registration Time, meet the SwapClear Eligibility Criteria in existence at the Registration Time (an "**Ineligible SwapClear Transaction**"), the Clearing House shall, immediately set aside both SwapClear Contracts (or, in the case of a SwapClear Transaction that resulted in a SwapClear Contract and an FCM SwapClear Contract, such SwapClear Contract) arising from such Ineligible SwapClear Transaction. Upon a SwapClear Contract (an "**Ineligible SwapClear Contract**") being set aside under this paragraph (h): (1) the Clearing House will notify the SwapClear Clearing Member party to such Ineligible SwapClear Contract via the Approved Trade Source System through which details of the relevant Ineligible SwapClear Transaction

were originally presented to the Clearing House that such Ineligible SwapClear Contract has been set aside; and (2) such Ineligible SwapClear Contract shall immediately be deemed to be terminated and shall thereafter have no force or effect. Where an Ineligible SwapClear Contract is set aside pursuant to this paragraph (h), all payments (including, without limitation, variation margin) (if any) paid by the Clearing House or by a SwapClear Clearing Member in respect of such ineligible SwapClear Contract up to and including the time when such Ineligible SwapClear Contract was set aside shall be retained by the receiving party upon termination as a termination payment. Any other payment obligations in respect of an Ineligible SwapClear Contract and/or the relevant Ineligible SwapClear Transaction shall be as agreed between the Executing Parties to such Ineligible SwapClear Transaction and shall not be paid by or to the Clearing House.

(i) Notwithstanding anything to the contrary in this Rulebook, the Clearing House may decline to register a SwapClear Transaction as a SwapClear Contract or a SwapClear Contract and a FCM SwapClear Contract (as the case may be) where it considers such action advisable for its own protection or the protection of the relevant market; **provided that** the Clearing House may (subject to the provisions of the Rulebook) register any SwapClear Contract which reduces the risk exposure of the Clearing House and the applicable SwapClear Clearing Member, as determined in the discretion of the Clearing House. The Clearing House may, subject to sub-paragraph (e) above and without assigning any reason, make the registration of any SwapClear Transaction subject to any conditions stipulated by the Clearing House including, without limitation, the transfer to the Clearing House of additional Collateral by any SwapClear Clearing Member in whose name any such SwapClear Transaction is to be registered.

(j) Any SwapClear Transaction of which details have been presented for registration and which are not so registered will be governed by the applicable Execution Terms among the relevant parties, and the Clearing House shall have no obligations or liability in relation thereto.

(k) If a SwapClear Transaction is revoked, avoided or otherwise declared invalid for any reason after particulars of it have been accepted by the Clearing House for registration such revocation, avoidance or invalidity shall not affect any SwapClear Contract arising under this Regulation 55, Regulation 12(b) or Regulation 18.

(l) Where a transfer of an open contract (the **Original Contract**) which is a SwapClear Contract takes place pursuant to Regulation 12(b), if so instructed by the SwapClear Clearing Member into whose name the contract was transferred the Clearing House may, in its sole and absolute discretion, and subject to any conditions stipulated by it, register the new open contract as a SwapClear STM Contract notwithstanding that the Original Contract was registered as a SwapClear CTM Contract. If the Clearing House makes such a designation, the new open contract shall automatically, and without any further action from either party, be a SwapClear STM Contract that is subject to the SwapClear STM Terms. For the avoidance of doubt, the transfer of an Original Contract (including a transfer that is made pursuant to the Default Rules) shall be effected by that Original Contract being closed-out and a new SwapClear Contract being established, and the applicable provisions of this Regulation 55 shall apply to the registration of such new SwapClear Contract.

(m) In the case of a SwapClear Contract registered by the Clearing House pursuant to Rule 6(a) of the Default Rules, the Registration Time shall be deemed to be the time chosen by the Clearing House whereupon this Regulation 55 shall take effect.

REGULATION 56 COMPRESSION

(a) The Clearing House may may from time to time determine SwapClear Contracts that are eligible for compression in accordance with this Regulation 56 and the Procedures (such SwapClear Contracts, "**Eligible SwapClear Compression Contracts**"), which may include SwapClear Contracts that, inter alia, have substantially similar economic terms.

(b) A SwapClear Clearing Member may submit a request to the Clearing House, in accoardance with the Procedures, to compress and combine all such SwapClear Contracts are registered (a) on the SwapClear Clearing Member's own behalf to its Proprietary Account, (b) on behalf of the same SwapClear Clearing Client and to the same Client Account (which is not an Indirect Gross Account), or (c) on behalf of the same SwapClear Clearing Client and to the same Indirect Gross Sub-Account.

(c) The Clearing House will effect the compression of Eligible SwapClear Compression Contracts by terminating the relevant Eligible SwapClear Compression Contracts and, in some instances, compressing them into one or more new SwapClear Contracts having a net future cash flow equal to the net future cash flow of such original Eligible SwapClear Compression Contracts (including, for the purposes of determining the net future cash flow of a SwapClear STM Contract, the payment obligations of the SwapClear Clearing Member and the Clearing House under the SwapClear STM Terms applicable to such SwapClear STM Contract). For the avoidance of doubt, in no circumstances can a SwapClear Contract registered in the Proprietary Account of a SwapClear Clearing Member be compressed pursuant to this Regulation 56 with a SwapClear Contract registered in the Client Account of that SwapClear Clearing Member.

(d) For the avoidance of doubt, the Clearing House may determine that SwapClear Contracts are Eligible SwapClear Compression Contracts even if (i) they have differing fixed or floating rates or (ii) they include at least one each of a SwapClear CTM Contract and a SwapClear STM Contract. SwapClear Contracts that are compressed shall be (a) aggregated if the position of the SwapClear Clearing Member is in the same direction on each such SwapClear Contract (i.e., obligations to make payment aggregated and rights to receive payment aggregated) or (b) netted if the position of the SwapClear Clearing Member is in the opposite direction on two or more of each such SwapClear Contracts (i.e., obligations to make payment netted against rights to receive payment).

(e) In most circumstances the SwapClear Contract (if any) that replaces the compressed Eligible SwapClear Compression Contracts shall have a notional amount equal to the net notional amount of the compressed Eligible SwapClear Compression Contracts, however, in some cases the replacement SwapClear Contracts will have an aggregate notional amount that is greater than the net notional amount of the compressed SwapClear Contracts, **provided that** in no event will the aggregate notional amounts of the replacement SwapClear Contracts be greater than the aggregate notional amounts of the compressed Eligible SwapClear Compression Contracts, and **provided further** that in the event that the net notional amount and net future cash flows are equal to zero such compression shall result in no replacement SwapClear Contracts.

(f) The Clearing House shall determine (in its sole discretion) whether Eligible SwapClear Compression Contracts that are the subject of a request for compression from the SwapClear Clearing Member may be compressed and, if such Eligible SwapClear Compression Contracts are compressed, the Clearing House shall determine the resulting terms of the SwapClear Contract(s) (if any) that replaces the compressed Eligible SwapClear Compression Contracts. Such determination shall be binding on the SwapClear Clearing Member, absent manifest error. It is a condition for compression of Eligible SwapClear Compression Contracts that the amount of Collateral that the Clearing House requires in respect of the original Eligible SwapClear Compression Contracts is equal to that which is required by the Clearing House in respect of the replacement SwapClear Contract(s).

Following the compression of Eligible SwapClear Compression Contracts pursuant to the Regulation 56, and in the event that the Clearing House considers in its sole discretion that the post-compression SwapClear Contracts have a "small notional amount," then the Clearing House may, upon written request by the relevant SwapClear Clearing Member, effect the termination of the SwapClear Contract(s) with a small notional amount. By making a request to terminate SwapClear Contracts in accordance with this (f)Regulation 56(f), the relevant SwapClear Clearing Member shall be deemed to represent and warrant that: (i) such termination, if effected, will be in accordance with Applicable Law; and (ii) it consents to the termination of the relevant SwapClear Contracts.

(g) If:

(i) the SwapClear Contracts that are the subject of a SwapClear Clearing Member's compression request pursuant to the above comprise only SwapClear CTM Contracts, then the one or more SwapClear Contracts that come into existence immediately following, and as a result of, the compression shall all be SwapClear CTM Contracts;

(ii) the SwapClear Contracts that are the subject of a SwapClear Clearing Member's compression request pursuant to the above comprise only SwapClear STM Contracts, then the one or more SwapClear Contracts that come into existence immediately following, and as a result of, the compression shall all be SwapClear STM Contracts; and

(iii) the SwapClear Contracts that are the subject of a SwapClear Clearing Member's compression request pursuant to the above comprise both SwapClear CTM Contracts and SwapClear STM Contracts, then:

(A) the SwapClear Clearing Member's compression request pursuant to (a) above shall be deemed to be a STM Conversion Request in respect of those SwapClear Contracts that are SwapClear CTM Contracts, and accordingly Regulation 57A(n)-(q) (inclusive) shall apply; and

(B) it shall be a condition precedent to the occurrence of the compression requested under this Regulation 56 that the SwapClear CTM Contracts that are the subject of the SwapClear Clearing Member's compression request have been converted into SwapClear STM Contracts in accordance with Regulation 57A

(h) In addition, the Clearing House may, from time to time in its absolute discretion, make available in accordance with this Regulation 56 and/or the Procedures, Multilateral Compression on the basis of a Multilateral Compression Cycle which is either:

(i) an ACSP Compression Cycle, available to SwapClear Clearing Members and/or applicable FCM Clearing Members; or

(ii) a Member Compression Cycle, where so requested by two Compression Clearing Members and agreed to by the Clearing House,

(each such SwapClear Clearing Member, a "**Compression Clearing Member**").

(i) In participating in any Multilateral Compression Cycle, a Compression Clearing Member:

(i) must be party to relevant Compression Documentation with the Clearing House and/or any nominated ACSP at such time as is contemplated in the Compression Documentation and from such time up to and including the Compression Time for that Multilateral Compression Cycle and at all relevant times must be accepted by the Clearing House and/or any nominated ACSP as an entity eligible to participate in such Multilateral Compression Cycle;

(ii) in relation to an ACSP Compression Cycle, shall nominate those SwapClear Contracts (which may be SwapClear CTM Contracts, SwapClear STM Contracts or a combination of the same) that it wishes to make available for Multilateral Compression in accordance with the relevant Compression Documentation;

(iii) in relation to a Member Compression Cycle, the relevant Compression Clearing Members shall provide to the Clearing House a Compression Proposal, determined in accordance with the Procedures;

(iv) agrees and acknowledges that;

(A) if the Terminating SwapClear Contracts that form part of the Compression Proposal comprise both SwapClear CTM Contracts and SwapClear STM Contracts, then:

(1) the SwapClear Clearing Member's identification of the SwapClear Contracts that it wishes to make available for Multilateral Compression pursuant to (ii) and/or (iii) above shall be deemed to be a STM Conversion Request in respect of those SwapClear Contracts so identified that are SwapClear CTM Contracts, and accordingly Regulation 57A (m)-(p) (inclusive) shall apply; and

(2) it shall be a condition precedent to the occurrence of the Multilateral Compression requested under this Regulation 56 that the SwapClear CTM Contracts that are the subject of the proposed compression have been converted into SwapClear STM Contracts in accordance with Regulation 57A.

(B) if the Terminating SwapClear Contracts that form part of the Compression Proposal comprise only SwapClear CTM Contracts, the Post-Multilateral Compression Contracts shall also all be SwapClear CTM Contracts; and

(C) if the Terminating SwapClear Contracts that form part of the Compression Proposal comprise only SwapClear STM Contracts, the Post-Multilateral Compression Contracts shall also all be SwapClear STM Contracts.

(v) warrants and represents to the Clearing House that the terms of its participation in the proposed Multilateral Compression Cycle are in compliance with Applicable Law;

(vi) agrees and acknowledges that the Multilateral Compression Cycle will operate, and Multilateral Compression shall take place, in accordance with this Regulation 56 and/or the Procedures, the relevant Compression Proposal as accepted by such Compression Clearing Member, relevant Compression Documentation (if any) and such other processes and procedures as may be notified by the Clearing House from time to time; and

(vii) warrants and represents that, in the event that it provides or receives instructions to or from the Clearing House or to the ACSP with respect to a SwapClear Clearing Client and in connection with a Multilateral Compression Cycle, that it is authorised to provide or receive such instructions with respect to such SwapClear Clearing Client.

(j) Where the Clearing House intends to run an ACSP Compression Cycle, it shall nominate an ACSP to facilitate such ACSP Compression Cycle and produce the Compression Proposal. Such ACSP shall notify Compression Clearing Members meeting the criteria at (i)(i) above of the timing and procedure for such ACSP Compression Cycle and invite such Compression Clearing Members to confirm their interest, either on their own account or with respect to a SwapClear Clearing Client (where applicable). The Compression Documentation for such Multilateral Compression Cycle shall include any documentation relevant to that ACSP. Additional information on the administrative procedures for any Multilateral Compression Cycle may be included in the Compression Documentation or other procedures published by the Clearing House or a nominated ACSP from time to time or in connection with a particular Multilateral Compression Cycle.

(k) In any Multilateral Compression Cycle, Multilateral Compression shall only take place in accordance with the terms of a Compression Proposal which has been established and accepted by all participating Compression Clearing Members in accordance with this Regulation 56, FCM Regulation 46 and/or the Procedures, as applicable. Notwithstanding the other provisions of this Regulation 56, the Clearing House shall determine (in its sole discretion) whether SwapClear Contracts proposed for inclusion in a Compression Proposal may be so included.

(l) A Compression Proposal shall:

(i) in relation to an ACSP Compression Cycle, be generated by the nominated ACSP in accordance with the relevant Compression Documentation and details submitted to the ACSP by participating Compression Clearing Members and be communicated by the ACSP to each participating Compression Clearing Member in the manner contemplated in the relevant Compression Documentation for acceptance;

(ii) in relation to a Member Compression Cycle, be constituted by the details submitted to the Clearing House by the requesting Compression Clearing Members (subject to the Clearing House's determination that such proposed details are eligible for Multilateral Compression), and shall form the basis for the subsequent acceptance by each requesting Compression Clearing Member; and

(iii) in all cases include only those SwapClear Contracts that are eligible for Multilateral Compression in the relevant Multilateral Compression Cycle.

(m) Where it wishes to participate in a Multilateral Compression Cycle, each participating Compression Clearing Member shall confirm its acceptance of a Compression Proposal in the manner and by the time specified by the Clearing House or otherwise contemplated in the relevant Compression Documentation. In relation to an ACSP Compression Cycle, each participating Compression Clearing Member agrees and acknowledges that the ACSP's confirmation to the Clearing House that such Compression Clearing Member has confirmed its acceptance of the Compression Proposal, either on its own account or with respect to a SwapClear Clearing Client (including, where relevant, with respect to an Indirect Gross Sub-Account), to the ACSP shall constitute a binding acceptance by such Compression Clearing Member to the Clearing House for the purposes of this Regulation 56. Upon a Compression Clearing Member's acceptance of a Compression Proposal in accordance with this paragraph, either on its own account or with respect to a SwapClear Clearing Client (including, where relevant, with respect to an Indirect Gross Sub-Account), such Compression Clearing Member shall be irrevocably bound to the terms of that Compression Proposal and the Multilateral Compression contemplated thereunder.

(n) The Clearing House may require margin, subsequent to a Compression Clearing Member's acceptance of a Compression Proposal but prior to the Compression Time, in connection with the Multilateral Compression Cycle and the Compression Clearing Member's positions thereunder.

(o) Each Compression Clearing Member that confirms its acceptance of a Compression Proposal in accordance with relevant Compression Documentation and/or the Procedures agrees and acknowledges for the benefit of the Clearing House that, by its acceptance, such Compression Clearing Member:

(i) shall be bound by and act in accordance with the terms of this Regulation 56, the Compression Documentation and any notifications made by the Clearing House or any nominated ACSP pursuant thereto;

(ii) shall meet any margin calls from the Clearing House made prior to the Compression Time, and shall pay to the Clearing House any amounts that have become due and payable to the Clearing House under the SwapClear STM

Terms at or prior to the Compression Time, in connection with the Multilateral Compression Cycle. Any such margin will be called, and any such amounts shall be paid, in accordance with the Procedures; and

(iii) is bound by the terms of the Compression Proposal and the terminations and, where applicable, registrations of SwapClear Contracts comprised therein.

(p) Following acceptance of the Compression Proposal by all participating Compression Clearing Members, the Clearing House shall effect Multilateral Compression at such time as it may determine. For the avoidance of doubt, the irrevocable acceptance of a Compression Proposal by participating Compression Clearing Members shall not bind or require the Clearing House to proceed with a Multilateral Compression Cycle. At any time prior to the Compression Time, the Clearing House may, in its sole and absolute discretion, decide not to proceed with a Multilateral Compression Cycle.

(q) Without prejudice to the rights of the Clearing House set out in paragraph (p) above, a Compression Proposal shall be rejected by the Clearing House if:

(i) a Compression Clearing Member that has accepted a Compression Proposal is not eligible to participate in the relevant Multilateral Compression Cycle;

(ii) any of the SwapClear Contracts included as a Post-Multilateral Compression Contract or a Terminating SwapClear Contract are not eligible for such Multilateral Compression Cycle;

(iii) in relation to a Member Compression Cycle, the proposals submitted by the relevant Compression Clearing Members do not match; or

(iv) any Compression Clearing Member due to participate in a Multilateral Compression Cycle rejects the Compression Proposal or does not provide the margin, or make any other payments, as required by the Clearing House (a "**Rejecting Compression Clearing Member**").

(r) When the Clearing House effects a Multilateral Compression, it shall terminate all Terminating SwapClear Contracts and, where the Multilateral Compression includes the registration of Post-Multilateral Compression Contracts, simultaneously with and contingent upon the termination of such Terminating SwapClear Contracts, shall register the Post-Multilateral Compression Contracts in the name of the relevant Compression Clearing Members (either in their respective Proprietary Account or Client Account, as applicable. The Clearing House shall notify the participating Compression Clearing Members once the Multilateral Compression has been effected. Compression Clearing Members are responsible for providing notifications to SwapClear Clearing Clients.

(s) Unless otherwise stated in the relevant Compression Documentation, the Clearing House shall have no involvement in and accepts no responsibility or liability in relation to any Multilateral Compression-related balancing, termination or ancillary payments or fees that participating Compression Clearing Members (or SwapClear Clearing Clients) may agree between themselves in accordance with relevant Compression Documentation or otherwise. In the event the Clearing House agrees to participate in the processing of ancillary payments or fees pursuant to the relevant Compression

Documentation, the Clearing House accepts no liability to any Compression Clearing Member, SwapClear Clearing Client or third party in connection with or related to the processing of such ancillary payments or fees.

(t) Without prejudice to any other provisions of these Regulations, in particular Regulation 45, or any Compression Documentation, neither the Clearing House, nor any other member of LCH Group shall have any liability whatsoever to any Compression Clearing Member or to any other person (including any SwapClear Clearing Client and any Indirect Clearing Client) in contract, tort (including, without limitation, negligence), trust, as a fiduciary or under any other cause of action in respect of any damages, losses, costs or expenses of whatsoever nature suffered or incurred by a Compression Clearing Member or any other person (including any SwapClear Clearing Client and any Indirect Clearing Client), as the case may be:

(i) as a result of any action the Clearing House takes under this Regulation 56, whether in accordance with a Compression Proposal, in reliance on information provided by Compression Clearing Members or any ACSP or otherwise;

(ii) in relation to an ACSP Compression Cycle, as a result of any action or omission of an ACSP, including, without limitation, any error or omission in the terms of any Compression Proposal; or

(iii) in relation to any Multilateral Compression Cycle, as a result of any action or omission of a participating Compression Clearing Member, including, without limitation, any error or omission in the terms of any Compression Proposal.

(u) An ACSP's liability in respect of its acts or omissions is subject to the relevant terms of the applicable Compression Documentation.

(v) Any notification or communication required in connection with a Multilateral Compression Cycle shall be made in accordance with the Compression Documentation (if any) or, if not specified in the Compression Documentation, the Procedures or such other guidance as the Clearing House may provide from time to time.

(w) Notwithstanding any other provision of these Regulations or the terms of the SwapClear Contracts, the Clearing House may disclose details of any Compression Proposal and related details of Compression Clearing Members including (with respect to their Proprietary Accounts and Client Accounts) to any ACSP or otherwise as the Clearing House considers appropriate in order to facilitate a Multilateral Compression Cycle.

(x) Where a Clearing Member is a Rejecting Compression Clearing Member with respect to a Multilateral Compression Cycle and acting with respect to one or more of its Client Accounts, the Clearing House may, in its sole discretion, prevent such Clearing Member from participating in future Multilateral Compression Cycles with respect to its Client Account unless or until the Clearing House considers such Client Account operationally capable of doing so, in its sole discretion.

(y) **Unallocated SCM SwapClear Transactions**. In accordance with all other applicable provisions of the Rulebook, a SwapClear Clearing Member may register a SwapClear Contract subject to post-registration allocation on behalf of a Pre-Allocation Executing Party in accordance with the following provisions:

(i) In order for a SwapClear Tranasction executed by a Pre-Allocation Executing Party to be subject to post-registration allocation (such transaction, an "**Unallocated SCM SwapClear Transaction**"), the SwapClear Clearing Member that will be registering the Unallocated SCM SwapClear Transaction (such SwapClear Clearing Member, a **"Pre-Allocation SwapClear Clearing Member"**) must have notified the Clearing House that it wishes to establish an SCM SwapClear Suspension Sub-Account with respect to that Pre-Allocation Executing Party and the Clearing House shall have opened such SCM SwapClear Suspension Sub-Account for the SwapClear Clearing Member.

(ii) The SwapClear Contract registered on behalf of a Pre-Allocation Executing Party that results from an Unallocated SCM SwapClear Transaction (an "**Unallocated SCM SwapClear Contract**") shall be registered in the SCM SwapClear Suspension Sub-Account. The beneficial owner of the Unallocated SCM SwapClear Contract shall be the unidentified SwapClear Clearing Client on whose behalf the Unallocated SCM SwapClear Transaction was executed.

(iii) In order to allocate an Unallocated SCM SwapClear Transaction, a Pre-Allocation Executing Party or Pre-Allocation SwapClear Clearing Member must provide the Clearing House with one or more Allocation Notices. Each Allocation Notice shall be delivered to the Clearing House via an Approved Trade Source System, the SwapClear API or such other means as notified by the Clearing House. Clearing Members agree that Clearing Clients (including FCM Clients) may provide Allocation Notices to the Clearing House on their behalf via the SwapClear Portal.

(iv) Where the foregoing delivery methods are unavailable, or in such other circumstances that the Clearing House deems appropriate, the Pre-Allocation Executing Party or Pre-Allocation SwapClear Clearing Member as the case may be may provide the Allocation Notice in the form of a direct written request, subject that the processing of an Allocation Notice received as a direct written request may take the Clearing House up to five (5) Business Days.

(v) Where an Allocation Notice: (i) contains instructions that would result in the allocation of a notional value that is greater than the notional value of the Unallocated SCM SwapClear Contract to which such Allocation Notice relates; or (ii) does not relate to an Unallocated SCM SwapClear Contract; or (iii) seeks to allocate part of all of an Unallocated SCM SwapClear Contract to a Proprietary Account of a SwapClear Clearing Member other than the Pre-Allocation SwapClear Clearing Member, then such Allocation Notice shall be ineligible and shall be rejected by the Clearing House. For the avoidance of doubt, the Post-Allocation Clearing Member(s) need not be the same as the Pre-Allocation SwapClear Clearing Member. Unless or until the Clearing House receives an eligible Allocation Notice, the Unallocated SCM SwapClear Contract shall remain in the Pre-Allocation SwapClear Clearing Member's SCM SwapClear Suspension Sub-Account and subject to the rules of the Clearing House.

(vi) Following receipt of an eligible Allocation Notice, the Clearing House shall (following acceptance from the relevant Post-Allocation Clearing Member(s) and the Pre-Allocation SwapClear Clearing Member, in the same manner as a new SwapClear Transaction is accepted in accordance with the Procedures):

(A) close out the outstanding Unallocated SCM SwapClear Contract and simultaneously register two or more (as applicable) SwapClear Contracts to the same SCM SwapClear Suspension Sub-Account, and these newly registered SwapClear Contracts shall have the same Economic Terms as the Unallocated SCM SwapClear Contract except that they shall have lower notional values corresponding to the allocation instructions provided in the Allocation Notice (which notional values shall, in the aggregate, equal the notional value of the Unallocated SCM SwapClear Contract) – for the purpose of the foregoing, if the Allocation Notice has not allocated the full notional value of the Unallocated SCM SwapClear Contract, one of the SwapClear Contracts so registered by the Clearing House shall be a new Unallocated SCM SwapClear Contract with a notional value equal to that portion of the Unallocated SCM SwapClear Contract that has not been allocated; and

(B) following the actions described in paragraph (A) above, transfer one or more of the newly registered SwapClear Contracts resulting from the cancellation of the Unallocated SCM SwapClear Contract to the applicable Client Segregated Sub-Accounts, Client Account or Proprietary Account in accordance with the Allocation Notice. Following the transfer of one or more of the newly registered SwapClear Contracts, any remaining SwapClear Contract that has not been transferred shall thereafter be the Unallocated SCM SwapClear Contract.

Where an Allocation Notice directs the entire notional amount of an Unallocated SCM SwapClear Contract to be allocated to a single Client Segregated Sub-Account, Client Account or the Proprietary Account, then the Clearing House shall not take the steps described in sub-paragraphs (A) and (B) above and shall instead transfer the Unallocated SCM SwapClear Contract to the applicable Client Segregated Sub-Account, Client Account or Proprietary Account following receipt of the Allocation Notice.

Where the transfer is from an SCM SwapClear Suspension Sub-Account to a Client Segregated Sub-Account, the relevant SwapClear Contract shall be converted to an FCM SwapClear Contract.

By a Pre-Allocation SwapClear Clearing Member delivering an eligible Allocation Notice to the Clearing House, that Pre-Allocation SwapClear Clearing Member shall be deemed to represent and warrant that it has been properly authorized by the Pre-Allocation Executing Party to allocate the relevant Unallocated SCM SwapClear Contract or, where the allocation is to such Pre-Allocation SwapClear Clearing Member's Proprietary Account, in accordance with paragraph (vii) below. Where the Clearing House receives an ineligible Allocation Notice, the Unallocated SCM SwapClear Transaction to which it relates shall remain in the SCM SwapClear Suspension Sub-Account.

(vii) Subject to paragraph (viii) below, the transfer of an Unallocated SCM SwapClear Contract from the SCM SwapClear Suspension Sub-Account to a Client Segregated Sub-Account, Client Account or Proprietary Account shall be final. In no event can Unallocated SCM SwapClear Contracts be further allocated once they are transferred from the SCM SwapClear Suspension Sub-Account.

(viii) Where an Unallocated SCM SwapClear Contract has been registered to an SCM SwapClear Suspension Sub-Account and is not allocated by the Pre-Execution Allocating Party or in such other circumstances that the Clearing House considers appropriate, the Pre-Allocation SwapClear Clearing Member may submit an Allocation Notice to the Clearing House requesting the transfer of the relevant Unallocated SCM SwapClear Contract to that SwapClear Clearing Member's Proprietary Account. A SwapClear Clearing Member, through requesting such transfer, shall be deemed to represent that such transfer is in accordance with Applicable Law and regulation and the SwapClear Clearing Member's contractual rights against the Pre-Allocation Executing Party or, if applicable, the Pre-Allocation Executing Party's underlying customer(s).

(ix) Where an Unallocated SCM SwapClear Contract has been erroneously allocated to a Client Segregated Sub-Account or Client Account, the Clearing House will, in response to a written request from a Post-Allocation Clearing Member and subject to acceptance of the transfer by the relevant Pre-Allocation SwapClear Clearing Member, transfer a SwapClear Contract or FCM SwapClear Contract (as applicable) to the SCM SwapClear Suspension Sub-Account from which that SwapClear Contract was allocated. Following such transfer, the SwapClear Contract shall be treated as an Unallocated SCM SwapClear Contract, except that the provisions of FCM Regulation 46(o)(iv) shall not apply to it, such that an over-allocation will not be ineligible and will result in the allocation of the notional amount prescribed in an Allocation Notice. Any transfer pursuant to this paragraph (viii) must be requested within three Business Days of the original allocation to the relevant Client Segregated Sub-Account or Client Account. Through requesting a transfer pursuant to this paragraph (viii), the Post-Allocation Clearing Member shall be deemed to represent and warrant that the transfer is in accordance with Applicable Law.

(x) The registration and allocation of Unallocated SCM SwapClear Contracts as set forth above is subject to all other applicable provisions of the Rulebook including, where applicable, and to the same extent as if an Unallocated SCM SwapClear Transaction or Allocation Notice were a new SwapClear Transaction with respect to the relevant account: (A) the provision by the Pre-Allocation SwapClear Clearing Member of adequate Margin in the SCM SwapClear Suspension Sub-Account at the time of registration of the Unallocated SCM SwapClear Contract; (B) the provision by the applicable Post-Allocation Clearing Member(s) of adequate Margin, at the time of the transfer of the relevant Unallocated SCM SwapClear Contract, in respect of each of the applicable Client Segregated Sub-Accounts, Client Accounts or Proprietary Account to which an Unallocated SCM SwapClear Contract is to be allocated. If adequate Margin is not so provided in respect of each Proprietary Account, Client Account and Client Segregated Sub-Account, the Clearing House may in its sole discretion, delay or reject the allocation and transfer all or any portions of the Unallocated SwapClear SCM Contract, and may take any other actions permitted under the Rulebook.

(xi) Each Pre-Allocation SwapClear Clearing Member and Post-Allocation SwapClear Clearing Member must comply with Applicable Law, and shall be responsible for ensuring that Pre-Allocation Executing Parties clearing through it are in compliance with Applicable Law.

REGULATION 57 COLLATERALISATION OF SWAPCLEAR CTM CONTRACTS

(a) The net present value of each SwapClear CTM Contract shall be calculated by the Clearing House for the purposes of determining required variation margin in such manner and at such times as may be provided in the Procedures. Except as prescribed in the Procedures, the net present value calculated by the Clearing House may in no circumstances be called in question.

(b) The Clearing House shall, at least daily:

(i) where the net present value of an outstanding SwapClear CTM Contract has moved in favour of the Clearing House since the last valuation, call on the SwapClear Clearing Member to transfer to the Clearing House cash in an amount equal to (A) the net present value to the Clearing House of the relevant SwapClear Contract minus (B) the current balance of cash Collateral provided to the Clearing House by such SwapClear Clearing Member in respect of its variation margin obligations in respect of that SwapClear CTM Contract; and

(ii) where the net present value of an outstanding SwapClear CTM Contract has moved in favour of the SwapClear Clearing Member since the last valuation, transfer to the SwapClear Clearing Member cash in an amount equal to (A) the net present value to the SwapClear Clearing Member of the relevant SwapClear CTM Contract minus (B) the current balance of cash Collateral provided to such SwapClear Clearing Member by the Clearing House in respect of its variation margin obligations in respect of that SwapClear CTM Contract,

provided that:

(iii) (A) and/or (B), as used in sub-paragraphs (i) and (ii) above, may be negative numbers where the net present value of a SwapClear Contract has moved in favour of the party that was "out of the money" at the time of the preceding valuation;

(iv) any time the calculation provided for in this Regulation 57 is performed for the first time in respect of any particular SwapClear CTM Contract that SwapClear CTM Contract shall for the purpose of sub-paragraphs (i) and (ii) above be deemed to have had a net present value of zero at the time of the preceding valuation; and

(v) the calculations under this Regulation 57 shall disregard any amount previously determined to be payable by one party to the other pursuant to Regulation 57 but which has not yet been so transferred.

(c) Cash provided by the Clearing House or a SwapClear Clearing Member under Regulation 57 is provided by way of title transfer and, other than where the provision of cash reduces a party's current balance of cash Collateral, for the purpose of collateralising the relevant party's obligations under the relevant SwapClear CTM Contract(s).

(d) In respect of all SwapClear CTM Contracts, on every Business Day, the Clearing House shall aggregate:

(i) the sums which would otherwise have been payable by the SwapClear Clearing Member to the Clearing House as cash Collateral (in respect of variation margin obligations) on such date, any coupon payments which would otherwise have been due on that date from the SwapClear Clearing Member to the Clearing House and any other sums which would otherwise have been payable by the SwapClear Clearing Member to the Clearing House on such date (including any amounts due in respect of an obligation to return cash Collateral and any settlement amounts payable under a SwapClear CTM Contract or a Portfolio Margined Contract and excluding any amounts which are to be Charged Cash Collateral); and

(ii) the sums which would otherwise have been payable by the Clearing House to the SwapClear Clearing Member as cash Collateral (in respect of variation margin obligations) on such date, any coupon payments which would otherwise have been due on that date from the Clearing House to the SwapClear Clearing Member and any other sums which would otherwise have been payable by the Clearing House to the SwapClear Clearing Member on such date (including any amounts due in respect of an obligation to return cash Collateral which is not Charged Cash Collateral and any settlement amounts payable under a SwapClear CTM Contract or a Portfolio Margined Contract),

(in each case which are payable in the same currency and which are payable in respect of the same Client Account (that is not an Indirect Gross Account), Proprietary Account or Indirect Gross Sub-Account (as applicable)), and all such sums shall be automatically satisfied and discharged and only the excess of the larger aggregate amount over the smaller aggregate amount shall be payable by the party by whom the larger aggregate amount would otherwise have been payable.

(e) The parties acknowledge that the effect of Regulation 57(d) is that any settlement payment obligation of a Clearing Member (or of the Clearing House) under a SwapClear CTM Contract and any obligation of the Clearing House's (or of the Clearing Member) on the date of such settlement to return same-currency cash Collateral provided to it by way of variation margin in respect of that SwapClear CTM Contract will be netted against each other, with only the balance being payable in accordance with Regulation 57(d)

REGULATION 57A SETTLEMENT OF SWAPCLEAR STM CONTRACTS AND CONVERSION TO SWAPCLEAR STM CONTRACTS

(a) Each SwapClear Contract registered in the name of a SwapClear Clearing Member that is established under the laws of any state of the United States or under the federal laws of the United States shall be designated a SwapClear STM Contract.

(b) Notwithstanding anything to the contrary in Regulation 20, neither the Clearing House nor a SwapClear Clearing Member shall be obliged to make any payment by way of variation margin in respect of a SwapClear STM Contract. This Regulation 57A shall be without prejudice to the Clearing House's other rights to require Collateral to be transferred to it under Regulation 20 (including, but not limited to, its right to require Collateral to be transferred to it in respect of a SwapClear Clearing Member's initial margin obligations in respect of a SwapClear STM Contract).

(c) The Clearing House shall, at least once per Business Day, determine (i) the change in the net present value of each SwapClear STM Contract, and (ii) the Price Alignment Amount payable on such Business Day, in each case in such manner and at such times as may be provided in the Procedures. Immediately upon the Clearing House making each such determination of the net present value of a SwapClear STM Contract, an NPV Reset shall occur with respect to that SwapClear STM Contract.

(d) Upon the occurrence of an NPV Reset in relation to a SwapClear STM Contract:

(iii) if the Clearing House has determined that the net present value of the SwapClear STM Contract has increased since the immediately preceding NPV Reset, an amount of cash denominated in the currency of the SwapClear STM Contract (as specified in the Economic Terms relating to that SwapClear STM Contract) equal to the amount of such increase shall immediately become due and payable by the SwapClear Clearing Member to the Clearing House under the SwapClear STM Terms;

(iv) if the Clearing House has determined that the net present value of the SwapClear STM Contract has decreased since the immediately preceding NPV Reset, an amount of cash denominated in the currency of the SwapClear STM Contract (as specified in the Economic Terms relating to that SwapClear STM Contract) equal to the amount of such decrease shall immediately become due and payable by the Clearing House to the SwapClear Clearing Member under the SwapClear STM Terms;

(v) if the Clearing House has determined that the net present value of the SwapClear STM Contract has not changed since the immediately preceding NPV Reset, neither the Clearing House nor the SwapClear Clearing Member shall be obliged to make any payment; and

(vi) the net present value of the SwapClear STM Contract shall for all purposes be equal to zero.

(e) The SwapClear Clearing Member and the Clearing House hereby agree that:

(i) for the avoidance of doubt, an "increase" in the net present value of a SwapClear STM Contract shall mean that the net present value of that SwapClear STM Contract has moved in favour of the Clearing House since the immediately preceding NPV Reset;

(ii) for the avoidance of doubt, a “decrease” in the net present value of a SwapClear STM Contract shall mean that the net present value of that SwapClear STM Contract has moved in favour of the SwapClear Clearing Member since the immediately preceding NPV Reset; and

(iii) unless otherwise agreed between the SwapClear Clearing Member and the Clearing House, the net present value of a SwapClear STM Contract on the Trade Date (as such term is defined in the SwapClear STM Terms applicable to that SwapClear STM Contract) shall be equal to zero.

(f) Except as prescribed in the Procedures, the net present value calculated by the Clearing House shall in no circumstances be called in question.

(g) Upon the Clearing House’s determination of the Price Alignment Amount in relation to a SwapClear STM Contract:

(i) if the Clearing House has determined that the Cumulative Net Present Value is greater than zero, then, subject to (iii) below, an amount of cash denominated in the currency of the SwapClear STM Contract (as specified in the Economic Terms relating to that SwapClear STM Contract) equal to the Price Alignment Amount shall immediately become due and payable by the Clearing House to the SwapClear Clearing Member;

(ii) if the Clearing House has determined that the Cumulative Net Present Value is less than zero, then, subject to (iii) below, an amount of cash denominated in the currency of the SwapClear STM Contract (as specified in the Economic Terms relating to that SwapClear STM Contract) equal to the Price Alignment Amount shall immediately become due and payable by the SwapClear Clearing Member to the Clearing House; and

(iii) if the Price Alignment Amount payable by a party on a Business Day (as such term is defined in the SwapClear STM Terms relating to that SwapClear STM Contract) is a negative amount, then the Price Alignment Amount payable by that party will be deemed to be zero, and the other party will pay to that party the absolute value of the negative Price Alignment Amount on such Business Day (as such term is defined in the SwapClear STM Terms relating to that SwapClear STM Contract).

(h) For the purpose of determining the Cumulative Net Present Value of a SwapClear STM Contract that has been either (i) transferred to a Backup Clearing Member pursuant to the Default Rules in relation to SwapClear Contracts, or (ii) transferred to a Receiving Clearing Member pursuant to Regulation 60, the Trade Date of the SwapClear STM Contract that comes into existence immediately following such transfer shall be the Trade Date of the SwapClear STM Contract that was so transferred.

(i) For the purpose of determining the Cumulative Net Present Value of a SwapClear STM Contract that has been converted from a SwapClear CTM Contract pursuant to this Regulation 57A the Trade Date of the SwapClear STM Contract that comes into existence immediately following such conversion shall be the Trade Date of the SwapClear CTM Contract that was so converted.

(j) The payment of each of the amounts due and payable under the SwapClear STM Terms applicable to a SwapClear STM Contract shall be made in such manner and at such times as may be provided in the Procedures.

(k) In respect of all SwapClear STM Contracts the Clearing House shall:

(i) on each Business Day (as such term is defined in the SwapClear STM Terms relating to that SwapClear STM Contract), and to the extent that the following amounts are payable in the same currency and in respect of the same Client Account (that is not an Indirect Gross Account), Proprietary Account or Indirect Gross Sub-Account (as applicable), aggregate:

(A) the amounts (if any) payable by the SwapClear Clearing Member to the Clearing House on such Business Day in accordance with Regulation 57A(c);

(B) the Price Alignment Amount (if any) payable by the SwapClear Clearing Member to the Clearing House on such Business Day in accordance with Regulation 57A(f);

(C) the amounts (if any) of the coupon payment payable by the SwapClear Clearing Member to the Clearing House on such Business Day in accordance with the Procedures; and

(D) any other amounts which are payable by the SwapClear Clearing Member to the Clearing House on such Business Day (excluding any amounts which are to be Charged Cash Collateral),

(ii) on each Business Day (as such term is defined in the SwapClear STM Terms relating to that SwapClear STM Contract), and to the extent that the following amounts are payable in the same currency and in respect of the same Client Account (that is not an Indirect Gross Account), Proprietary Account or Indirect Gross Sub-Account (as applicable), aggregate:

(A) the amounts (if any) payable by the Clearing House to the SwapClear Clearing Member on such Business Day in accordance with Regulation 57A(c);

(B) the Price Alignment Amount (if any) payable by the Clearing House to the SwapClear Clearing Member on such Business Day in accordance with Regulation 57A(f);

(C) the amounts (if any) of the coupon payment payable by the Clearing House to the SwapClear Clearing Member on such Business Day in accordance with the Procedures (excluding any amounts which are Charged Cash Collateral); and

(D) any other amounts which are payable by the Clearing House to the SwapClear Clearing Member on such Business Day (excluding any amounts which are Charged Cash Collateral),

and the amount payable on a Business Day to one party (the **Payee**) by the other party (the **Payer**) under Regulation 57A(j)(i) or (ii) (as applicable) shall be reduced by setting-off such amount against the amount (the **Other Amount**) payable by the Payee to the Payer under Regulation 57A(j)(i) or (ii) (as applicable). To the extent the Other Amount is so applied, the Other Amount will be discharged promptly and in all respects.

(l) On each Business Day the Clearing House shall, to the extent that the following amounts are payable in the same currency and in respect of the same Client Account (that is not an Indirect Gross Account), Proprietary Account or Indirect Gross Sub-Account (as applicable) aggregate the amount that is payable by either the SwapClear Clearing Member or the Clearing House following the operation of the payment netting provision under Regulation 57(d) and the amount that is payable by either the SwapClear Clearing Member or the Clearing House following the operation of the payment netting provision under Regulation 57A(j), and only the excess of the larger amount over the smaller amount shall be payable by the party by whom the larger amount would otherwise have been payable. To the extent the smaller amount is so applied, the smaller amount will be discharged promptly and in all respects.

(m) The Clearing House and the SwapClear Clearing Member agree that satisfaction of the payment obligation arising under the SwapClear STM Terms by either party shall discharge such obligation for the purpose of settling the then outstanding exposure under a SwapClear STM Contract.

(n) A SwapClear Clearing Member (a "**Converting SwapClear Clearing Member"**) or a Clearing Client (including an FCM Client) on its behalf may, from time to time, submit a request, in such form as permitted by the Clearing House from time to time in its sole discretion, or, in the case of a compression of the type described in Regulation 56(c)(iii) or Regulation 56(e)(iv)(A), a SwapClear Clearing Member or a Clearing Client (including an FCM Client) on its behalf shall be deemed to have submitted a written request (each such request, an "**STM Conversion Request"**) to the Clearing House requesting that the Clearing House converts one or more of its open SwapClear CTM Contracts to SwapClear STM Contracts. Such request shall identify those SwapClear CTM Contracts (the "**STM Conversion Contracts")** which the SwapClear Clearing Member or a Clearing Client (including an FCM Client) on its behalf wishes to be converted to SwapClear STM Contracts. No open SwapClear CTM Contract shall be converted into a SwapClear STM Contract except as provided in this Regulation 57A or the Procedures.

(o) Following its receipt of an STM Conversion Request made (or deemed to have been made) by a Converting SwapClear Clearing Member pursuant to (m) above, the Clearing House may, in its sole and absolute discretion, nominate a Business Day (the "**STM Conversion Date"**) from, and including which, some or all of the STM Conversion Contracts shall, subject to the satisfaction of the conditions specified in (o) below, cease to be registered as SwapClear CTM Contracts and shall immediately and automatically become registered as SwapClear STM Contracts which are subject to this Regulation 57A and the SwapClear STM Terms. For the avoidance of doubt, if the Clearing House determines that it shall convert a SwapClear CTM Contract into a

SwapClear STM Contract, such conversion shall be effected through the Clearing House and the Converting SwapClear Clearing Member agreeing to a modification of the terms of the relevant STM Conversion Contract, and such conversion shall not be effected through the Clearing House and the Converting SwapClear Clearing Member terminating the relevant STM Conversion Contract and entering into a new SwapClear STM Contract.

(p) The occurrence of an STM Conversion Date in respect of an STM Conversion Contract shall be subject to the condition precedent that:

(i) the Converting SwapClear Clearing Member is not a Defaulter;

(ii) no relevant SwapClear Clearing Client is insolvent;

(iii) the conversion of that STM Conversion Contract to a SwapClear STM Contract would not violate or result in the violation of any Applicable Law;

(iv) the Converting SwapClear Clearing Member has satisfied all of its obligations to meet any margin calls made by the Clearing House in respect of that STM Conversion Contract up to, but excluding, the STM Conversion Date. The Converting Clearing Member shall satisfy such margin calls in accordance with the Procedures and/or applicable Regulations, as would ordinarily be the case;

(v) the Converting SwapClear Clearing Member has paid to the Clearing House, or the Clearing House has paid to the Converting SwapClear Clearing Member (as applicable), any cash settlement amount that the Clearing House determines (in its sole and absolute discretion) must be paid to ensure that the net present value of the STM Conversion Contract shall be equal to zero on the STM Conversion Date. Such amounts shall be determined and paid by the relevant party in accordance with the Procedures. The Converting SwapClear Clearing Member and the Clearing House agree that the Clearing House may, in its sole and absolute discretion, apply any Collateral held by it in respect of a STM Conversion Contract to satisfy (in whole or in part) the Converting SwapClear Clearing Member's obligation to pay the amount (if any) required under this Regulation 57A(o)(v) in relation to that STM Conversion Contract. The Converting SwapClear Member and the Clearing House agree that any Collateral held by the Converting SwapClear Clearing Member in respect of a STM Conversion Contract shall be applied to satisfy (in whole or in part) the Clearing House's obligation to pay the amount (if any) required under this Regulation 57A(o)(v) in relation to that STM Conversion Contract; and

(vi) all other conditions stipulated by the Clearing House have been complied with in a manner satisfactory to it.

(q) Each time a SwapClear Clearing Member or a Clearing Client (including an FCM Client) on its behalf delivers an STM Conversion Request that SwapClear Clearing Member:

(i) agrees and acknowledges for the benefit of the Clearing House that if an STM Conversion Date occurs in respect of an STM Conversion Contract, that STM

Conversion Contract cannot, in any circumstance, be re-converted into a SwapClear CTM Contract; and

(ii) is deemed to represent to the Clearing House that the person, agent, officer, employee, or representative that delivers that STM Conversion Request is fully authorised by it to do so, and has the requisite power to bind the Converting SwapClear Clearing Member in this regard.

(r) For the purposes of this Regulation 57A;

(i) "**Cumulative Net Present Value**" means, in respect of a SwapClear STM Contract and a Business Day (as such term is defined in the SwapClear STM Terms relating to that SwapClear STM Contract) falling after the Trade Date, a hypothetical value, determined by the Clearing House acting in its sole and absolute discretion, equal to:

(A) the aggregate of the amounts (if any) payable by the SwapClear Clearing Member to the Clearing House (expressed as a positive number) under Section 4.1 of the SwapClear STM Terms from, and including, the Trade Date to, but excluding, that Business Day; plus

(B) if such SwapClear STM Contract has been converted from a SwapClear CTM Contract, the aggregate of the amounts (if any) of variation margin determined to be payable by the SwapClear Clearing Member to the Clearing House (expressed as a positive number) from, and including, the Trade Date, to, and including, the STM Conversion Date relating to such SwapClear STM Contract; plus

(C) the aggregate of the amounts (if any) payable by the Clearing House to the SwapClear Clearing Member (expressed as a negative number) under Section 4.1 of the SwapClear STM Terms from, and including, the Trade Date, to, but excluding, that Business Day; plus

(D) if such SwapClear STM Contract has been converted from a SwapClear CTM Contract, the aggregate of the amounts (if any) of variation margin determined to be payable by the Clearing House to the SwapClear Clearing Member (expressed as a negative number) from, and including, the Trade Date, to, and including, the STM Conversion Date relating to the SwapClear STM Contract.

(ii) "**NPV Reset**" means, in relation to a SwapClear STM Contract, the point in time when LCH makes its determination of the net present value of that SwapClear STM Contract, and immediately following which the provisions of Regulation 57A(c) shall apply.

(iii) "**Price Alignment Amount**" means, in respect of a Business Day (as such term is defined in the SwapClear STM Terms relating to that SwapClear STM Contract) falling after the Trade Date, the product of:

(A) the absolute value of the Cumulative Net Present Value on such Business Day;

(B) the applicable Price Alignment Amount Rate on such Business Day; and

(C) the day count fraction determined by the Clearing House as being applicable to the currency of the SwapClear STM Contract.

(iv) "**Price Alignment Amount Rate**" means the applicable rate that is specified and published by the Clearing House in accordance with the Procedures.

REGULATION 58 THE APPLICABLE RATE FOR, AND THE NET PRESENT VALUE OF, A SWAPCLEAR CONTRACT

The Clearing House may determine the applicable rate for, and the net present value of, a SwapClear Contract for the purposes of these Regulations, the Procedures and the SwapClear STM Terms of a SwapClear STM Contract in such manner and at such times as may be prescribed in the Procedures. Except as prescribed in the Procedures, neither the applicable rate nor the net present value determined by the Clearing House may in any circumstances be challenged.

REGULATION 59 PORTFOLIO MARGINING SERVICE

The Clearing House shall provide the Portfolio Margining Service subject to an in accordance with the terms of the Procedures.

REGULATION 60 TRANSFER; BULK EVENTS

(a) Other than in the event that a SwapClear Clearing Member is a Defaulter, any Permitted Transfer of one or more Transferring SwapClear Contracts from the Transfer Account of an Eligible Transferor to the Transfer Account of an Eligible Transferee (including, where relevant, the transfer of an Associated Collateral Balance), may only be done pursuant to this Regulation 60 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement. Notwithstanding the foregoing, a SwapClear Clearing Member may transfer SwapClear Contracts pursuant to and in accordance with Section 2.1.13 of the FCM Procedures.

(b) Further to the satisfaction of the conditions set out in the Procedures and (where applicable) any relevant Collateral Management Agreement, and **provided that** the Clearing House does not determine, in its sole discretion, that (x) a Permitted Transfer cannot be effected under these Regulations, the Procedures or otherwise under Applicable Law and/or (y) where applicable, the additional conditions as set out in Regulation 46(q) of the FCM Regulations need to be and have not been complied with, the Clearing House shall transfer the Transferring SwapClear Contract(s) into the Transfer Account of the Receiving Clearing Member as follows:

(i) in the case of a Permitted Transfer where the Receiving Clearing Member is the same entity as the Eligible Transferor, the Transferring SwapClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the Proprietary Account of the Receiving Clearing Member;

(ii) in the case of a Permitted Transfer where the Carrying Clearing Member is not an FCM Clearing Member and the Receiving Clearing Member is an FCM Clearing Member, the Transferring SwapClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the relevant Transfer Account of the relevant Receiving Clearing Member and all of the SwapClear Contracts to be transferred (which are subject to the Rulebook) shall, upon transfer, be converted to FCM SwapClear Contracts subject to the FCM Regulations and the FCM Procedures but shall otherwise remain on the same contract terms;

(iii) in the case of a Permitted Transfer where the Carrying Clearing Member is an FCM Clearing Member and the Receiving Clearing Member is not an FCM Clearing Member, the FCM SwapClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the relevant Transfer Account of the relevant Receiving Clearing Member and all of the FCM SwapClear Contracts to be transferred (which are subject to the FCM Rulebook) shall, upon transfer, be converted to SwapClear Contracts subject to the Rulebook but shall otherwise remain on the same contract terms; or

(iv) in all other cases, the Transferring SwapClear Contracts (and, if applicable, the Associated Collateral Balance(s)) shall be transferred to the Transfer Account of the Receiving Clearing Member.

The Transfer of the Transferring SwapClear Contracts shall occur by novation of all of the Carrying Clearing Member's rights and obligations in respect of such Transferring

SwapClear Contracts to the Receiving Clearing Member as provided in Regulation 12(b).

(c) A SwapClear Clearing Member may only assign the rights under, or transfer, a SwapClear Contract entered into by such SwapClear Clearing Member in respect of SwapClear Client Clearing Business, in accordance with the Rulebook and (where applicable) any relevant Collateral Management Agreement or with the prior written consent of the Clearing House. Any purported assignment, or any purported transfer, of a SwapClear Contract entered into by a SwapClear Clearing Member in respect of SwapClear Client Clearing Business that is not in compliance with this Regulation 60(c) shall be void.

(d) If a SwapClear Clearing Member is a Defaulter, the Clearing House shall take such actions, subject to and in accordance with the Default Rules in relation to SwapClear Contracts carried by such SwapClear Clearing Member on behalf of SwapClear Clearing Clients, **provided always that** the Clearing House shall take such actions as are required to meet the Clearing House's continuing regulatory obligations including those applicable to it as a Recognised Clearing House and a Derivatives Clearing Organization.

(e) The Carrying Clearing Member agrees to indemnify the Clearing House in respect of all liabilities, costs, loss, fees, damages or expenses suffered or incurred by the Clearing House (howsoever arising or occurring) by reason of a proposed transfer being rejected by the Carrying Clearing Member other than in compliance with the grounds set out in the Procedures.

(f) Each of the following processes constitutes a "**Bulk Event**" and will be processed together by the Clearing House in one individual bulk event cycle (each, a "**Bulk Event Cycle**") at such times as determined by the Clearing House in its sole discretion:

(i) Multilateral Compression Cycle;

(ii) Backload Registration Cycle; and

(iii) Intra-Day Bulk Transfer.

The Clearing House may call for additional Collateral in respect of initial and/or variation margin to be deposited in such amounts and at such times as the Clearing House, in its sole discretion, requires prior to processing a given Bulk Event Cycle. Any Collateral so called and deposited shall be reserved and made available solely in connection with the relevant Bulk Event Cycle. In the event the Clearing House calls and reserves additional Collateral for a given Bulk Event Cycle and, subsequently, one or more Bulk Events in that given Bulk Event Cycle is cancelled by the Clearing House, in its sole and absolute discretion, all Bulk Events in that given Bulk Event Cycle shall be cancelled. The Clearing House reserves the right to cancel any Bulk Event and/or Bulk Event Cycle in its sole and absolute discretion. The Clearing House shall publish the Bulk Event Cycle schedule on its website, as amended from time to time.

REGULATION 60A INFLATION SWAPS

(a) This (a) should be read separately for each index identified in the Product Specific Contract Terms and Eligibility Criteria Manual as an acceptable index for vanilla inflation rate swaps (each an "**Index**") and, in respect of each SwapClear Clearing Member or Inflation Clearing Group (as applicable), with regards to each Index in respect of which the SwapClear Clearing Member clears or intends to clear, or the Group Members of the relevant Inflation Clearing Group clear or intend to clear, an Inflation SwapClear Contract through the Clearing House.

(b) Each SwapClear Clearing Member represents and warrants that it has the capacity, power and authority under all Applicable Law to enter into, to exercise its rights and to perform its obligations in relation to the Inflation SwapClear Contracts registered in its name.

(c) In respect of each quarter (the start dates of the quarters being 1 January, 1 April, 1 July and 1 October in each year (each a "**Quarter Start Date**"), the Clearing House will determine which Inflation Clearing Groups shall be required to provide Market Data during the relevant quarter, as set out below:

(i) Each SwapClear Clearing Member clearing Inflation SwapClear Contracts is combined in a group with those of its affiliates (if any) who also clear Inflation SwapClear Contracts (each such group being an "**Inflation Clearing Group**" and each SwapClear Clearing Member that is a member of an Inflation Clearing Group being a "**Group Member**"). For the avoidance of doubt, an Inflation Clearing Group may consist of one or more Group Members.

(ii) The Clearing House will calculate, on each Quarter Start Date and for each Inflation Clearing Group, the aggregate of all Inflation SwapClear Contracts referencing each particular Index cleared, over the course of the immediately preceding 12 months, through the Proprietary Accounts of the Group Members of that Inflation Clearing Group (the "**Inflation Clearing Group Aggregate**").

(iii) Where the Inflation Clearing Group Aggregate of an Inflation Clearing Group in respect of a particular Index on a particular Quarter Start Date exceeds the Reporting Threshold Amount, each Group Member of that Inflation Clearing Group (each a "**Market Data Provider**") will be required to provide Market Data in respect of that Index for the duration of the quarter in question in accordance with (f)(i). An Inflation Clearing Group, acting through one of its Group Members, shall be entitled to request a deferral of such obligation, on a one-off basis on the first occasion that the obligation arises in respect of the relevant Index, until the Quarter Start Date of the quarter immediately following the quarter in question.

(iv) If for any quarter there are to be less than 8 Inflation Clearing Groups to which (f)(i) applies in respect of a particular Index (or such lower number of Inflation Clearing Groups as the Clearing House may from time to time consider sufficient to allow it to produce Inflation Derived Data that is fair and representative of the pricing level of the relevant Index), the Clearing House may: (i) require any Inflation Clearing Group to which (f)(i) applied in the prior quarter and which includes at least one Group Member who continues to enter

into a non-trivial number of Inflation SwapClear Contracts referencing the relevant Index (as determined by the Clearing House in its sole discretion) to continue to comply with the obligations set out in (f)(i) in respect of that Index, notwithstanding that it may other wise not be required to do so; or (ii) where the course of action outlined in (i) is not possible or would not be sufficient to ensure that an adequate number of Inflation Clearing Groups provide Market Data in relation to the relevant Index in accordance with (f)(i), require an Inflation Clearing Group requesting a deferral in accordance with (c)(iii) above to start complying with the relevant obligation to provide Market Data from an earlier date.

(d) If, on a Quarter Start Date or on the date of launch of a new Index, the Clearing House has insufficient data for the purposes of calculating an Inflation Clearing Group Aggregate, it shall make its determinations on the basis of the following:

(i) in respect of Inflation SwapClear Contracts referencing a particular Index which were not eligible for clearing by the Clearing House for some or all of the immediately preceding 12 month period, the Clearing House shall determine the Inflation Clearing Group Aggregate of each relevant Inflation Clearing Group by estimating what it would have been, had the relevant Inflation SwapClear Contracts been eligible for clearing for all of such period; and

(ii) when the Clearing House wishes to launch a new Index, it shall reasonably determine the Inflation Clearing Group Aggregate of each Inflation Clearing Group with at least one Group Member who has informed the Clearing House that it intends to transact in Inflation SwapClear Contracts referencing the relevant new Index.

Any determination made by the Clearing House as to the Inflation Clearing Group Aggregate of an Inflation Clearing Group for which the Clearing House does not have the requisite data shall be made by the Clearing House applying, in its opinion, the most suitable methodology, which will, wherever possible, be based on the relevant Group Members' volume of business and trading patterns in relation to the relevant Index (where available) and, otherwise, any other Index that the Clearing House deems to be relevant. Any determination made by the Clearing House pursuant to Regulation 60A shall be final and binding.

(e) For the purposes of this Regulation 60A, the reporting threshold in respect of an Index (the "**Reporting Threshold Amount**") shall be set forth in the Procedures, provided that the Clearing House may from time to time (upon reasonable prior notice) prescribe a lower Reporting Threshold Amount to ensure that the number of Inflation Clearing Groups providing Market Data in accordance with (f)(i) in relation to an Index will be no fewer than eight (8) (or such lower number that the Clearing House considers sufficient, as described in (c)(iv) above).

(f) Each relevant Inflation Clearing Group required to provide Market Data to the Clearing House shall do so in accordance with the following procedures:

(i) The relevant Inflation Clearing Group (acting through one of its Group Members) shall provide to the Clearing House such inflation market data as is specified in the Inflation Swaps Market Data Operational Specifications in

respect of the relevant Index (the "**Market Data**") and in the manner set out in the Inflation Swaps Market Data Operational Specification at the end of each Inflation Swaps Business Day and at such other times specified in the Inflation Swaps Operational Specifications where "**Inflation Swap Business Day**" means: (i) in the case of any GBP denominated Index, each day that is a London business day; (ii) in the case of any EUR-denominated Index a Target Settlement Day; or (iii) in the case of any USD-denominated Index, a New York business day. Where an Inflation Clearing Group contains two or more Group Members, the obligation to provide Market Data in accordance with this (i) shall apply individually with respect to each Group Member, as required by (c)(iii), but may be discharged by any one of such Group Members providing Market Data on behalf of the Inflation Clearing Group.

(ii) Where it is a Market Data Provider, the SwapClear Clearing Member represents and warrants that it has the capacity, power and authority under all Applicable Law to provide Market Data to the Clearing House.

(iii) Notwithstanding any provision of this (a) to the contrary, no SwapClear Clearing Member will be under any obligation to provide Market Data to the extent that it is prohibited from doing so by Applicable Law to it or by any contract that was in place prior to this (a) coming into force and no Inflation Clearing Group will be under any obligation to provide Market Data in circumstances where this (f) applies to each of its Group Members.

(iv) Subject to these Regulations, the Market Data Provider will retain all ownership rights, Intellectual Property Rights and all other rights in respect of the Market Data provided by it.

(g) The Clearing House may only use and/or disclose Market Data in accordance with the following:

(i) the Clearing House may use market-standard data aggregation tools in order to combine the Market Data received from different Inflation Clearing Groups in respect of a particular Index and/or combine Market Data with relevant data from other data sources (any such combined data or further data derived there from (the "**Inflation Derived Data**")), provided that the Clearing House shall be entitled, in its sole discretion, to disregard one or more sets of relevant Market Data for these purposes. In producing the Inflation Derived Data, the Market Data will be anonymised and aggregated with other Market Data and/or equivalent market data received from other data sources so that it is not possible to analyse or reverse engineer the Inflation Derived Data in such a way as to attribute particular Market Data to a particular Inflation Clearing Group;

(ii) the Clearing House, LCH Group Holdings Limited and/or a subsidiary of LCH Group Holdings Limited (for purposes of this Regulation 60A, each an "**LCH Group Company**") may use and/or disclose Market Data (A) where required by law or by a regulatory authority, (B) use (but not disclose) Market Data where required in accordance with the exercise of a discretion by the Clearing House Risk Committee and (C) for risk management and settlement purposes (including, for the avoidance of doubt, valuation, margining, reporting and account management purposes); and

(iii) other than as permitted by (ii) or as agreed in writing with a relevant Group Member, the Clearing House shall not (and the Clearing House shall procure that any LCH Group Company that uses and/or discloses Market Data pursuant to Regulation 60(g)(ii) shall not) use and/or share Market Data received from an Inflation Clearing Group with third parties (whether for fees or otherwise). In all cases, the Clearing House will (and the Clearing House will procure that any LCH Group Company that uses and/or discloses Market Data pursuant to Regulation 60(g)(ii) will apply) apply standards of confidentiality to the Market Data at least equivalent to those the Clearing House applies to its own confidential information. This obligation of confidentiality covers, but is not limited to, information about which SwapClear Clearing Member has provided what Market Data.

(h) The Clearing House may only use and/or disclose Inflation Derived Data (as applicable) in accordance with the following:

(i) use of the Inflation Derived Data for risk management and settlement purposes (including, for the avoidance of doubt, valuation, margining, reporting and account management purposes);

(ii) use of the Inflation Derived Data as a data source for other Services;

(iii) use of the Inflation Derived Data for the purpose of answering ad hoc queries from Clearing Members (including FCM Clearing Members) and industry bodies (but not systematic, regular distribution) relating to Inflation SwapClear Contracts or Inflation FCM SwapClear Contracts;

(iv) use of the Inflation Derived Data for the purpose of responding to surveys conducted by relevant international not for profit organisations (such as BIS or IOSCO) relating to Inflation SwapClear Contracts;

(v) use of the Inflation Derived Data where otherwise required to do so by a direction of the Clearing House Risk Committee;

(vi) use or disclosure of the Inflation Derived Data where required or requested to do so by law or by a regulatory authority or for the purposes of commencing, or defending, any arbitration or court proceedings;

(vii) making some or all of the Inflation Derived Data available, directly or indirectly, to SwapClear Clearing Members (including FCM Clearing Members), SwapClear Clearing Clients and/or FCM Clients, clearing or intending to clear Inflation SwapClear Contracts or Inflation FCM SwapClear Contracts through the Clearing House, and their respective service providers;

(viii) making some or all of the Inflation Derived Data available to one or more of the Clearing House's affiliates, auditors or professional advisers, provided that each such affiliate, auditor or professional adviser shall be subject to restrictions on the use of such Inflation Derived Data which are no less onerous than those applicable to the Clearing House; and/or

(ix) other than as permitted by this (h), the Clearing House shall not use and/or share the Inflation Derived Data with third parties (whether for fees or otherwise), save with the prior written consent of 75% in aggregate total of the Group Members of the Inflation Clearing Groups that were subject to a reporting requirement pursuant to (f)(i) on the most recent Quarter Start Date preceding the date on which the consent is to take effect.

Notwithstanding anything to the contrary in (h) above, in fulfilling its obligations hereunder, the Clearing House shall not be required to use and/or disclose Inflation Derived Data, and otherwise act, in contravention of Applicable Law or its continuing regulatory obligations.

Where the Clearing House makes Inflation Derived Data available to an LCH Group Company pursuant to Regulation 60A(h)(vii), the Clearing House shall ensure that such LCH Group Company does not use the Inflation Derived Data for any purposes other than those which the Clearing House is entitled to use the Inflation Derived Data pursuant to this Regulation 60A. For the purposes of the foregoing, references in Regulation 60A(h)(vii) to (i) 'SwapClear Clearing Member' shall be construed to include a member of an LCH Group Company and (ii) 'clearing or intending to clear Inflation SwapClear Contracts or Inflation FCM SwapClear Contracts through the Clearing House' shall be construed to include participating in or intending to participate in the service(s) of the given LCH Group Company.

(i) SwapClear Clearing Members (including FCM Clearing Members) and/or the service providers of such Clearing Members may use the Inflation Derived Data solely for the purposes of such Clearing Members' internal risk management and settlement activities, in relation to Inflation SwapClear Contracts referencing the relevant Index and may only share the Inflation Derived Data with;

(i) SwapClear Clearing Clients or FCM Clients (as applicable) and/or the service providers of such SwapClear Clearing Clients or FCM Clients, and shall procure that the Inflation Derived Data may only be used solely for the purposes of SwapClear Clearing Clients' internal risk management and settlement activities in respect of the positions associated with the relevant Inflation SwapClear Contracts referencing the relevant Index and FCM Clients' internal risk management and settlement activities in respect of the relevant Inflation SwapClear Contracts and may not further disclose the Inflation Derived Data to any other person or use the Inflation Derived Data for any other purpose; and

(ii) where required or requested to do so by law or by a regulatory authority or for the purposes of commencing, or defending, and arbitration or court proceeding.

Inflation Derived Data may not be disclosed by SwapClear Clearing Members (including FCM Clearing Members) and/or their service providers to any other person or used by such parties for any other purpose.

(j) For the purposes of this (a), "**Intellectual Property Rights**" means any right, title and interest in patents, trademarks, copyright, typography rights, database rights (including rights of extraction), registered designs and unregistered design rights, trade secrets and the right to keep information confidential, and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of them which may subsist

anywhere in the world, whether or not any of them are registered and including applications for registration of any of them.

(k) On a given Quarter Start Date, each Inflation Clearing Group that consists of more than one Group Member and which is required to provide Market Data to the Clearing House in respect of the relevant quarter must:

(i) designate a Group Member (the "**Designated Group Member**") who shall be responsible for entering into Crossing Transactions on its behalf during that quarter (if any). Where an Inflation Clearing Group does not designate a Group Member, the Clearing House shall (where applicable) treat the previously designated Group Member as the Designated Group Member.

(ii) nominate a Group Member (the "**Nominated Group Member**") to which the Clearing House will send Non-Performance Notices and Market Deviation Notices (if any). Where an Inflation Clearing Group does not designate a Group Member, the Clearing House shall (where applicable) treat the previously nominated Group Member as the Nominated Group Member.

Where an Inflation Clearing Group consists of only one Group Member, that Group Member shall be treated as the Designated Group Member and Nominated Group Member for the purposes of this (a) and the Procedures.

(l) At the end of each Inflation Swap Business Day in respect of an Index, the Clearing House will generate a market price in each Key Tenor for that Index (the "**SwapClear End of Day Price**") and will compare the price of the Market Data most recently received from each Market Data Provider prior to the time when the SwapClear End of Day Price was calculated in the Key Tenors set out in the Inflation Swaps Operational Specifications (the "**Key Tenor Market Data**") against the SwapClear End of Day Price. The Clearing House will deliver a "**Market Deviation Notice**" to the Market Data Provider in respect of provision by that Market Data Provider of Key Tenor Market Data that deviates from the SwapClear End of Day Price by an amount which is equal to or greater than the threshold specified for market deviation purposes in the Inflation Swaps Operational Specifications. The Clearing House may also deliver a Market Deviation Notice to a Market Data Provider in accordance with the Procedures. An Inflation Clearing Group where group members in aggregate receive four or more Market Deviation Notices in respect of an Index and in a calendar month will be required, upon written notice from the Clearing House, to enter into a transaction (a "**Crossing Transaction**") through its Designated Group Member in accordance with the terms set out in the Procedures.

(m) At the end of each Inflation Swap Business Day in respect of an Index and other than in the event of Inflation Force Majeure Event, the Clearing House will deliver a "**Non-performance Notice**" on an Inflation Clearing Group through a notice to the Nominated Group Member in respect of any failure by each Group Member of that Inflation Clearing Group to deliver Market Data on an Inflation Swap Business Day. An Inflation Clearing Group where Group Members in aggregate receive two or more Non-performance Notices in respect of an Index and in a calendar month will be required, upon written notice from the Clearing House, to enter into a Crossing Transaction through its Designated Group Member in accordance with the terms set out in the Procedures.

(n) In the event that a Inflation Clearing Group where Group Members in aggregate receive a total of ten or more Market Deviation Notices or Non-performance Notices in any given quarter the Clearing House may require a written report from such Inflation Clearing Group (acting through one of its Group Members) which sets out:

(i) the reasons behind its provision of off-market Market Data and/or failure to provide Market Data (ass applicable); and

(ii) the steps being taken to ensure that the provision of timely and accurate Market Data in accordance with the obligations set out in Regulation 60A(f)(i) will be fulfilled in the future.

Each report provided in accordance with this (o) will be prepared by the compliance department(s) of the relevant Group Member(s) or by other divisions within such Group Member that are charged with exercising appropriate internal control functions.

(o) The Clearing House shall not serve a Default Notice on any Group Member solely because each of the Group Members of its Inflation Clearing Group has failed to comply with their obligations under (a). However, where the Clearing House considers that one or more Group Members of an Inflation Clearing Group are in material, persistent or recurring breach of its obligations under this (a), the Clearing House may, following discussion with the relevant Group Member(s) of the affected Inflation Clearing Group, decline to register additional Inflation SwapClear Contracts in the name of any of the Group Members of such Inflation Clearing Group or make the registration of additional Inflation SwapClear Contracts in their names, subject to such conditions as the Clearing House may consider appropriate in its sole discretion (such as requiring that the registration of the additional Inflation SwapClear Contracts would reduce the overall risk associated with the relevant Group Member's portfolio of Inflation SwapClear Contracts); provided that the Clearing House shall not take any steps pursuant to this (o)where the failure of one or more Group Members to comply with this (a) results from an Inflation Force Majeure Event.

For the purposes of this (a) and with respect to a Group Member, an "**Inflation Force Majeure Event**" shall occur where (i) the failure of the relevant Group Member to comply with its obligations pursuant to this (a) results from: (A) a force majeure event falling within the scope of Regulation 38(a); or (B) a significant and widespread market disruption preventing the relevant Group Member from complying with its obligations; (ii) the relevant Group Member has notified the Clearing House of the occurrence of the force majeure event or market disruption immediately upon becoming aware thereof; and (iii) the relevant Group Member is using all commercially reasonable efforts to bring about a situation where it and the other Group Members of the relevant Inflation Clearing Group can continue to comply with their respective obligations pursuant to this (a).

(p) The clearing House shall, except where a change needs to be implemented more quickly in order to comply with Applicable Law or to protect the solvency or integrity of the Clearing House, give SwapClear Clearing Members reasonable prior notice of any proposed material changes to the Inflation Swaps Operational Specifications.

CHAPTER XV – REPOCLEAR REGULATIONS

REGULATION 61 APPLICATION OF REPOCLEAR REGULATIONS

(a) The Clearing House shall provide the RepoClear Service subject to and in accordance with the terms of these RepoClear Regulations and the Procedures.

(b) RepoClear Clearing Members shall be bound by these RepoClear Regulations. Applications to become a RepoClear Clearing Member shall be made in accordance with Regulation 61(d) and (e). Other than as expressly specified in this Regulation 61, the remainder of the Regulations shall not apply to the RepoClear Service. A summary table of those Regulations which apply to the RepoClear Service as described in Regulation 61(a) to (p) is provided at Regulation 61(q).

(c) Regulation 2 and Regulation 3 of the Regulations apply to the RepoClear Service.

RepoClear Clearing Membership

(d) A Clearing Member may apply to become a RepoClear Clearing Member in accordance with the Procedures.

(e) Regulation 4 applies to membership of the RepoClear Service and applications for such membership.

(f) Regulation 5 applies to a RepoClear Clearing Member.

Accounts

(g) Regulation 10 applies to the opening and operation of accounts with respect to a RepoClear Clearing Member. Such accounts shall be designated in accordance with Regulation 15.

Client Clearing

(h) Regulation 11 applies to those RepoClear Clearing Members who provide (or wish to provide) Client Clearing Services.

Formation, registration and transfers of RepoClear Contracts

(i) Regulation 16(b), (c) and (e) to (m), Regulation 17 and Regulation 19 apply to the formation and registration of a RepoClear Contract.

(j) Regulation 61 to Regulation 66 applies to the RepoClear Service.

(k) Regulation 18 (and, insofar as relevant, Regulation 12(b)) apply to a RepoClear Contract that is an open contract.

Margin and Collateral

(l) Regulation 20 applies to a RepoClear Clearing Member.

Reference prices and Revaluation

(m) Regulation 22 and Regulation 66 apply to open RepoClear Contracts.

Other Applicable Regulations

(n) Regulation 37 to Regulation 46 inclusive apply to RepoClear Clearing Members and RepoClear Contracts.

Default Rules

(o) The Default Rules (including the RepoClear DMP Annex) apply to RepoClear Clearing Members and RepoClear Contracts.

Clearing House Settlement Finality Regulations

(p) The Clearing House Settlement Finality Regulations apply in relation to RepoClear Clearing Members and RepoClear Contracts.

Summary table of Regulations which apply to the RepoClear Service

(q) The Regulations listed in this Regulation 61(q) apply to the RepoClear Service as described under Regulation 61(a) to (p).

Regulation	***Title***
Regulation 2	Obligation to the Clearing House to each Member
Regulation 3	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
Regulation 4	Clearing Member Status of the Clearing House
Regulation 5	Resigning and Retiring Members
Regulation 8	Dealer Status
Regulation 9	Service Withdrawal
Regulation 10	Accounts
Regulation 11	Client Clearing Business
Regulation 12(b)	Novation
Regulation 15	Designation
Regulation 16(b), (c) and (e) to (m)	Registration
Regulation 17	Trading Information
Regulation 18	Transfer

Regulation	***Title***
Regulation 19	Transactions entered into through an Automated Trading System or Platform
Regulation 20	Margin and Collateral
Regulation 22	Official Quotations and Reference Price
Regulation 25	Other modes of settlement and Revaluation
Regulation 35	Delivery (or other) Failures
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45 and Regulation 46	Netting and Distribution of Assets
Regulation 46	Solvency Threatening Treasury Default Loss
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50(a)	Validity of Regulations and Action
Regulation 51(a) and (c) to (e)	Governing Law and Jurisdiction
Regulation 52	Exclusion of Liability
Regulation 61 to Regulation 66	RepoClear Regulations

Regulation	***Title***
Default Rules	Default Rules (including RepoClear DMP Annex)
Settlement Finality Regulations	Settlement Finality Regulations

REGULATION 62 SUBMISSION OF DETAILS OF REPOCLEAR TRANSACTIONS AND REPOCLEAR TERM £GC TRANSACTIONS THROUGH AN APPROVED TRADE MATCHING SYSTEM

(a) Details of RepoClear Transactions and RepoClear Term £GC Transactions other than those referred to in Regulation 63 (RepoClear Transactions and RepoClear Term £GC Transactions entered into through an Automated Trading System) which are to be submitted for registration must be submitted by the RepoClear Participants party to such transactions through an Approved Trade Matching System ("**ATMS**") specified for the purpose of this Regulation in the Procedures, and in accordance with the Procedures.

REGULATION 63 REPOCLEAR TRANSACTIONS ENTERED INTO THROUGH AN AUTOMATED TRADING SYSTEM

(a) This Regulation 63 applies to Repo Trades, Bond Trades and Term £GC Trades and ATS Contracts made (i) between RepoClear Clearing Members or RepoClear Dealers; or (ii) in respect of ATS Contracts only, between the Clearing House and a RepoClear Clearing Member or a RepoClear Dealer, through an Automated Trading System which such RepoClear Clearing Member or RepoClear Dealer is authorised by the Clearing House to use under the Procedures ("an **ATS**") either as direct participants in the ATS or indirectly through a participant in the ATS. In the event of any inconsistency between the Regulations (including any applicable RepoClear Dealer Clearing Agreement and the terms of any other agreement entered into between the RepoClear Dealer, the RepoClear Clearing Member and the Clearing House, or any of them), and the rules, practices, procedures and arrangements of the ATS ("**ATS Rules**") the Regulations shall prevail.

(b) Except in respect of ATS Contracts, if an "**ATS Participant**" (defined for these purposes as a RepoClear Dealer or a RepoClear Clearing Member, who is a direct or indirect participant in an ATS) has given notice to the Clearing House, in accordance with the Procedures, that it intends to carry out Repo Trades and/or Bond Trades and/or Term £GC Trades through an ATS specified in its notice and has not withdrawn such notice in accordance with the Procedures, the Clearing House will enter into RepoClear Contracts or RepoClear Term £GC Contracts, as the case may be, with the ATS Participant (where it is a RepoClear Clearing Member) or the ATS Participant's RepoClear Clearing Member (where the ATS Participant is not a RepoClear Clearing Member itself) pursuant to such dealings in accordance with and subject to thefollowing provisions of this Regulation. The terms of a registered RepoClear Contract or RepoClear Term £GC Contract shall be as notified to the Clearing House by the ATS and otherwise subject to the Regulations (and the Clearing House and the RepoClear Clearing Member party to the registered RepoClear Contract or RepoClear Term £GC Contract, as the case may be, shall be obliged to perform their obligations thereunder in accordance with such terms).

(c) Except in respect of ATS Contracts, the Clearing House shall, in relation to an ATS Participant (where it is a RepoClear Clearing Member) or the ATS Participant's RepoClear Clearing Member (where the ATS Participant is not a RepoClear Clearing Member itself) enter into a RepoClear Contract in respect of any Repo Trade or any Bond Trade or to enter into a RepoClear Term £GC Contract in respect of any Term £GC Trade, in accordance with paragraph (d) of this Regulation, as applicable, pursuant to the ATS Participant's dealings through any ATS referred to in paragraph (b), **provided that** the following requirements ("**the RepoClear Trade Registration Criteria**") shall have been complied with:

(i) the Clearing Membership Agreement:

(A) to which the ATS Participant is party has not been terminated in accordance with its terms; or

(B) to which the ATS Participant's RepoClear Clearing Member is party has not been terminated in accordance with its terms; or

(ii) the ATS Participant has not (where it is not itself a RepoClear Clearing Member) been removed or suspended from the Register of RepoClear Dealers, or (where it is a RepoClear Clearing Member) has not had its authorisation to participate in the RepoClear Service removed by the Clearing House;

(iii)

(A) in the case of an ATS Participant who is a RepoClear Clearing Member, a Default Notice has not been issued in respect of the ATS Participant under Rule 3 of the Default Rules (without prejudice to the Clearing House's rights to register new Contracts (including RepoClear Contracts and RepoClear Term £GC Contracts, whether closing out contracts or otherwise) in the ATS Participant's name under the Default Rules in connection with the Clearing House's default proceedings); or

(B) in the case of an ATS Participant who is not a RepoClear Clearing Member, a Default Notice has not been issued in respect of the ATS Participant's RepoClear Clearing Member under Rule 3 of the Default Rules (without prejudice to the Clearing House's rights to register new Contracts (including RepoClear Contracts and RepoClear Term £GC Contracts, whether closing out contracts or otherwise) in the RepoClear Clearing Member's name under the Default Rules in connection with the Clearing House's default proceedings);

(iv) such dealings satisfy the terms and conditions stated in the Regulations and the Procedures with respect to such dealings (together the "**RepoClear Eligibility Criteria for RepoClear Contracts and RepoClear Term £GC Contracts**") and the offers made in this Regulation 63, including the terms of any Contract which would arise under paragraph (d) and all necessary details as required by the Clearing House, shall have been provided to the Clearing House;

(v) the dealings are recognised by the relevant ATS as satisfying the RepoClear Eligibility Criteria for a RepoClear Contract or RepoClear Term £GC Contract and as dealings which the parties thereto have identified are to be registered by the Clearing House as RepoClear Contracts or RepoClear Term £GC Contracts, as applicable;

(vi) the ATS Participant (including, where applicable, as agent for the relevant RepoClear Clearing Member) has executed such agreements or documents as may be required by the Clearing House from time to time in connection herewith (or, where applicable, in connection with the relevant RepoClear Dealer Clearing Agreement); and

(vii) all or any conditions imposed by the Clearing House have been satisfied.

(d) Except in respect of ATS Contracts, if particulars with respect to (i) a Repo Trade; (ii) a Bond Trade or (iii) a G Term £C Trade which:

(i) satisfy the relevant RepoClear Trade Registration Eligibility Criteria;

(ii) have been input into the relevant ATS by or on behalf of an ATS Participant as seller (or buyer);

(iii) have been matched by, or in accordance with the ATS Rules with particulars with respect to a Repo Trade, Bond Trade or Term £GC Trade, on such terms input into such ATS by another ATS Participant as buyer (or seller), and

(iv) the Clearing House has registered on its system such Repo Trade, Bond Trade or Term £GC Trade (as the case may be);

then two RepoClear Contracts or RepoClear Term £GC Contracts, as the case may be, shall arise. The Clearing House shall be the buyer (or seller) under one RepoClear Contract or RepoClear Term £GC Contract (as the case may be) to the selling (or buying) ATS Participant, and the seller (or buyer) under the second RepoClear Contract or relevant RepoClear Term £GC Contract, as the case may be to the buying (or selling) ATS Participant.

(e) In respect of ATS Contracts, the Clearing House shall, in relation to an ATS Participant (where it is a RepoClear Clearing Member) or the ATS Participant's RepoClear Clearing Member (where the ATS Participant is not a RepoClear Clearing Member itself) enter into a RepoClear Contract in accordance with paragraph (f) of this Regulation pursuant to the Clearing House; and such ATS Participant's course of dealing on any ATS, provided that, the following requirements (the "**ATS Contract Eligibility Criteria**") shall have been compiled with:

(i) the Clearing Membership Agreement;

(A) to which the ATS Participant is party has not been terminated in accordance with its terms; or

(B) to which the ATS Patricipant's RepoClear Clearing Member is party has not been terminated in accordance with its terms;

(ii) the ATS Participant has not (where it is not itself a RepoClear Clearing Member) been removed or suspended from the Register of RepoClear Dealers, or (where it is a RepoClear Clearing Member) has not had its authorisation to participate in the RepoClear Service removed by the Clearing House;

(iii) in the case of an ATS Participant who is a RepoClear Clearing Member, a Default Notice has not been issued in respect of the ATS Participant, or, in the case of an ATS Participant who is not a RepoClear Clearing Member, a Default Notice has not been issued in respect of the ATS Participant's RepoClear Clearing Member;

(iv) such dealings satisfy the terms and conditions stated in the Regulations and the Procedures with respect to such dealings (together, the "**RepoClear Eligiblity Criteria for RepoClear Contracts and RepoClear Term £GC Contracts**") and the offer made in this paragraph (e) to this Regulation 63, including the terms of any ATS Contract which would arise under paragraph (d) above and all necessary details as required by the Clearing House, shall have been provided to the Clearing House;

(v) the dealings are recognised by the relevant ATS as satisfying the RepoClear Eligibility Criteria for RepoClear Contracts and RepoClear Term £GC Contracts and as dealings which the parties thereto have identified are to be registered by the Clearing House as a RepoClear Contract;

(vi) the ATS Participant (including, where applicable, as agent for the relevant RepoClear Clearing Member) has executed such agreements or documents as may be required by the Clearing House from time to time in connection herwith; and

(vii) all or any conditions imposed by the Clearing House have been satisfied.

(f) If particulars with respect to a RepoClear Contract which satisfy the relevant ATS Contract Eligibility Criteria have been input into the relevant ATS by the Clearing House (as buyer or seller, as applicable) and have been matched by the ATS Participant (as buyer or seller, as applicable), and the relevant ATS Contract Eligibility Criteria have been satisfied, one RepoClear Contract shall arise immediately on the registration of such details. The Clearing House shall be the buyer or seller (as applicable) under the RepoClear Contract to the selling or buying (as applicable) ATS Participant.

REGULATION 64 DISPUTES

(a) In the event of a dispute arising out of, or in respect of, the existence of a trade, or whether it was identified to the ATS by the ATS Participants (as defined above) as a trade to be registered by the Clearing House as a RepoClear Contract or RepoClear Term £GC Contract, such dispute shall be settled as provided for in the ATS Rules, without recourse to the Clearing House. In respect of a dispute arising out of, or in respect of, a registered RepoClear Contract or RepoClear Term £GC Contract, other than a dispute in respect of a matter referred to above as a dispute to be settled as provided for in the ATS Rules, such dispute shall be settled as provided in the Regulations.

REGULATION 65 AUTHORISATION TO ACT AS A REPOCLEAR CLEARING MEMBER

(a) A Member may not become party to RepoClear Contracts or RepoClear Term £GC Contracts unless it has been authorised by the Clearing House as a RepoClear Clearing Member and is eligible to be party to such RepoClear Contracts or RepoClear Term £GC Contracts and such authorisation has not been withdrawn or suspended by the Clearing House.

(b) Application for authorisation as a RepoClear Clearing Member shall be made in accordance with these Regulations and the Procedures. In order to be authorised as a RepoClear Clearing Member, a Member must meet the criteria applicable to the RepoClear Contracts or RepoClear Term £GC Contracts to which it wishes to become a party. A Clearing Member may be authorised as eligible to become party to certain RepoClear Contracts or RepoClear Term £GC Contracts and not others.

(c) The withdrawal or suspension of a Member's authorisation referred to in paragraph (a) shall not, of itself, affect its membership of the Clearing House, or its entitlement (if any) to become party to RepoClear Contracts or RepoClear Term £GC Contracts which are not caught by the withdrawal or suspension of such authorisation.

(d) Where a Default Notice is served in accordance with these Regulations, or the Clearing Membership Agreement of a RepoClear Clearing Member is terminated, the service of such notice or the termination of such Clearing Membership Agreement, as the case may be, shall automatically withdraw the authorisation of that Member to be a RepoClear Clearing Member.

(e) Without prejudice to paragraph (d) of this Regulation, the Clearing House shall suspend the authorisation referred to in paragraph (a) of any Member who is no longer otherwise eligible to have RepoClear Contracts and/or RepoClear Term £GC Contracts registered in its name for such period as the Clearing House may determine.

(f) If a Member's authorisation to act as RepoClear Member is withdrawn, or is withdrawn with respect to some but not all RepoClear Contracts and RepoClear Term £GC Contracts, those RepoClear Contracts or RepoClear Term £GC Contracts which the Member is no longer eligible to clear with the Clearing House shall be closed-out in accordance with directions given by the Clearing House.

REGULATION 66 DAILY MARGINING OF REPOCLEAR CONTRACTS AND REPOCLEAR TERM £GC CONTRACTS

(a) This Regulation 66 shall be without prejudice to the Clearing House's rights to require Collateral to be transferred to it under Regulation 20.

(b) The Net Present Value of each RepoClear Contract and each RepoClear Term £GC Contract shall be calculated by the Clearing House in such manner and at such times as may be provided in the Procedures. Except as prescribed in the Procedures, the Net Present Value calculated by the Clearing House may in no circumstances be challenged.

(c) Subject to paragraph (d), the Clearing House shall require transfer, in accordance with the Procedures, at least daily, of cash Collateral to the Clearing House in respect of variation margin from a RepoClear Clearing Member, or will be required to transfer cash collateral in respect of variation margin to such RepoClear Clearing Member, representing the change in the Net Present Value of all RepoClear Contracts and RepoClear Term £GC Contracts registered in the RepoClear Clearing Member's name for a particular currency from the preceding RepoClear Opening Day (as defined in the Procedures), in an amount calculated in accordance with the Procedures. Transfer of cash collateral shall be made in accordance with and by the time or times stated in the Procedures.

(d) Interest shall be paid by the Clearing House on cash Collateral (other than Clearing Member Returned Collateral) transferred to the Clearing House by such RepoClear Member and shall be calculated on the basis set out in the Procedures. A RepoClear Clearing Member shall pay interest to the Clearing House on cash collateral (other than returned cash collateral) transferred by the Clearing House to the RepoClear Clearing Member in respect of variation margin as calculated by the Clearing House on the basis set out in the Procedures.

CHAPTER XVI – EQUITYCLEAR REGULATIONS

REGULATION 67 APPLICATION OF EQUITYCLEAR REGULATIONS

(a) The Clearing House shall provide the EquityClear Service subject to and in accordance with the terms of these EquityClear Regulations and the Procedures.

(b) EquityClear Clearing Members shall be bound by these EquityClear Regulations. Applications to become an EquityClear Clearing Member shall be made in accordance with Regulation 67(d) and (e). Other than as expressly specified in this Regulation 67, the remainder of the Regulations shall not apply to the EquityClear Service. A summary table of those Regulations which apply to the EquityClear Service as described in Regulation 67(a) to Regulation 67(q) is provided at Regulation 67(r).

(c) Regulation 2 and Regulation 3 of the Regulations apply to the EquityClear Service.

EquityClear Clearing Membership

(d) A Clearing Member may apply to become an EquityClear Clearing Member in accordance with the Procedures.

(e) Regulation 4 applies to membership of the EquityClear Service and applications for such membership.

(f) Regulation 5 applies to an EquityClear Clearing Member.

Accounts

(g) Regulation 10 applies to the opening and operation of accounts with respect to an EquityClear Clearing Member. Such accounts shall be designated in accordance with Regulation 15.

Client Clearing

(h) Regulation 11 applies to those EquityClear Clearing Members who provide (or wish to provide) Client Clearing Services.

Formation, registration and transfers of EquityClear Contracts

(i) Regulation 16(b), (c) and (e) to (l), Regulation 17 and Regulation 19 apply to the formation and registration of an EquityClear Contract.

(j) Regulation 67 to Regulation 71 apply to the EquityClear Service.

(k) Regulation 18 (and, insofar as relevant, Regulation 12(b)) apply to an EquityClear Contract that is an open contract.

Margin and Collateral

(l) Regulation 20 applies to an EquityClear Clearing Member.

Reference prices and Revaluation

(m) Regulation 22 applies to open EquityClear Contracts.

Arbitration

(n) Regulation 33 and Regulation 34 apply to EquityClear Contracts.

Other Applicable Regulations

(o) Regulation 37 to Regulation 46 inclusive apply to EquityClear Clearing Members and EquityClear Contracts.

Default Rules

(p) The Default Rules apply to EquityClear Clearing Members and EquityClear Contracts.

Clearing House Settlement Finality Regulations

(q) The Clearing House Settlement Finality Regulations apply in relation to EquityClear Clearing Members and EquityClear Contracts.

Summary table of Regulations which apply to the EquityClear Service

(r) The Regulations listed in this Regulation 67(r) apply to the EquityClear Service as described under Regulation 67(a) to (q).

Regulation	***Title***
Regulation 2	Obligation to the Clearing House to each Member
Regulation 3	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
Regulation 4	Clearing Member Status of the Clearing House
Regulation 5	Resigning and Retiring Members
Regulation 7	Non-Member Market Participant Status
Regulation 9	Service Withdrawal
Regulation 10	Accounts
Regulation 11	Client Clearing Business
Regulation 12(b)	Novation
Regulation 15	Designation
Regulation 16(b), (c) and (e) to (l)	Registration
Regulation 17	Trading Information

Regulation	***Title***
Regulation 18	Transfer
Regulation 19	Transactions entered into through an Automated Trading System or Platform
Regulation 20	Margin and Collateral
Regulation 21	Premium under Option Contracts
Regulation 22	Official Quotations and Reference Price
Regulation 33	Arbitration: Cleared Exchange Contracts, EquityClear Contracts (for Physical Delivery)
Regulation 34	Collateral in Event of a Claim
Regulation 35	Delivery (or other) Failures
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45 and Regulation 46	Netting and Distribution of Assets
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50(a)	Validity of Regulations and Action
Regulation 51(a) and (c) to (e)	Governing Law and Jurisdiction

Regulation	***Title***
Regulation 52	Exclusion of Liability
Regulation 67 to Regulation 71	EquityClear Regulations
Default Rules	Default Rules
Settlement Finality Regulations	Settlement Finality Regulations

REGULATION 68 EQUITYCLEAR OPEN OFFER FOR EQUITYCLEAR ATP MATCHES

(a) This Regulation 68 applies to EquityClear ATP Matches arising pursuant to Trading Platform Particulars submitted by or on behalf of an EquityClear Clearing Member (which shall, for the avoidance of doubt, exclude any Co-operating Clearing House in connection with the EquityClear service). In the event of any inconsistency between the Rulebook and any relevant ATP Market Rules, the Rulebook shall prevail.

(b) If an EquityClear Clearing Member has been given approval by the Clearing House to clear eligible EquityClear (Equities) ATP Matches and/or eligible EquityClear (ccCFD) ATP Matches in respect of the ATP specified in such approval and such approval has not been withdrawn by the Clearing House the Clearing House will enter into EquityClear Contracts with that EquityClear Clearing Member pursuant to such approval in accordance with and subject to the provisions of the Regulations and the Procedures. The terms of a registered EquityClear Contract shall be as received by the Clearing House, or its relevant approved agent, from the relevant ATP (in the case of EquityClear (Equities) ATP Matches) or from the relevant EquityClear Clearing Member (in the case of EquityClear (ccCFD) ATP Matches) and otherwise subject to the Regulations (and the Clearing House and the EquityClear Clearing Member party to the registered EquityClear Contract shall be obliged to perform their obligations thereunder in accordance with such terms and the Regulations and the Procedures).

(c) The Clearing House makes an open offer to EquityClear Clearing Members to enter into an EquityClear Contract in respect of an EquityClear ATP Match in accordance with paragraphs (e) and (f) of this Regulation 68, as applicable, pursuant to the submission of Trading Platform Particulars by or on behalf of those EquityClear Clearing Members **provided that** the following requirements ("**EquityClear Open Offer Eligibility Criteria**") shall have been satisfied:

(i) at the relevant times the EquityClear Clearing Member was party to a valid and subsisting Clearing Membership Agreement;

(ii) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under sub-paragraph (iv) of this paragraph (c), the EquityClear Clearing Member is not a Defaulter;

(iii) the financial instruments or securities the subject of the EquityClear ATP Match are, at the relevant times, EquityClear Eligible Equities, EquityClear Eligible ccCFDs or EquityClear Eligible Instruments (as applicable);

(iv) all necessary details as required by the Clearing House from time to time in respect of the EquityClear ATP Matches shall have been provided to the Clearing House or its approved agent in the form, and by the times, prescribed by the Clearing House from time to time. Such information must be complete, must not be corrupted and must be legible at the time of receipt by the Clearing House, or its relevant approved agent, as applicable;

(v) the EquityClear Eligible Equities, EquityClear Eligible ccCFDs or EquityClear Eligible Instruments, which are or is the subject of the EquityClear ATP Match,

are or is not subject to any trading halts, suspension of dealings or any other action having equivalent effect;

(vi) at the relevant times, the EquityClear service or any relevant part of the EquityClear Open Offer in respect of EquityClear ATP Matches made on such ATP had not been suspended or withdrawn;

(vii) the EquityClear Clearing Member has executed such other agreements or documents as may be required by the Clearing House from time to time in connection with the EquityClear service;

(viii) in the case of an EquityClear (Equities) ATP Match, there are in place appropriate arrangements (as prescribed from time to time by the Clearing House) between the EquityClear Clearing Member (or its nominated agent, where applicable) and an Approved EquityClear Settlement Provider for the delivery, or receipt, as applicable, of the EquityClear Eligible Equities which are the subject of an EquityClear (Equities) ATP Match; and

(ix) in the case of an EquityClear (Equities) ATP Match which is an EquityClear Mixed Member Match:

(A) the eligibility criteria (howsoever defined on the Clearing House's website) of the relevant Co-operating Clearing House in respect of such EquityClear (Equities) ATP Match have been satisfied and the relevant Co-operating Clearing House has not declined to register, rejected, cancelled, avoided or terminated such EquityClear (Equities) ATP Match or any contract between the Co-operating Clearing House and its member arising out of it; and

(B) a balancing contract is deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear (Equities) ATP Match pursuant to the agreement in place between them in relation to the co-clearing of the relevant ATP and such balancing contract has not been rejected, cancelled, avoided or terminated for any reason; and

(C) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under sub-paragraph (iv) of this paragraph (c), neither of the Clearing House or the relevant Co-operating Clearing House has been declared a defaulter by the other, by default notice or otherwise.

(d) For the avoidance of doubt, Trading Platform Particulars are deemed to have been submitted by or on behalf of the EquityClear Clearing Member if the details of the EquityClear ATP Matches received by the Clearing House identify, in accordance with any relevant ATP Market Rules, the Regulations or the Procedures, the EquityClear ATP Matches as having been made by or on behalf of that EquityClear Clearing Member.

(e) If Trading Platform Particulars have been submitted to input into the relevant ATP by or on behalf of an EquityClear Clearing Member, as seller (the "**selling EquityClear**

Clearing Member") (or buyer (the "**buying EquityClear Clearing Member**")) and have been matched by, or in accordance with, the ATP Market Rules with Trading Platform Particulars submitted to such ATP by or on behalf of another or the same EquityClear Clearing Member, as buyer (the "**buying EquityClear Clearing Member**") (or seller (the "**selling EquityClear Clearing Member**")), and the resulting EquityClear ATP Match has been presented to the Clearing House for registration, then, subject to the satisfaction of the EquityClear Open Offer Eligibility Criteria and to the Regulations and the Procedures, the Clearing House shall automatically and immediately register two EquityClear Contracts, as follows:

(i) the Clearing House shall be the buyer under one EquityClear (Equities) Contract or one EquityClear (ccCFD) Contract (as the case may be) to the selling EquityClear Clearing Member; and

(ii) the Clearing House shall be the seller under one EquityClear (Equities) Contract or one EquityClear (ccCFD) Contract (as the case may be) to the buying EquityClear Clearing Member.

(f) In respect of an EquityClear Mixed Member Match which is an EquityClear (Equities) ATP Match, if Trading Platform Particulars submitted by, or on behalf of, an EquityClear Clearing Member to the relevant ATP have been matched by, or in accordance with, the ATP Market Rules with Trading Platform Particulars submitted by, or on behalf of, a member of a relevant Co-operating Clearing House, and the resulting EquityClear Mixed Member Match has been presented to the Clearing House for registration, then, subject to satisfaction of the EquityClear (Equities) Open Offer Eligibility Criteria, the Regulations and the Procedures, and the relevant Co-operating Clearing House being party to a valid and subsisting agreement with the Clearing House for the co-clearing of EquityClear Mixed Member Matches, the Clearing House shall automatically and immediately register Contracts in the name of the EquityClear Clearing Member and in the name of the relevant Co-operating Clearing House as follows:

(i) where the EquityClear Clearing Member is identified in the EquityClear (Equities) ATP Match as the buyer, (A) the Clearing House shall be the seller under an EquityClear (Equities) Contract with the EquityClear Clearing Member as buyer; and (B) the Clearing House shall be the buyer under a Contract with the Co-operating Clearing House as seller; and

(ii) where the EquityClear Clearing Member is identified in the EquityClear (Equities) ATP Match as the seller, (A) the Clearing House shall be the buyer under an EquityClear (Equities) Contract with the EquityClear Clearing Member as seller; and (B) the Clearing House shall be the seller under a Contract with the Co-operating Clearing House as buyer.

(g) Subject to its rights to suspend the EquityClear Open Offer and/or the EquityClear service generally or in respect of one or more ATPs or to withdraw the EquityClear service in whole or in part, as set out in these Regulations or the Procedures, the Clearing House undertakes to keep open the offer made by it in this Regulation 68 until such EquityClear Clearing Member is no longer eligible to have EquityClear Contracts registered in its name or has withdrawn from trading through each ATP approved by the Clearing House under paragraph (b). Any such intended withdrawal from trading

through an ATP must be notified to the Clearing House in accordance with the Procedures.

REGULATION 69 EQUITYCLEAR NOVATION TRANSACTIONS

(a) Details of any EquityClear Novation Transaction in respect of an ATP which is to be presented for registration must be presented in accordance with the Procedures by or on behalf of the EquityClear Clearing Member who is party to, or is providing clearing services to a party to, such EquityClear Novation Transaction. For the avoidance of doubt, where the particulars of an EquityClear Novation Transaction presented by or on behalf of an EquityClear Clearing Member and received by the Clearing House identify, in accordance with the relevant ATP Market Rules or the Procedures, that EquityClear Clearing Member as buyer or seller, or as acting as Clearing Member for the buyer or seller, in respect of the EquityClear Novation Transaction, the Clearing House will enter into an EquityClear (Equities) Contract or EquityClear (ccCFD) Contract, as applicable with that EquityClear Clearing Member in accordance with and subject to the provisions of the Regulations and the Procedures.

(b) Without prejudice to the Clearing House's rights under Regulation 16(i), the Clearing House shall register or reject the registration of an EquityClear Novation Transaction presented for registration by or on behalf of an EquityClear Clearing Member subject to, and in accordance with, these Regulations, the Procedures and all Applicable Law, where a condition of such registration is that the following requirements ("**EquityClear Novation Transaction Eligibility Criteria**") are satisfied at the time when the particulars of such EquityClear Novation Transaction are presented to the Clearing House and continue to be satisfied at all times thereafter up to and including the Registration Time (each such time, for the purposes of this Regulation 69, the "**relevant times**"):

(i) the financial instruments or securities the subject of the EquityClear Novation Transaction are, at the relevant times, EquityClear Eligible Equities, EquityClear Eligible ccCFDs or EquityClear Eligible Instruments, as applicable;

(ii) all necessary details as required by the Clearing House from time to time in respect of the EquityClear Novation Transaction shall have been provided to the Clearing House or its approved agent in the form, and by the times, prescribed by the Clearing House from time to time. Such information must be complete, must not be corrupted and must be legible at the time of receipt by the Clearing House, or its relevant approved agent, as applicable;

(iii) the EquityClear Eligible Equities, EquityClear Eligible ccCFDs or EquityClear Eligible Instruments which are the subject of the EquityClear Novation Transaction, are not subject to any trading halts, suspension of dealings or any other action having equivalent effect;

(iv) at the relevant times, the EquityClear services for the relevant ATP has not been suspended or withdrawn, generally or in relation to the relevant EquityClear Eligible Equities, EquityClear Eligible ccCFDs, EquityClear Eligible Instruments or EquityClear Clearing Member;

(v) the EquityClear Clearing Member has executed such other agreements or documents as may be required by the Clearing House from time to time in connection with the EquityClear service;

(vi) there are in place appropriate arrangements (as prescribed from time to time by the Clearing House) between the EquityClear Clearing Member (or its nominated agent, where applicable) and an ASP for the delivery, or receipt, as applicable, of the EquityClear Eligible Equities which are the subject of the EquityClear Novation Transaction; and

(vii) in the case of an EquityClear Novation Transaction which is an EquityClear Mixed Member Match:

(A) the eligibility criteria (howsoever defined on the Clearing House's website) of the relevant Co-operating Clearing House in respect of such EquityClear Novation Transaction have been satisfied and the relevant Co-operating Clearing House has not declined to register, rejected, cancelled, avoided or terminated such EquityClear Novation Transaction or any contract between the Co-operating Clearing House and its member arising out of it; and

(B) a balancing contract is deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear Novation Transaction pursuant to the agreement in place between them in relation to the co-clearing of the relevant ATP and such balancing contract has not been rejected, cancelled, avoided or terminated for any reason; and

(C) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under sub-paragraph (ii) of this paragraph (b), neither of the Clearing House or the relevant Co-operating Clearing House has been declared a defaulter by the other, by default notice or otherwise.

(c) In the case of an EquityClear Novation Transaction which is an EquityClear Mixed Member Match, the Clearing House shall, on receipt of details of such EquityClear Novation Transaction and subject to satisfaction of the EquityClear Novation Transaction Eligibility Criteria, the Regulations and the Procedures, and the relevant Co-operating Clearing House being party to a valid and subsisting agreement with the Clearing House for the co-clearing of EquityClear Mixed Member Matches, register Contracts in the name of the EquityClear Clearing Member and in the name of the relevant Co-operating Clearing House as follows:

(A) where the EquityClear Clearing Member is identified in the EquityClear Novation Transaction as the buyer, (A) the Clearing House shall be the seller under an EquityClear (Equities) Contract with the EquityClear Clearing Member as buyer; and (B) the Clearing House shall be the buyer under a Contract with the Co-operating Clearing House as seller; and

(B) where the EquityClear Clearing Member is identified in the EquityClear Novation Transaction as the seller, (A) the Clearing House shall be the buyer under an EquityClear (Equities) Contract with the EquityClear Clearing Member as seller; and (B) the Clearing House shall be the seller under a Contract with the Co-operating Clearing House as buyer.

REGULATION 70 DISPUTES AND LIMITATION OF LIABILITY

(a) In the event of a dispute:

(i) arising out of, or in respect of, the existence of an EquityClear (Equities) ATP Match or an EquityClear (ccCFD) ATP Match or, where applicable, whether it was identified to the ATP by the relevant EquityClear Clearing Members as an EquityClear (Equities) ATP Match or as an EquityClear (ccCFD) ATP Match to be registered by the Clearing House as an EquityClear (Equities) Contract or as an EquityClear (ccCFD) Contract (as the case may be) such dispute shall be settled as provided for in the ATP Market Rules without recourse to the Clearing House;

(ii) in respect of registered EquityClear (Equities) Contracts or EquityClear (ccCFD) Contracts, a dispute arising out of, or in respect of, such registered Contracts, or in relation to these Regulations relating to the clearing of such Contracts, other than a dispute referred to in (i) above, shall be referred to arbitration and settled as provided in Regulation 33(a) where the relevant ATP Market Rules provide for arbitration. Where the relevant ATP Market Rules do not include relevant arbitration provisions, or the application of such arbitration provisions to EquityClear (Equities) Contracts or EquityClear (ccCFD) Contracts (as applicable) is disapplied in these Regulations or the Procedures, a dispute arising out of, or in respect of, such registered Contracts, or in relation to these Regulations relating to the clearing of such Contracts, shall be settled in accordance with the Regulations and the Procedures, as applicable.

(b) Without prejudice to the generality of Regulation 52 or any other provision of the Regulations or Procedures concerning liability of the Clearing House or a Member, any liability of the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) to a Member or to any other person (including, without limitation, any client of a Member) which might otherwise arise in connection with the EquityClear service shall, if and to the extent such liability arises out of any act or omission of any third party upon whom the Clearing House is reliant in any material respect in its provision of the EquityClear service (including, without limitation, an Approved EquityClear Trading Platform, Approved EquityClear Settlement Provider, a Co-operating Clearing House or any provider of transaction routing functionality), be limited to such amounts as the Clearing House is entitled to recover and is successful in recovering from that third party in respect of that party's acts and/or omissions.

REGULATION 71 SUSPENSION OF THE EQUITYCLEAR SERVICE OR THE EQUITYCLEAR OPEN OFFER

The Clearing House may, from time to time, in its absolute discretion suspend the EquityClear service or the EquityClear Open Offer in respect of ATP Matches or the EquityClear (ccCFD) Open Offer in respect of EquityClear (ccCFD) ATP Matches or its service in respect of any EquityClear Novation Transaction on one or more ATPs for such period of time as it may determine.

REGULATION 72 REJECTION OF EQUITYCLEAR ATP MATCHES AND OF EQUITYCLEAR NOVATION TRANSACTIONS

(a) Any EquityClear ATP Match, particulars of which are presented to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear Contract, which does not meet the relevant EquityClear Open Offer Eligibility Criteria (or any EquityClear (Equities) ATP Match which is an EquityClear Mixed Member Match where the relevant Co-operating Clearing House subsequently declines to register, rejects, cancels, avoids or terminates such EquityClear (Equities) ATP Match or any contract between the Co-operating Clearing House and its member arising out of it and any balancing contract deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear (Equities) ATP Match), or which the Clearing House declines to register under any other provision within these Regulations or the Procedures will, subject to paragraph (c), be rejected by the Clearing House and no EquityClear Contracts shall be deemed to have arisen. If the Clearing House rejects the EquityClear ATP Match, the presenting Clearing Members and relevant ATP will be notified of the rejection within the required timeframe under all Applicable Law. Without prejudice to the generality of Regulation 52, or any other provision of the Regulation or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person with regard to the rejection by it of any such EquityClear ATP Match.

(b) Any EquityClear Novation Transaction, particulars of which are submitted to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an EquityClear Contract, which does not meet the applicable EquityClear Novation Transaction Eligibility Criteria (or any EquityClear Novation Transaction which is an EquityClear Mixed Member Match where the relevant Co-operating Clearing House subsequently declines to register, rejects, cancels, avoids or terminates such EquityClear Novation Transaction or any contract between the Co-operating Clearing House and its member arising out of it and any balancing contract deemed to arise between the Clearing House and the relevant Co-operating Clearing House in respect of such EquityClear Novation Transaction), or which the Clearing House declines to register under any other provision within these Regulations will, subject to paragraph (c), be rejected by the Clearing House and no EquityClear Contracts shall be deemed to have arisen. If the Clearing House rejects the EquityClear Novation Transaction, the presenting Clearing Members and relevant ATP will be notified of the rejection within the required timeframe under all Applicable Law. Without prejudice to the generality of Regulation 52, or any other provision of the Regulation or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person with regard to the rejection by it of any such EquityClear Novation Transaction.

(c) The Clearing House may, in its absolute discretion, agree to register an EquityClear Contract, notwithstanding that it does not meet the relevant EquityClear Open Offer Eligibility Criteria or the EquityClear Novation Transaction Eligibility Criteria (as applicable) or it contains invalid or incomplete message data.

CHAPTER XVII – [INTENTIONALLY LEFT BLANK]

REGULATION 73 [INTENTIONALLY LEFT BLANK]

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CHAPTER XIX – [INTENTIONALLY LEFT BLANK]

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CHAPTER XX – [INTENTIONALLY LEFT BLANK]

REGULATION 89 [INTENTIONALLY LEFT BLANK]

CHAPTER XXI – FOREXCLEAR REGULATIONS

REGULATION 90 APPLICATION OF FOREXCLEAR REGULATIONS

(a) The Clearing House shall provide the ForexClear Service subject to and in accordance with the terms of these ForexClear Regulations and the Procedures.

(b) ForexClear Clearing Members shall be bound by these ForexClear Regulations. Applications to become a ForexClear Clearing Member shall be made in accordance with Regulation 90(d) and (e). Other than as expressly specified in this Regulation 90, the remainder of the Regulations shall not apply to the ForexClear Service. A summary table of those Regulations which apply to the ForexClear Service as described in Regulation 90(a) to (p) is provided at Regulation 90(q).

(c) Regulations 2 and 3 of the Regulations apply to the ForexClear Service.

ForexClear Clearing Membership

(d) A Clearing Member may apply to become a ForexClear Clearing Member in accordance with the Procedures.

(e) Regulation 4 applies to membership of the ForexClear Service and applications for such membership.

(f) Regulation 5 applies to a ForexClear Clearing Member.

Accounts

(g) Regulation 10 applies to the opening and operation of accounts with respect to a ForexClear Clearing Member. Such accounts shall be designated in accordance with Regulation 15.

Client Clearing

(h) Regulation 11 applies to those ForexClear Clearing Members who provide (or wish to provide Client Clearing Services.

Formation, registration and transfers of ForexClear Contracts

(i) Regulation 16(b), (c), (e), (f), (g), (h), (j), (k) and (l), Regulation 17 and Regulation 91 govern the registration and formation of a ForexClear Contract.

(j) Regulation 90 to Regulation 94 apply to the ForexClear Service.

(k) Regulation 18 (and, insofar as relevant, Regulation 12(b)) apply to a ForexClear Contract that is an open contract**.**

Margin and Collateral

(l) Regulation 20 applies to a ForexClear Clearing Member.

Reference prices and Revaluation

(m) Regulation 22 and Regulation 93 apply to open ForexClear Contracts.

Other Applicable Regulations

(n) Regulations 37 to 46A inclusive apply to ForexClear Clearing Members and ForexClear Contracts.

Default Rules

(o) The Default Rules (including the ForexClear DMP Annex) apply to ForexClear Clearing Members and ForexClear Contracts.

Clearing House Settlement Finality Regulations

(p) The Clearing House Settlement Finality Regulations apply in relation to ForexClear Clearing Members and ForexClear Contracts.

Summary table of Regulations which apply to the ForexClear Service

(q) The Regulations listed in this Regulation 90(q) apply to the ForexClear Service as described under Regulation 90(a) to (p).

Regulation	Title
Regulation 2	Obligation to the Clearing House to each Member
Regulation 3	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
Regulation 4	Clearing Member Status of the Clearing House
Regulation 5	Resigning and Retiring Members
Regulation 8	Dealer Status
Regulation 9	Service Withdrawal
Regulation 10	Accounts
Regulation 11	Client Clearing Business
Regulation 12(b)	Novation
Regulation 15	Designation
Regulation 16 (except Regulation 16(a), (d), (i) and (m))	Registration
Regulation 17	Trading Information

Regulation	Title
Regulation 18	Transfer
Regulation 20	Margin and Collateral
Regulation 22	Official Quotations and Reference Price
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45 and Regulation 46	Netting and Distribution of Assets
Regulation 46A	Solvency Threatening Treasury Default Loss
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50(a)	Validity of Regulations and Action
Regulation 51(a) and (c) to (e)	Governing Law and Jurisdiction
Regulation 52	Exclusion of Liability
Regulation 90 to Regulation 94	ForexClear Regulations
Regulation 106A	Settlement-to-Market of ForexClear STM Contracts
Default Rules	Default Rules (including ForexClear DMP Annex)
Settlement Finality Regulations	Settlement Finality Regulations

REGULATION 91 REGISTRATION OF FOREXCLEAR CONTRACTS

(a) A ForexClear Transaction may be presented for registration as two ForexClear Contracts, or one ForexClear Contract and one FCM ForexClear Contract, in accordance with the provisions of the Rulebook.

(b) Once a ForexClear Transaction has been presented to the Clearing House, the Clearing House shall (where applicable in accordance with paragraph (c) below and Procedure 2I (*ForexClear Clearing Service*)) request the consent of the relevant ForexClear Clearing Member with whom a ForexClear Contract shall be registered as a result thereof to such registration. Upon the ForexClear Clearing Member providing its consent, such ForexClear Transaction shall be deemed to have been submitted (as such term is defined in the Procedures) by such ForexClear Clearing Member to the Clearing House for registration. Any such consent shall be provided in accordance with the Procedures.

(c) Each ForexClear Contract shall be registered by the Clearing House either as a ForexClear CTM Contract or a ForexClear STM Contract, and a ForexClear Transaction may be registered as two ForexClear STM Contracts, two ForexClear CTM Contracts, one ForexClear CTM Contract and one ForexClear STM Contract, a ForexClear STM Contract and an FCM ForexClear Contract or a ForexClear CTM Contract and an FCM ForexClear Contract (in accordance with the other provisions of the Rulebook). The registration of a ForexClear Contract as a ForexClear CTM Contract or a ForexClear STM Contract shall be determined by the Clearing House as follows:

(i) if the ForexClear Clearing Member in whose name the ForexClear Contract is to be registered is a US FXCCM, the Clearing House shall, subject to the Rulebook, register such ForexClear Contract as a ForexClear STM Contract; and

(ii) if the ForexClear Clearing Member in whose name the ForexClear Contract is to be registered is not a US FXCCM, the Clearing House shall, subject to the Rulebook, on or after the occurrence of a ForexClear STM Conversion Date in respect of that ForexClear Clearing Member, register such ForexClear Contract as a ForexClear STM Contract, or, if no such date has occurred, as a ForexClear CTM Contract.

(d) At the point the Clearing House registers a ForexClear Contract as a ForexClear STM Contract in accordance with the Procedures, the ForexClear Contract Terms applicable to that ForexClear Contract will automatically, and without any further action by either party, include the ForexClear STM Terms applicable to that type of ForexClear Contract.

(e) A ForexClear Clearing Member which has been nominated to clear the ForexClear Contract arising from the registration of a ForexClear Transaction on behalf of a third party Executing Party other than a ForexClear Dealer will (only where such ForexClear Transaction is not a Trading Venue Transaction) be notified by the Clearing House of the relevant ForexClear Transaction and shall choose whether to grant or refuse consent to the registration of such ForexClear Transaction and the ForexClear Contract resulting from such ForexClear Transaction. Where:

(i) a ForexClear Clearing Member is an Executing Party to a ForexClear Transaction and is to clear a ForexClear Contract resulting from such ForexClear Transaction;

(ii) a ForexClear Dealer approved to clear ForexClear Transactions through a ForexClear Clearing Member is an Executing Party to a ForexClear Transaction and such ForexClear Clearing Member is to clear a ForexClear Contract resulting from such ForexClear Transaction; or

(iii) a ForexClear Transaction is an Eligible Trading Venue Transaction in respect of a ForexClear Clearing Member, and a third party Executing Party (other than a ForexClear Dealer) to such ForexClear Transaction has nominated such ForexClear Clearing Member to clear a ForexClear Contract resulting from such ForexClear Transaction,

the consent of that ForexClear Clearing Member to the registration of the relevant ForexClear Contract will occur automatically and without the need for any further action by such ForexClear Clearing Member.

(f) The Clearing House shall register or reject the registration of a ForexClear Contract in respect of a ForexClear Transaction presented for registration subject to, and in accordance with, these Regulations, the Procedures and all Applicable Law

(g) Subject to Regulation 91(i), if at any time falling after the registration of any ForexClear Contract the Clearing House determines that the corresponding transaction of which details were submitted for registration:

(i) did not, at the Registration Time, meet the ForexClear Eligibility Criteria applicable to that ForexClear Transaction in existence at the Registration Time; or

(ii) in the case of a ForexClear Swap Transaction, was not, at the Registration Time, entered into in accordance with Regulation 100 or Regulation 101, each an "**Ineligible Transaction**",

the Clearing House shall, as soon as practicable thereafter, set aside both ForexClear Contracts arising from such Ineligible Transaction in accordance with Regulation 91(h) below.

(h) Upon a ForexClear Contract being set aside under Regulation 91(g) (an "**Ineligible ForexClear Contract**"), the Clearing House will notify the FXCCM party to such Ineligible ForexClear Contract via the ForexClear Approved Trade Source System that such Ineligible ForexClear Contract has been set aside. The following shall take effect immediately upon the delivery of such notice: (i) such Ineligible ForexClear Contract shall be deemed to be terminated at the time of the notification and shall thereafter have no force or effect; (ii) all collateral in respect of variation margin obligations (if any) provided by the Clearing House or by an FXCCM in respect of such Ineligible ForexClear Contract shall be retained by the receiving party upon termination; (iii) where there is a difference between the value of the Ineligible ForexClear Contract as at the last margin run and the value (as determined by the Clearing House) of that Ineligible ForexClear Contract at the time of the next official settlement rate for that

currency pair, then a payment shall be made between the FXCCMs to the original Ineligible Transaction equal to such difference; and (iv) these payments shall be deemed to satisfy in full the relevant party's obligations under the Ineligible ForexClear Contract and shall be retained by the receiving party upon termination as a termination payment.

(i) The Clearing House may not determine a ForexClear NDF Transaction to be an Ineligible Transaction after the Valuation Date in respect of the ForexClear NDF Contracts arising from the registration of such a ForexClear NDF Transaction has occurred.

(j) The Clearing House shall provide no less than 10 business days' prior notice (including by email) to ForexClear Clearing Members of an amendment to the ForexClear Eligibility Criteria.

(k) Where a ForexClear Contract relates to an FCM ForexClear Transaction, it is a condition for registration as a ForexClear Contract that the FCM ForexClear Transaction to which the ForexClear Contract relates be presented for clearing: (i) by an executing party (in its capacity as an FCM Clearing Member or ForexClear Clearing Member or through its designated FCM Clearing Member or ForexClear Clearing Member) as a ForexClear Contract or FCM ForexClear Contract (as the case may be); and (ii) by an FCM Clearing Member on behalf of its FCM Client as an FCM ForexClear Contract. In the event that the Clearing House registers a ForexClear Contract and, for whatever reason, the corresponding FCM ForexClear Contract has not also been registered, the ForexClear Contract shall be deemed not to be registered as a ForexClear Contract until such time as such corresponding FCM ForexClear Contract has been registered.

(l) In relation to an FCM ForexClear Transaction, if either the executing party (in its capacity as an FCM Clearing Member or ForexClear Clearing Member or through its designated FCM Clearing Member or ForexClear Clearing Member) or the FCM Clearing Member (as the case may be) does not present an FCM ForexClear Transaction for clearing, the Clearing House shall set aside any FCM ForexClear Contract or ForexClear Contract that has been registered (if any) and the particulars of the corresponding FCM ForexClear Transaction in question shall at the Clearing House's discretion be either: (i) deemed never to have been submitted to the Clearing House; or (ii) rejected until such time as the Executing Party (in its capacity as an FCM Clearing Member or ForexClear Clearing Member or through its designated FCM Clearing Member or ForexClear Clearing Member) or the FCM Clearing Member have presented the relevant contract to the Clearing House. In addition, any payment made under, or in respect of, any FCM ForexClear Contract set aside or deemed not cleared under this paragraph shall be repayable to the person who made the payment. Without prejudice to FCM Regulation 44 and its obligations under this Regulation 91 and under FCM Regulation 49, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any person arising out of or in respect of the registration by it in error or otherwise of an FCM ForexClear Contract.

(m) Upon the exercise of a ForexClear Option Contract by or on behalf of a ForexClear Clearing Member or, as the case may be, by the Clearing House or upon the deemed exercise of such option pursuant to these Regulations or the Procedures, the ForexClear

Option Contract shall immediately terminate and in its place a ForexClear Spot Transaction or a ForexClear Deliverable Forward Transaction shall automatically and immediately come into existence, and the related ForexClear Spot Contracts and ForexClear Deliverable Forward Contracts shall immediately be deemed to be registered by the Clearing House, on the terms specified in the applicable ForexClear Option Contract Terms, these Regulations and/or the Procedures. Notwithstanding the foregoing and in accordance with the Procedures, the Clearing House may, in its sole discretion, postpone or delay the registration of a ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction resulting from the exercise of a ForexClear Option Contract in the event of an administrative, system or processing delay that affects the Clearing House's ability to register such ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction. For the avoidance of doubt, a postponement or delay pursuant to this Regulation 91(m) shall not (a) impact a ForexClear Option Clearing Member's ability to exercise a ForexClear Option Contract (or the deemed exercise of such ForexClear Option Contract pursuant to these Regulations or the Procedures), which exercise shall be irrevocable or (b) prevent the related ForexClear Spot Contracts or ForexClear Deliverable Forward Contracts, as applicable, from coming into existence. Where the Clearing House postpones or delays registration pursuant to this Regulation 91(m) with respect to a ForexClear Option Clearing Member, such ForexClear Option Clearing Member cannot be considered a Defaulter, and a Liquidity Event cannot be considered to have occurred with respect to such ForexClear Option Clearing Member, as a resultof a failure by such ForexClear Option Clearing Member to make a payment under an unregistered ForexClear Spot Contract or ForexClear Deliverable Forward Contract, as applicable. The Clearing House shall, upon registration of a postponed or delayed ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction, as applicable, request such payments from the ForexClear Option Clearing Member, or make such payments to the ForexClear Option Clearing Member, in each case as are necessary to put the Clearing House and such ForexClear Option Clearing Member in the position they would have been if the ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction, as applicable, had been registered immediately upon exercise (or deemed exercise) of the related ForexClear Option Contract.

(n) Where a transfer of an open contract (the "**Original Contract"**) which is a ForexClear Contract takes place pursuant to Regulation 12(b) and Regulation 95, the Clearing House may, subject to any conditions stipulated by it, register the new open contract (i) if the ForexClear Clearing Member in whose name the new open contract is to be registered is a US FXCCM, as a ForexClear STM Contract or (ii) if the ForexClear Clearing Member in whose name the new open contract is to be registered is not a US FXCCM, on or after the occurrence of a ForexClear STM Conversion Date in respect of that ForexClear Clearing Member, as a ForexClear STM Contract, or, if no such date has occurred, as a ForexClear CTM Contract, in each case notwithstanding that the Original Contract was registered as a ForexClear STM Contract or a ForexClear CTM Contract (as applicable). For the avoidance of doubt, the transfer of an Original Contract (including a transfer that is made pursuant to the Default Rules) shall be effected by that Original Contract being closed-out and a new ForexClear Contract being established, and the applicable provisions of this Regulation 91 shall apply to the registration of such new ForexClear Contract.

REGULATION 92 CANCELLATION OF FOREXCLEAR CONTRACTS

(a) A ForexClear Clearing Member may, in accordance with this Regulation 92 and the Procedures, cancel a ForexClear Contract to which it is a party.

(b) A ForexClear Dealer may, in accordance with this Regulation 92 and the Procedures, cancel a ForexClear Contact that arose from a ForexClear Transaction to which it is a party.

(c) A ForexClear Clearing Member shall be bound by the cancellation of a ForexClear Contract made by the relevant ForexClear Dealer.

(d) A ForexClear Dealer shall have no obligation to inform, notify or seek the consent of any ForexClear Clearing Member prior to initiating the cancellation of a ForexClear Contract in accordance with Regulation 92(b).

(e) Each ForexClear Clearing Member is deemed to grant a continuing authority to the Clearing House to terminate any ForexClear Contract registered in the name of that ForexClear Clearing Member upon the request of a ForexClear Dealer with whom that ForexClear Clearing Member is a party to an FDC Agreement.

(f) The Clearing House shall have no obligation to inform, notify or seek the consent of any ForexClear Clearing Member prior to cancelling a ForexClear Contract in accordance with this Regulation 92.

(g) The cancellation of a ForexClear Contract to which a ForexClear Clearing Member is a party (in this Regulation, the "**First ForexClear Contract**") is contingent upon *inter alia* the cancellation of the corresponding ForexClear Contract that arose from the same underlying ForexClear Transaction (in this Regulation, the "**Second ForexClear Contract**"), and vice versa.

(h) The date and time of the cancellation of a ForexClear Contract shall be as reported by the Clearing House in accordance with the Procedures and shall be binding on ForexClear Clearing Members.

(i) The Clearing House may decline to cancel a ForexClear Contract if:

  (i) in the opinion of the Clearing House acting in its sole discretion, the cancellation of that ForexClear Contract is not consistent with the Regulations and Procedures of the Clearing House and any policies of the Clearing House concerning risk management; or

  (ii) if there is insufficient Collateral standing to the credit of a ForexClear Clearing Member's account to accommodate the cancellation of the First ForexClear Contract and/or the Second ForexClear Contract.

(j) With effect from the time of the cancellation of a ForexClear Contract in accordance with this Regulation 92, neither the ForexClear Clearing Member nor the Clearing House shall have any obligations under the terms of that ForexClear Contract and liability in respect thereof.

REGULATION 93 VARIATION MARGIN IN RESPECT OF A FOREXCLEAR CTM CONTRACT

(a) In respect of the ForexClear CTM Contracts registered in the name of a ForexClear Clearing Member, the Clearing House shall, at least daily and in accordance with and at the times stated in the Procedures, transfer to, or require transfer from a ForexClear Clearing Member of, cash collateral in respect of variation margin. The amount transferred represents the change from the preceding business day in the net present value of all ForexClear CTM Contracts registered in that ForexClear Clearing Member's name.

(b) The net present value of each ForexClear CTM Contract shall be calculated by the Clearing House in such manner and at such times as may be provided in the Procedures. Except as prescribed in the Procedures, the net present value calculated by the Clearing House may in no circumstances be challenged.

(c) The Clearing House pays to (or receives from) each ForexClear Clearing Member interest on cash collateral received (or provided) by the Clearing House in respect of variation margin, calculated in accordance with the Procedures.

(d) This Regulation is without prejudice to the Clearing House's right to require Collateral to be transferred to it under Regulation 20.

REGULATION 94 EXERCISE OF FOREXCLEAR OPTION CONTRACTS

(a) Subject to (b) and (c) below, a ForexClear Option Buyer may exercise the right or rights granted to it pursuant to a ForexClear Option Contract only by giving an irrevocable notice in the manner and at the time specified by the Procedures.

(b) Subject to (c) below, a ForexClear Option Contract has not been exercised in the manner and by the time specified in the Procedures, then it will, subject to the satisfaction of any conditions set forth in the Procedures, be deemed exercised in the manner and at the time specified by the Procedures.

(c) In the event (i) a ForexClear Option Contract (to the extent capable of exercise) has not been exercised by the end of the business day immediately preceding the relevant Expiration Date, (ii) the ForexClear Option Clearing Member party to each such ForexClear Option Contract has not opted out of the Clearing House's "automatic expiry" service in accordance with the Procedures, and (iii) such ForexClear Option Contract is "equal and offsetting" with another ForexClear Option Contract, as determined by the Clearing House in accordance with the Procedures, the Clearing House shall automatically expire such ForexClear Option Contract at the start of the given Expiration Date. Upon the automatic expiry of a ForexClear Option Contract pursuant to this paragraph, such ForexClear Option Contract shall immediately terminate. For the avoidance of doubt, a ForexClear Option Contract subject to automatic expiry on a given Expiration Date shall automatically expire and terminate notwithstanding the Clearing House's receipt of an instruction to exercise such ForexClear Option Contract on the Expiration Date

(d) If a ForexClear Option Contract has not been (i) exercised, (ii)deemed to have been exercised or (iii) automatically exercised pursuant to this Regulation 94, the right or rights granted pursuant to that ForexClear Option Contract will immediately expire and become void and of no effect.

(e) For the avoidance of doubt, a ForexClear Option Contract may be exercised (or deemed to be exercised) in partial or in whole.

REGULATION 95 COMPRESSION; TRANSFERS

Compression

(a) The Clearing House may from time to time determine ForexClear Contracts that are eligible for compression in accordance with this Regulation 95 and the Procedures (such ForexClear Contracts, "**Eligible ForexClear Compression Contracts**"), which may include ForexClear Contracts that, *inter alia*, have substantially similar economic terms.

(b) A ForexClear Clearing Member may submit a request to the Clearing House, in accordance with the Procedures, to compress and combine all such ForexClear Contracts (a) registered on the ForexClear Clearing Member's own behalf or (b) registered on behalf of the same ForexClear Clearing Client and in the same Client Account.

(c) The Clearing House will effect the compression of Eligible ForexClear Compression Contracts by terminating the relevant Eligible ForexClear Compression Contracts and, in some instances, compressing them into one or more new ForexClear Contrats having a net future cash flow of such original Eligible ForexClear Compression Contracts (including, for the purposes of determining the net future cash flow of a ForexClear STM Contract, the payment obligations of the ForexClear Clearing Member and the Clearing House under the ForexClear STM Terms applicable to such ForexClear STM Contract). For the avoidance of doubt, in no circumstances can a ForexClear Contract registered in the Proprietary Account of a ForexClear Clearing Member be compressed pursuant to this Regulation 95 with a ForexClear Contract registered in the Client Account of that ForexClear Clearing Member.

(d) For the avoidance of doubt, the Clearing House may determine that ForexClear Contracts are Eligible ForexClear Compression Contracts even if they have differing Forward Rates (as defined in schedule 6 of the Product Specific Contract Terms and Eligibility Criteria Manual). The Clearing House shall determine (in its sole discretion) whether Eligible ForexClear Compression Contracts that are the subject of a request for compression from the ForexClear Clearing Member may be compressed and, if such Eligible ForexClear Compression Contracts are compressed, the Clearing House shall determine (in its sole discretion) whether any replacement ForexClear Contract(s) shall replace the compressed Eligible ForexClear Compression Contracts and, if so, the resulting terms of such ForexClear Contract(s). Such determinations shall be binding on the ForexClear Clearing Member, absent manifest error. It is a condition for compression of Eligible ForexClear Compression Contracts that the amount of Collateral that the Clearing House requires in respect of the original ForexClear Contracts is equal to that which is required by the Clearing House in respect of the replacement ForexClear Contract(s).

(e) If:

(i) the ForexClear Contracts that are the subject of a ForexClear Clearing Member's compression request pursuant to (c) above comprise only ForexClear CTM Contracts, then the one or more ForexClear Contracts that come into existence immediately following, and as a result of, the compression shall all be ForexClear CTM Contracts; and

(ii) the ForexClear Contracts that are the subject of a ForexClear Clearing Member's compression request pursuant to the above comprise only ForexClear STM Contracts, then the one or more ForexClear Contracts that come into existence immediately following, and as a result of, the compression shall all be ForexClear STM Contracts.

Portfolio Transfers

(f) Other than in the event that a ForexClear Clearing Member is a Defaulter, any Permitted Transfer of one or more Transferring ForexClear Contracts from the Transfer Account of an Eligible Transferor to the Transfer Account of an Eligible Transferee (including, where relevant, the transfer of an Associated Collateral Balance), may only be done pursuant to this Regulation 95 and in accordance with the Procedures and (where applicable) any relevant Collateral Management Agreement. Notwithstanding the foregoing, a ForexClear Clearing Member may transfer ForexClear Contracts pursuant to and in accordance with Section 2.2.19 of the FCM Procedures.

(g) Further to the satisfaction of the conditions set out in the Procedures and (where applicable) any relevant Collateral Management Agreement, and provided that the Clearing House does not determine, in its sole discretion, that (x) a Permitted Transfer cannot be effected under these Regulations, the Procedures or otherwise under Applicable Law and/or (y) where applicable, the additional conditions as set out in Regulation 49(r) of the FCM Regulations need to be and have not been complied with, the Clearing House shall transfer the Transferring ForexClear Contract(s) into the Transfer Account of the Receiving Clearing Member as follows:

(i) in the case of a Permitted Transfer where the Receiving Clearing Member is the same entity as the Eligible Transferor, the Transferring ForexClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the Proprietary Account of the Receiving Clearing Member;

(ii) in the case of a Permitted Transfer where the Carrying Clearing Member is not an FCM Clearing Member and the Receiving Clearing Member is an FCM Clearing Member, the Transferring ForexClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the relevant Transfer Account of the relevant Receiving Clearing Member and all of the ForexClear Contracts to be transferred (which are subject to the Rulebook) shall, upon transfer, be converted to FCM ForexClear Contracts subject to the FCM Regulations and the FCM Procedures but shall otherwise remain on the same contract terms;

(iii) in the case of a Permitted Transfer where the Carrying Clearing Member is an FCM Clearing Member and the Receiving Clearing Member is not an FCM Clearing Member, the FCM ForexClear Contracts (and, if applicable, the Associated Collateral Balance) shall be transferred to the relevant Transfer Account of the relevant Receiving Clearing Member and all of the FCM ForexClear Contracts to be transferred (which are subject to the FCM Rulebook) shall, upon transfer, be converted to ForexClear Contracts subject to the Rulebook but shall otherwise remain on the same contract terms; or

(iv) in all other cases, the Transferring ForexClear Contracts (and, if applicable, the Associated Collateral Balance(s)) shall be transferred to the Transfer Account of the Receiving Clearing Member.

(h) The transfer of the Transferring ForexClear Contracts shall occur by novation of all of the Carrying Clearing Member's rights and obligations in respect of such Transferring ForexClear Contracts to the Receiving Clearing Member as provided in Regulation 12(b). Notwithstanding anything in this Regulation 95 or the Procedures to the contrary, but subject to Applicable Law, the Clearing House reserves the right to reject any transfer pursuant to this Regulation 95 in its sole discretion.

(i) A ForexClear Clearing Member may only assign the rights under, or transfer, a ForexClear Contract entered into by such ForexClear Clearing Member in respect of ForexClear Client Clearing Business, in accordance with the Rulebook and (where applicable) any relevant Collateral Management Agreement or with the prior written consent of the Clearing House. Any purported assignment, or any purported transfer, of a ForexClear Contract entered into by a ForexClear Clearing Member in respect of ForexClear Client Clearing Business that is not in compliance with the foregoing shall be void.

(j) If a ForexClear Clearing Member is a Defaulter, the Clearing House shall take such actions, subject to and in accordance with the Default Rules in relation to ForexClear Contracts carried by such ForexClear Clearing Member on behalf of ForexClear Clearing Clients, provided always that the Clearing House shall take such actions as are required to meet the Clearing House's continuing regulatory obligations, including those applicable to it as a Recognised Clearing House and a Derivatives Clearing Organization.

(k) The Carrying Clearing Member agrees to indemnify the Clearing House in respect of all liabilities, costs, loss, fees, damages or expenses suffered or incurred by the Clearing House (howsoever arising or occurring) by reason of a proposed transfer being rejected by the Carrying Clearing Member other than in compliance with the grounds set out in the Procedures.

REGULATION 96 SETTLEMENT OF FOREXCLEAR OPTION CONTRACTS

(a) A ForexClear Option Contract that has been exercised, or deemed to be exercised, pursuant to Regulation 94 shall only be settled in accordance with this Regulation 96 and the Procedures.

(b) Immediately upon the exercise or deemed exercise of a ForexClear Option Contract pursuant to Regulation 94:

(i) if the ForexClear Option Contract is a Spot Settled ForexClear Option Contract, a ForexClear Spot Contract (between the same parties as the relevant ForexClear Option Contract) shall immediately arise pursuant to Regulation 91(j); and

(ii) if the ForexClear Option Contract is a Deliverable Forward Settled ForexClear Option Contract, a ForexClear Deliverable Forward Contract (between the same parties as the relevant ForexClear Option Contract) shall immediately arise pursuant to Regulation 91(j).

(c) The ForexClear Spot Contract or ForexClear Deliverable Forward Contract (as applicable) that arises pursuant to this Regulation 96 shall be on the ForexClear Spot Contract Terms or ForexClear Deliverable Forward Contract Terms (as applicable), such that on the Settlement Date specified in the ForexClear Option Contract Terms relating to the relevant ForexClear Option Contract:

(i) the party that was the ForexClear Option Buyer under the relevant ForexClear Option Contract shall be obliged to pay an amount equal to (and in the same currency as) the Put Currency Amount to the Clearing House; and

(ii) the party that was the ForexClear Option Seller under the relevant ForexClear Option Contract shall be obliged to pay an amount equal to (and in the same currency as) the Call Currency Amount to the Clearing House.

(d) Any ForexClear Deliverable Forward Contract or ForexClear Spot Contract that arises pursuant to this Regulation 96 shall be registered as a ForexClear Deliverable Forward STM Contract or a ForexClear Spot STM Contract (as applicable) if the ForexClear Option Contract to which it relates was registered as ForexClear Option STM Contract at the point immediately prior to exercise (or deemed exercise). Any ForexClear Deliverable Forward Contract or ForexClear Spot Contract that arises pursuant to this Regulation 96 shall be registered as a ForexClear CTM Contract if the ForexClear Option Contract to which it relates was registered as ForexClear CTM Contract at the point immediately prior to exercise (or deemed exercise).

REGULATION 97 PREMIUM UNDER FOREXCLEAR OPTION CONTRACTS

(a) The premium payable by a ForexClear Option Buyer under the terms of a ForexClear Option Contract shall be paid by such party to the Clearing House in the form and manner prescribed in the Procedures and by the time specified in the Procedures.

(b) The Clearing House shall pay to a ForexClear Option Seller under the terms of a ForexClear Option Contract the premium in the form and manner prescribed in the Procedures and by the time specified in the Procedures.

REGULATION 98 [RESERVED.]

REGULATION 99 FOREXCLEAR OPTION SERVICE – MEMBERSHIP REQUIREMENTS

(a) A ForexClear Clearing Member that wishes to be designated as a ForexClear Option Clearing Member shall apply to the Clearing House in the manner prescribed by the Clearing House from time to time. That Clearing Member must, at the point of application and at all times thereafter, satisfy, in a manner satisfactory to the Clearing House, the ForexClear Option Service Membership Requirements set out in the Procedures.

(b) If, in its absolute discretion, the Clearing House determines that a ForexClear Option Clearing Member ceases to meet one or more of the ForexClear Option Service Membership Requirements in effect at the applicable time, the Clearing House may rescind that Clearing Member's eligibility to have ForexClear Option Contracts, ForexClear Deliverable Forward Contracts, ForexClear Spot Contracts and/or ForexClear Swap Contracts registered in such Clearing Member's name, but without prejudice to (i) that Clearing Member's eligibility to have registered in its name, subject to the Regulations, any other Contracts in respect of which it continues to meet the relevant eligibility criteria, and (ii) the Clearing House's rights to take the actions specified in Regulation 100, Regulation 101 or any other Regulation with respect to that ForexClear Option Clearing Member, to the extent such ForexClear Option Clearing Member continues to have any ForexClear Contracts (other than ForexClear NDF Contracts) registered in its name.

REGULATION 100 FOREXCLEAR OPTION SERVICE – SETTLEMENT LIMITS, SETTLEMENT TRADE-DOWN AND SETTLEMENT EVENTS

Settlement Limits

(a) Subject to (c) and (d) below and the Procedures, the Clearing House may, in its sole and absolute discretion, determine from time to time:

(i) the Settlement Position Limit;

(ii) the Settlement Exposure Limit; and

(iii) the Mandatory ForexClear Swap Limit,

in respect of each ForexClear Option Clearing Member and each ForexClear Currency.

(b) From time to time the Clearing House shall notify each ForexClear Option Clearing Member of the Settlement Position Limit, Settlement Exposure Limit and Mandatory ForexClear Swap Limit applicable to it and each ForexClear Currency in accordance with the Procedures.

(c) Subject to (e) below, if the Clearing House wishes to increase the Settlement Position Limit, Settlement Exposure Limit or, the Mandatory ForexClear Swap Limit in relation to a given ForexClear Currency, to no more than the Settlement Position Limit Cap (where such limit is aggregated with respect to all ForexClear Option Clearing Members and ForexClear Currencies), Mandatory ForexClear Swap Limit Cap (where such limit is aggregated with respect to all ForexClear Option Clearing Members) or Settlement Exposure Cap, as applicable, then the Clearing House may propose such amendment by giving all ForexClear Option Clearing Members no fewer than 10 business days' notice, such notice to specify the proposed new Settlement Position Limit, Settlement Exposure Limit and/or Mandatory ForexClear Swap Limit (the "**Revised Limits**"). If the Requisite ForexClear Option Clearing Members vote in favour of the Revised Limits then the Revised Limits shall take effect following 30 calendar days' notice (or such other period as the Clearing House shall decide) from, and including, the expiration of the notice period specified above. If the Requisite ForexClear Option Clearing Members do not vote in favour of the Revised Limits, then the Revised Limits shall not take effect. For the purposes of the foregoing, a ForexClear Option Clearing Member that does not communicate its vote to the Clearing House by the end of the notice period specified above shall be deemed to have voted in favour of the Revised Limits. The Clearing House shall publish the terms of the voting process on or prior to the business day on which the vote is initiated. Notwithstanding the foregoing, this paragraph (b) shall not apply in the event of an increase to a Settlement Position Limit in accordance with Section 1.19.2 of the Procedures.

(d) Subject to (e) below, if the Clearing House wishes to increase the Settlement Position Limit Cap, Settlement Exposure Limit Cap or Mandatory ForexClear Limit Cap (as applicable), then the Clearing House may propose such amendment by giving all ForexClear Option Clearing Members no fewer than 10 business days' notice, such notice to specify the proposed new Settlement Position Limit Cap, Settlement Exposure Limit Cap and/or Mandatory ForexClear Limit Cap (the "**Revised Caps**"). If 100% of the then total number of ForexClear Option Clearing Members vote in favour of the

Revised Caps then the Revised Caps shall take effect following 30 calendar days' notice (or such other period as the Clearing House shall decide) from, and including, the expiration of the notice period specified above. If less than 100% of the then total number of ForexClear Option Clearing Members vote in favour of the Revised Caps then the Revised Caps shall not take effect. For the purposes of the foregoing, a ForexClear Option Clearing Member that does not communicate its vote to the Clearing House by the end of the notice period specified above shall not be deemed to have voted in favour of the Revised Caps. The Clearing House shall publish the terms of the voting proce**ss on or pri**or to the business day on which the vote is initiated.

(e) The Clearing House shall be entitled to increase the Settlement Position Limit, Settlement Exposure Limit, Mandatory ForexClear Swap Limit, Settlement Positon Limit Cap and/or Settlement Exposure Limit Cap without the consent of any ForexClear Option Clearing Member, and without regard for the process in paragraphs (c) or (d) above if, it determines, in its sole and absolute discretion, that:

(i) it considers such action advisable for its own protection or the protection of the relevant market;

(ii) it is required to take such action to comply with any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(iii) except with respect to an increase to the Settlement Position Limit, Settlement Exposure Limit, Mandatory ForexClear Swap Limit and/or Settlement Exposure Limit Cap, a new ForexClear Clearing Member has been designated as a new ForexClear Option Clearing Member, provided however that, in such circumstance, the Clearing House shall only be entitled to increase the caps referenced in (e) above without using the process in paragraph (d) above to the extent that such increase is no greater, in percentage terms, than the percentage increase in the number of ForexClear Option Clearing Members that has occurred as a result of such ForexClear Option Clearing Member being so designated;

(iv) solely with respect to the Settlement Position Limit and/or Settlement Position Limit Cap, it considers such action advisable where (A) the register of primary nostro account providers of ForexClear Option Clearing Members is updated in accordance with the Procedures and (B) an increase to the Settlement Position Limit occurs as the direct result of the given update to register of primary nostro account providers; or

(v) it considers such action advisable in connection with an operational or technical failure or delay,

provided, **however**, that in no event shall the Clearing House be entitled to increase the Mandatory ForexClear Swap Limit for any ForexClear Option Clearing Member to an amount that, when aggregated with the Mandatory ForexClear Swap Limits of all the other ForexClear Option Clearing Members, exceeds above the Mandatory ForexClear Swap Limit Cap.

The Clearing House shall provide ForexClear Option Clearing Members with no fewer than 10 business days' prior notice of any increase to the Settlement Position Limit or Settlement Position Limit Cap pursuant to paragraph (iv) above.

Notwithstanding the foreging, this paragraph (e) shall not apply in the event of an increase to a Settlement Position Limit in accordance with Section 1.19.2 of the Procedures.

Settlement Position Limit and Settlement Trade-Down

(f) At 10:00 AM Eastern Standard Time on each day the Clearing House shall compare:

(i) the Settlement Position Limit on that day with respect to a given ForexClear Option Clearing Member and a given ForexClear Currency; and

(ii) the value of the Settlement Position Amount on that day with respect to that ForexClear Option Clearing Member and that ForexClear Currency.

The "**Settlement Position Amount**" means, with respect to a given day, a given ForexClear Option Clearing Member and a given ForexClear Currency, the net amount of that ForexClear Currency that is or will be payable by that ForexClear Option Clearing Member under all ForexClear Contracts (other than ForexClear NDF Contracts) to which it is a party that have a Settlement Date (as defined in the applicable ForexClear Contract Terms) falling two days after such day.

(g) If, at 10:00 AM Eastern Standard Time on any day, (f)(ii) exceeds (f)(i) with respect to a ForexClear Option Clearing Member and a given ForexClear Currency, then a ForexClear Settlement Event shall immediately occur with respect to that ForexClear Option Clearing Member (such ForexClear Option Clearing Member, the "**Impacted ForexClear Option Clearing Member**") and that ForexClear Currency.

(h) The Clearing House shall, immediately upon the occurrence of a ForexClear Settlement Event, give notice in writing (which may be given by electronic messaging system or email) to the Impacted ForexClear Option Clearing Member specifying that a ForexClear Settlement Event has occurred with respect to it. A failure by the Clearing House to deliver, or any delay in the delivery of, the notice required by this paragraph (h) shall not affect the Clearing House's ability to exercise any of its rights under this Regulation 100.

(i) From the occurrence of the ForexClear Settlement Event to (but excluding) 5:00 PM Eastern Standard Time on the same day, the Impacted ForexClear Option Clearing Member shall be entitled to enter into, and submit for registration by the Clearing House, one or more ForexClear Spot Transactions, *provided however that*, the Clearing House may only register the related ForexClear Spot Contracts arising out of such ForexClear Spot Transaction(s) if:

(i) such ForexClear Spot Transaction(s) are for the purpose, and will have the effect, of reducing the Impacted ForexClear Option Clearing Member's Settlement Position Amount for that ForexClear Currency, so that immediately after registration of the related ForexClear Spot Contracts, the Settlement Position Amount with respect to that Impacted ForexClear Option Clearing

Member and that ForexClear Currency would be less than the Settlement Position Amount with respect to that Impacted ForexClear Option Clearing Member and that ForexClear Currency immediately prior to registration of such ForexClear Spot Contracts; and

(ii) the ForexClear Spot Transaction(s) meet the applicable ForexClear Eligibility Criteria in effect on such date.

For the avoidance of doubt, the Clearing House shall be entitled (in accordance with Regulation 16(c)) to refuse to register any new ForexClear Spot Contract notwithstanding that it may satisfy (i) and (ii) above if it considers such action advisable for its own protection or the protection of the relevant market.

(j) Each time a ForexClear Option Clearing Member submits a ForexClear Spot Transaction to the Clearing House for registration pursuant to (i) above, it hereby represents and warrants to the Clearing House that such ForexClear Spot Transaction (either individually or when taken together with other ForexClear Spot Transactions submitted pursuant to (i) above) satisfies the condition in (i)(i) above.

(k) If an Impacted ForexClear Option Clearing Member has opted-in to the Clearing House's ForexClear Settlement Reduction Service, from the occurrence of the ForexClear Settlement Event to (but excluding) 5:00 PM Eastern Standard Time on the same day, the Clearing House shall be entitled to conclude and bind (i) the Impacted ForexClear Option Clearing Member and (ii) any other ForexClear Option Clearing Member that has opted-in to the ForexClear Settlement Reduction Service to one or more Mandatory Settlement ForexClear Swap Contracts, in each case in accordance with the applicable provisions set forth in the Procedures.

(l) If, at 5:00 PM Eastern Standard Time on the day on which the ForexClear Settlement Event has occurred, the ForexClear Settlement Event is continuing, the Clearing House shall be entitled to conclude and bind (i) the Impacted ForexClear Option Clearing Member and (ii) in accordance with the applicable allocation provisions in Regulation 103, any other ForexClear Option Clearing Member(s), to one or more Mandatory Settlement ForexClear Swap Contracts. The Clearing House shall be entitled to levy fees in addition to clearing fees on an Impacted ForexClear Option Clearing Member in connection with a ForexClear Settlement Event (with such fees being determined in respect of the excess of such Impacted ForexClear Option Clearing Member's Settlement Position Amount over the Settlement Position Limit).

(m) Each Mandatory Settlement ForexClear Swap Contract shall (for the avoidance of doubt, entered into pursuant to paragraph (k) or (l) above):

(i) be between the Impacted ForexClear Option Clearing Member or another ForexClear Option Clearing Member on the one hand, and the Clearing House on the other hand;

(ii) be concluded only with a view to either (A) reducing the Settlement Position Amount with respect to the Impacted ForexClear Clearing Member and a given ForexClear Currency, or (B) creating corresponding positions for the Clearing House vis a vis the other ForexClear Option Clearing Member(s);

(iii) be subject to immediate registration with the Clearing House in the name of the relevant ForexClear Option Clearing Member;

(iv) have an Initial Exchange Date (as defined in the ForexClear Swap Contract Terms) that is the day falling two business days (for the applicable Currency Pair (as defined in the ForexClear Swap Contract Terms)) after the date on which the ForexClear Settlement Event occurred;

(v) have a Final Exchange Date (as defined in the ForexClear Swap Contract Terms) that is the business day (for the applicable Currency Pair (as defined in the ForexClear Swap Contract Terms)) immediately following the Initial Exchange Date;

(vi) be executed at the prevailing mid-price (as determined by the Clearing House) on the day on which the ForexClear Settlement Event has occurred;

(vii) meet the Product Eligibility Criteria for a ForexClear Swap Transaction;

(viii) with respect to Mandatory Settlement ForexClear Swap Contracts entered into pursuant to paragraph (l) above only, be allocated by the Clearing House to (A) the Impacted ForexClear Option Clearing Member in accordance with this Regulation 100, or (B) the other ForexClear Option Clearing Members in accordance with Regulation 103;

(ix) each Mandatory Settlement ForexClear Swap Contract arising between the Clearing House and a ForexClear Option Clearing Member shall be a ForexClear Swap STM Contract if that ForexClear Option Clearing Member is a US FXCCM; and

(x) each Mandatory Settlement ForexClear Swap Contract arising between the Clearing House and a ForexClear Option Clearing Member that is not a US FXCCM shall, on or after the occurrence of a ForexClear STM Conversion Date in respect of that ForexClear Option Clearing Member, be registered as as a ForexClear Swap STM Contract, or, if no such date has occurred, be registered as a ForexClear CTM Contract.

(n) The Clearing House shall determine the mid-price of a Mandatory Settlement ForexClear Swap Contract under (m)(vi) above in its sole and absolute discretion.

(o) A Mandatory Settlement ForexClear Swap Contract shall not be concluded with, and entered into on behalf of, a Non-Impacted ForexClear Option Clearing Member which has the effect, immediately upon registration of the related ForexClear Swap Contract, that the relevant Settlement Position Limit would be exceeded by the Settlement Position Amount applicable to any ForexClear Currency and that Non-Impacted ForexClear Option Clearing Member.

(p) At the time and in the manner specified in the Procedures, the Clearing House shall notify each Non-Impacted ForexClear Option Clearing Member and the Impacted ForexClear Option Clearing Member of the Mandatory Settlement ForexClear Swap Contracts (if any) that it has entered into for and on its behalf.

(q) Each ForexClear Option Clearing Member agrees and acknowledges that the Mandatory Settlement ForexClear Swap Contract entered into on its behalf by the Clearing House shall constitute part of that ForexClear Clearing Member's ForexClear Clearing House Business and shall be recorded in that ForexClear Clearing Member's Proprietary Account. In no circumstance shall a Mandatory Settlement ForexClear Swap Contract be recorded in a ForexClear Clearing Member's Client Account.

(r) For as long as a ForexClear Settlement Event is continuing with respect to a ForexClear Option Clearing Member and a given ForexClear Currency, the Clearing House shall be entitled, in its sole and absolute discretion, to refuse to register any new ForexClear Contract in respect of any ForexClear Transaction denominated in that ForexClear Currency that is submitted by that ForexClear Option Clearing Member, other than (i) any ForexClear NDF Transaction, (ii) any ForexClear Transaction that is expressly permitted by this Regulation 100 or Regulation 101, (iii) any ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction arising pursuant to the exercise of a ForexClear Option Contract under Regulation 96, or (iv) any ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction concluded for the purpose of (A) hedging some or all of such ForexClear Option Clearing Member's foreign exchange exposure, (B) reducing its initial margin requirements or (C) reducing its settlement risk, in each case in relation to Contracts registered at the Clearing House. If a ForexClear Settlement Event is still continuing at 5:00 PM Eastern Standard Time on the day on which the ForexClear Settlement Event has occurred, it will only cease to be continuing when the Clearing House registers the necessary Mandatory Settlement ForexClear Swap Contracts in accordance with this Regulation.

Settlement Exposure Limit

(s) Each time a ForexClear Option Clearing Member submits a ForexClear Transaction (other than a ForexClear NDF Transaction) for registration with the Clearing House (either as a new ForexClear Transaction or in connection with a transfer in accordance with Regulation 18), which would, if registered, have a Settlement Date falling more than two days after the date of registration, the Clearing House shall compare:

(i) the Settlement Exposure Limit on that day with respect to that ForexClear Option Clearing Member and the relevant ForexClear Currency; and

(ii) the value of the Settlement Exposure Amount on that day with respect to that ForexClear Option Clearing Member, that ForexClear Currency and that Settlement Date.

The "**Settlement Exposure Amount**" means, with respect to a given day of determination, a given ForexClear Option Clearing Member a given ForexClear Currency, and a given Settlement Date, the net expected amount of that ForexClear Currency that the Clearing House has determined, in its sole and absolute discretion, is or will be payable by that ForexClear Option Clearing Member on that Settlement Date under all ForexClear Contracts (other than ForexClear NDF Contracts) to which it is a party.

(t) If, in relation to a ForexClear Option Clearing Member and a given ForexClear Currency, either:

(i) the most recent calculation undertaken by the Clearing House under (r) indicates that (s)(ii) exceeds (s)(i) for any Settlement Date and that ForexClear Currency; or

(ii) that ForexClear Option Clearing Member submits for registration a ForexClear Transaction that, immediately following its registration, would have the effect that (s)(ii) would exceed (s)(i) for the relevant Settlement Date and that ForexClear Currency,

then the Clearing House shall be entitled, in its sole and absolute discretion, to refuse to register any new ForexClear Contract for that ForexClear Option Clearing Member that may, if registered, result in that ForexClear Option Clearing Member having to pay a net amount in that ForexClear Currency to the Clearing House under such ForexClear Contract on the applicable Settlement Date, other than (A) any ForexClear NDF Transaction, (B) any ForexClear Transaction that is expressly permitted by this Regulation 100 or Regulation 101, (C) any ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction arising pursuant to the exercise of a ForexClear Option Contract under Regulation 96, or (D) any ForexClear Spot Transaction or ForexClear Deliverable Forward Transaction concluded for the purpose of (A) hedging some or all of such ForexClear Option Clearing Member's foreign exchange exposure, (B) reducing its initial margin requirements or (C) reducing its settlement risk, in each case in relation to Contracts registered at the Clearing House.

REGULATION 101 FOREXCLEAR OPTION SERVICE – LIQUIDITY EVENT

(a) A "**ForexClear Liquidity Event**" shall occur immediately with respect to a ForexClear Option Clearing Member if that ForexClear Option Clearing Member does not pay, in the manner specified by the Procedures, all Relevant FX Liabilities by 9:00 AM Central European Time on the day on which such amounts are due. Notwithstanding the foregoing, the Clearing House may declare a ForexClear Liquidity Event with respect to a ForexClear Option Clearing Member at any time between 08:00 AM and 09:00 AM Central European Time if the Clearing House reasonably believes that such ForexClear Option Clearing Member will not be able to or capable of paying in all Relevant FX Liabilities by 09:00 AM Central European Time on the day on which such amounts are due.

(b) Upon the occurrence of a ForexClear Liquidity Event with respect to a ForexClear Option Clearing Member (such ForexClear Option Clearing Member, the "**Affected ForexClear Option Clearing Member**"), there shall arise an instruction by the Clearing House for itself and on behalf of the Affected ForexClear Option Clearing Member authorising the Clearing House to take such of the steps listed in (d) below it deems appropriate in the circumstances:

(i) to satisfy and/or discharge all the Affected ForexClear Option Clearing Member's liabilities in any ForexClear Currency:

(A) that are due and payable by it on that day to the Clearing House under a ForexClear Option Contract, ForexClear Swap Contract, ForexClear Deliverable Forward Contract and/or ForexClear Spot Contract; and

(B) which the Procedures provide are to be paid by it for the Clearing House's account at the Settlement Service Provider (the "**Relevant FX Liabilities**") and

(ii) with a view to completing the settlement cycle for all payments arising under the ForexClear Option Service in all currencies on that day.

(c) The Clearing House shall, immediately upon the occurrence of a ForexClear Liquidity Event, give notice in writing (which may be given by electronic messaging system or email) to:

(i) the Affected ForexClear Option Clearing Member; and

(ii) the Non-Affected ForexClear Option Clearing Members,

specifying that a ForexClear Liquidity Event that has occurred. A failure by the Clearing House to deliver, or any delay in the delivery of, any of the notices required by this paragraph (c) shall not affect the Clearing House's ability to exercise any of its rights under this Regulation 101.

(d) The steps which may be taken by the Clearing House under (a) above are:

Liquidity Fund Contributions

(i) to utilise any of the ForexClear Liquidity Fund Contributions in respect of any ForexClear Option Clearing Member in support of the Clearing House's

obligations to make payments to other ForexClear Option Clearing Members under ForexClear Option Contracts, ForexClear Swap Contracts, ForexClear Deliverable Forward Contracts and/or ForexClear Spot Contracts to which it is a party and which correspond to Relevant FX Liabilities of an Affected ForexClear Option Clearing Member;

(ii) to satisfy and deem performed the payment obligation of the Affected ForexClear Option Clearing Member to the Clearing House under some or all of the Relevant FX Liabilities, subject always to a corresponding reimbursement obligation arising between the Affected ForexClear Option Clearing Member and the Clearing House pursuant to Regulation 102(i);

(iii) to charge to the Affected ForexClear Option Clearing Member's account the amount (or, if the amount is not finally known, the estimated amount) of any expenses, liabilities, costs, or reimbursement obligations incurred by the Clearing House with regard to or in consequence of the circumstances in (a) or the steps which are or may be taken under this Regulation 101;

(iv) to immediately suspend the performance of any payment obligation (denominated in any ForexClear Currency) that it owes to the Affected ForexClear Option Clearing Member on the day of the ForexClear Liquidity Event under any ForexClear Option Contract, ForexClear Swap Contract, ForexClear Deliverable Forward Contract and/or ForexClear Spot Contract, where such payment obligation is owed on the day of the ForexClear Liquidity Event, to the extent that, and for so long as, such Affected ForexClear Option Clearing Member has not paid the amount owed to the Clearing House under Regulation 102(i). If the Affected ForexClear Option Clearing Member does not pay the amount owed to the Clearing House under Regulation 102(i) when due, the Clearing House shall have the right to apply any amounts (denominated in any ForexClear Currency) that it would have owed to the Affected ForexClear Option Clearing Member but for the suspension referred to above, to the extent necessary to fully discharge that Affected ForexClear Option Clearing Member's obligation to the Clearing House under Regulation 102(i) and the Clearing House shall be entitled, pursuant to Regulation 101(d)(iii) above, to charge the Affected Clearing Member for any costs it incurs in converting any amounts pursuant to this paragraph (iv); and/or

Mandatory ForexClear Swap Contracts

(v) to conclude, and bind the Affected ForexClear Option Clearing Member or another ForexClear Option Clearing Member on the one hand, and the Clearing House on the other hand to, one or more Mandatory ForexClear Swap Contracts on such terms as the Clearing House may determine in its sole and absolute discretion, provided always that:

(A) any Mandatory ForexClear Swap Contract shall be concluded only with a view to either, once registered with the Clearing House, (A) reducing or extinguishing some or all of the Relevant FX Liabilities of the Affected ForexClear Option Clearing Member in any ForexClear Currency on that day, or (B) creating corresponding positions for the

Clearing House vis a vis the other ForexClear Option Clearing Member(s);

(B) no Mandatory ForexClear Swap Contract shall be concluded with a Non-Affected ForexClear Option Clearing Member which would (i) have the effect, immediately upon registration, that the relevant Settlement Position Limit applicable to the relevant ForexClear Currency and that Non-Affected ForexClear Option Clearing Member would be exceeded by the Settlement Position Amount applicable to the relevant ForexClear Currency and that Non-Affected ForexClear Option Clearing Member, or (ii) exceed the Mandatory ForexClear Swap Limit applicable to that Non-Affected ForexClear Option Clearing Member and the relevant ForexClear Currency;

(C) the Initial Exchange Date (as defined in the ForexClear Swap Contract Terms) for the Mandatory ForexClear Swap Contract shall be the date on which the ForexClear Liquidity Event has occurred;

(D) the Final Exchange Date (as defined in the ForexClear Swap Contract Terms) for the Mandatory ForexClear Swap Contract may be any date from (but excluding) the date on which the ForexClear Liquidity Event has occurred to (and including) the date that is fourteen days after the date on which the ForexClear Liquidity Event has occurred;

(E) the Mandatory ForexClear Swap Contract must otherwise meet the conditions that the Clearing House, in its sole and absolute discretion, deems necessary from time to time;

(F) the Mandatory ForexClear Swap Contract shall be concluded on terms that it is subject to immediate registration with the Clearing House in the name of the relevant ForexClear Option Clearing Member;

(G) the Mandatory ForexClear Swap Contracts arising between the Clearing House and the ForexClear Option Clearing Members other than the Affected ForexClear Option Clearing Member shall be allocated by the Clearing House in accordance with the applicable allocation provisions in Regulation 103;

(H) each Mandatory ForexClear Swap Contract arising between the Clearing House and a ForexClear Option Clearing Member shall be a ForexClear Swap STM Contract if that ForexClear Option Clearing Member is a US FXCCM; and

(I) each Mandatory ForexClear Swap Contract arising between the Clearing House and a ForexClear Option Clearing Member that is not a US FXCCM shall, on or after the occurrence of a ForexClear STM Conversion Date in respect of that ForexClear Option Clearing Member, be registered as a ForexClear Swap STM Contract, or, if no such date has occurred, be registered as a ForexClear CTM Contract.

(e) At the time and in the manner specified in the Procedures, the Clearing House shall notify each Non-Affected ForexClear Option Clearing Member and the Affected ForexClear Option Clearing Member of the Mandatory ForexClear Swap Contracts (if any) that it has entered into for and on its behalf.

(f) Each ForexClear Option Clearing Member agrees and acknowledges that the Mandatory ForexClear Swap Contracts entered into on its behalf by the Clearing House shall constitute part of that ForexClear Clearing Member's ForexClear Clearing House Business and shall be recorded in that ForexClear Clearing Member's Proprietary Account. In no circumstance shall a Mandatory ForexClear Swap Contract be recorded in a ForexClear Clearing Member's Client Account.

(g) Nothing in this Regulation 101 requires the Clearing House to take any of the steps described, or to take any of those steps in any particular priority, order or amount except as expressly set out in these Regulations.

(h) In the event that the Clearing House determines, in its sole and absolute discretion, that, for any reason whatsoever, the daily settlement cycle will not complete, or is not reasonably likely to complete, before the Daily CLS Cut-Off Time specified in the Procedures (a "**Settlement Cycle Failure**"), the Clearing House may conclude, and bind one or more ForexClear Option Clearing Members on the one hand, and the Clearing House on the other hand, to one or more Mandatory ForexClear Swap Contracts on such terms as the Clearing House may determine in its sole and absolute discretion, provided always that:

(A) any Mandatory ForexClear Swap Contract shall be concluded only with a view to, once registered with the Clearing House, (I) reducing or extinguishing the Relevant FX Liabilities or Relevant FX Amounts of some or all of the ForexClear Option Clearing Members on that day or (II) creating corresponding positions for the Clearing House vis-à-vis other ForexClear Option Clearing Member(s);

(B) the Initial Exchange Date (as defined in the ForexClear Swap Contract Terms) for the Mandatory ForexClear Swap Contract shall be the date on which the Settlement Cycle Failure has occurred;

(C) the Final Exchange Date (as defined in the ForexClear Swap Contract Terms) for the Mandatory ForexClear Swap Contract shall be the business day (for the applicable Currency Pair (as defined in the ForexClear Swap Contract Terms)) immediately following the date on which the Settlement Cycle Failure has occurred;

(D) the Mandatory ForexClear Swap Contract must otherwise meet the conditions that the Clearing House, in its sole and absolute discretion, deems necessary from time to time;

(E) the Mandatory ForexClear Swap Contract shall be concluded on terms that it is subject to immediate registration with the Clearing House in the name of the relevant ForexClear Option Clearing Member;

(F) each Mandatory ForexClear Swap Contract arising between the Clearing House and a ForexClear Option Clearing Member shall be a ForexClear Swap STM Contract if that ForexClear Option Clearing Member is a US FXCCM; and

(G) each Mandatory ForexClear Swap Contract arising between the Clearing House and a ForexClear Option Clearing Member that is not a US FXCCM shall, on or after the occurrence of a ForexClear STM Conversion Date in respect of that ForexClear Option Clearing Member, be registered as a ForexClear Swap STM Contract, or, if no such date has occurred, be registered as as a ForexClear CTM Contract.

(i) This Regulation 101 is without prejudice to the Clearing House's rights and obligations under the Default Rules and nothing in this Regulation 101 shall require the Clearing House to take any action contemplated herein prior to taking action under the Default Rules.

REGULATION 102 FOREXCLEAR OPTION SERVICE – LIQUIDITY FUND CONTRIBUTIONS

(a) It is a ForexClear Option Service Membership Requirement that a ForexClear Option Clearing Member has paid to the Clearing House the ForexClear Liquidity Fund Contributions applicable to it in such currencies and such amounts as the Clearing House might prescribe from time to time as applicable to it.

(b) The currencies of the ForexClear Liquidity Fund Contributions and the size of the ForexClear Liquidity Fund Contributions shall be determined by the Clearing House, in its sole and absolute discretion, and shall be notified to each ForexClear Option Clearing Member from time to time. The Clearing House may, by not less than 30 calendar days' written notice to all ForexClear Option Clearing Members, amend the amount and/or currencies of the ForexClear Liquidity Fund Contributions; **provided** that the Clearing House may, by providing no fewer than two (2) calendar days' written notice, decrease the amount of ForexClear Liquidity Fund Contributions payable by all ForexClear Option Clearing Members to reflect the designation of a new ForexClear Option Clearing Member.

(c) The Clearing House shall (i) open and maintain one or more accounts in its own name with one or more central banks as it determines appropriate in its sole and absolute discretion, and (ii) ensure that the each of the ForexClear Liquidity Fund Contributions is at all times, except as permitted by Regulation 101(d)(i), paragraph (f) or paragraph (g) below, credited to such account(s).

(d) The Clearing House shall have policies and procedures in place to ensure that, at all times, each account to which the aggregate ForexClear Liquidity Fund Contibutions denominated in a given currency are credited shall have, standing to its credit, an amount of cash denominated in such currency that is at least equal to the aggregate ForexClear Liquidity Fund Contributions denominated in that currency across all ForexClear Option Clearing Members from time to time. Other than any rights of set off which may exist in relation to any account to which the ForexClear Liquidity Fund Contributions are credited from time to time, in no circumstance shall the Clearing House be entitled to assign, charge or otherwise subject to any other form of security interest, the amounts standing to the credit of such accounts from time to time, or any of its rights in respect of such accounts.

(e) The Liquidity Fund Contributions received from a ForexClear Option Clearing Member and held by the Clearing House in accordance with this Regulation 102 shall not constitute Collateral for the purposes of the Regulations. Each ForexClear Option

Clearing Member agrees and acknowledges that any Liquidity Fund Contributions received by the Clearing House are the Clearing House's own funds and such ForexClear Option Clearing Member shall have no rights in respect of such Liquidity Fund Contributions other than as expressly set out in these Regulations.

(f) The amount of the AUD ForexClear Liquidity Fund Contribution, CHF ForexClear Liquidity Fund Contribution, EUR ForexClear Liquidity Fund Contribution and GBP ForexClear Liquidity Fund Contribution held by the Clearing House in respect of a ForexClear Option Clearing Member on the date specified in (i) or (ii) immediately

below (as applicable) shall be repayable to that ForexClear Option Clearing Member on the earliest to occur of the following events:

(i) the effective date of termination of that ForexClear Option Clearing Member's status as a ForexClear Option Clearing Member (or if that ForexClear Option Clearing Member is a Defaulter, such date as the Clearing House may determine acting in its sole and absolute discretion); and

(ii) the effective date of termination of that ForexClear Option Clearing Member's status as a Clearing Member (or if that ForexClear Option Clearing Member is a Defaulter, such date as the Clearing House may determine acting in its sole and absolute discretion).

(g) On any day, interest (which may be a positive or negative amount) shall accrue on, or be deducted from, the AUD ForexClear Option Service Liquidity Fund Contribution, CHF ForexClear Option Service Liquidity Fund Contribution, EUR ForexClear Option Service Liquidity Fund Contribution and GBP ForexClear Option Service Liquidity Fund Contribution held by the Clearing House in respect of a given ForexClear Option Clearing Member on such day, at such rates and in such manner as provided by the Procedures. Interest shall be payable to or by that ForexClear Option Clearing Member in arrears and shall be paid monthly on the date or dates and in the manner specified by the Procedures. Any interest which has accrued and stands to the credit of the applicable account under this paragraph (g) shall not be regarded as being part of any of the ForexClear Option Service Liquidity Fund Contributions.

(h) A ForexClear Option Clearing Member's entitlement to repayment of any of its ForexClear Option Service Liquidity Fund Contributions or any part thereof shall not be capable of assignment by it.

(i) In the event that any of the ForexClear Option Service Liquidity Fund Contributions held by the Clearing House on a given day is diminished as a result of the Clearing House exercising its rights under Regulation 101(d)(i) only the Affected ForexClear Clearing Member shall, on demand, pay to the Clearing House, an amount of cash denominated in the same currency as the currency of the ForexClear Option Service Liquidity Fund Contribution that was so diminished equal to the amount by which the applicable ForexClear Option Service Liquidity Fund Contribution was so diminished.

(j) The Clearing House shall ensure that any amounts it receives pursuant to paragraph (i) or (g) above are held on the same terms as the ForexClear Option Service Liquidity Fund is held pursuant to this Regulation 102.

REGULATION 103 ALLOCATION OF MANDATORY FOREXCLEAR SWAP CONTRACTS AND MANDATORY SETTLEMENT FOREXCLEAR SWAP CONTRACTS

Mandatory Settlement ForexClear Swap Contracts

(a) If, following the occurrence of a ForexClear Settlement Event with respect to a ForexClear Option Clearing Member and a given ForexClear Currency, the Clearing House determines that, in accordance with Regulation 100(l), it shall conclude one or more Mandatory Settlement ForexClear Swap Contracts, it shall allocate the Mandatory Settlement ForexClear Swap Contracts arising between it and the applicable ForexClear Option Clearing Members in respect of that ForexClear Settlement Event in accordance with the below, subject always to the provisions of Regulation 105:

(i) first, the Clearing House shall allocate such Mandatory Settlement ForexClear Swap Contracts amongst all ForexClear Option Clearing Members that are Impacted ForexClear Option Clearing Members in respect of any ForexClear Settlement Event that has occurred on the relevant day (and regardless of the ForexClear Currency that is the subject of such a ForexClear Settlement Event) in the proportions and in the ForexClear Currencies that the Clearing House determines acting in its sole and absolute discretion; and

(ii) second, if having allocated Mandatory Settlement ForexClear Swap Contracts in accordance with (i) above, the Settlement Position Amount (denominated in any ForexClear Currency) of any of the Impacted ForexClear Option Clearing Members identified in (i) above exceeds the relevant Settlement Position Limit applicable to that Impacted ForexClear Option Clearing Member (such excess, the "**Remaining SPA Shortfall**"), the Clearing House shall allocate such Mandatory Settlement ForexClear Contracts amongst all other ForexClear Option Clearing Members in the proportions and in the ForexClear Currency the Clearing House determines acting in its sole and absolute discretion, until there is no Remaining SPA Shortfall in respect of any ForexClear Option Clearing Member.

Mandatory ForexClear Swap Contracts

(b) If, following the occurrence of a ForexClear Liquidity Event with respect to a ForexClear Option Clearing Member and a given ForexClear Currency, the Clearing House determines that, in accordance with Regulation 101(d)(v), it shall conclude one or more Mandatory ForexClear Swap Contracts, it shall allocate the Mandatory ForexClear Swap Contracts arising between it and the applicable ForexClear Option Clearing Members in respect of that ForexClear Liquidity Event in accordance with the below, subject always to the provisions of Regulation 105:

(i) first, the Clearing House shall allocate such Mandatory ForexClear Swap Contracts amongst all ForexClear Option Clearing Members that are Affected ForexClear Option Clearing Members in respect of any ForexClear Liquidity Event that has occurred on the relevant day (and regardless of the ForexClear Currency that is the subject of such a ForexClear Liquidity Event) in the proportions and in the ForexClear Currencies that the Clearing House determines acting in its sole and absolute discretion; and

(ii) second, if having allocated Mandatory ForexClear Swap Contracts in accordance with (i) above, there remains some Relevant FX Liabilities (denominated in any ForexClear Currency) of the Affected ForexClear Option Clearing Member(s) identified in (i) above that have not been extinguished, the Clearing House shall allocate such Mandatory ForexClear Contracts amongst all other ForexClear Option Clearing Members in the proportions and in the ForexClear Currency the Clearing House determines acting in its sole and absolute discretion, until there are no Relevant FX Liabilities outstanding.

REGULATION 104 FOREXCLEAR OPTION SERVICE – PAYMENT NETTING

The Clearing House shall, on each day:

(i) to the extent that amounts are (a) payable in the same currency, (b) payable by a ForexClear Clearing Member to the Clearing House on such day under the ForexClear Contracts (other than ForexClear NDF Contracts) then registered in the name of that ForexClear Clearing Member, and (c) payable to the Clearing House's account at the Settlement Service Provider, aggregate such amounts; and

(ii) to the extent that amounts are (a) payable in the same currency, (b) payable to a ForexClear Clearing Member by the Clearing House on such day under the ForexClear Contracts (other than ForexClear NDF Contracts) then registered in the name of that ForexClear Clearing Member, and (c) payable from the Clearing House's account at the Settlement Service Provider, aggregate such amounts,

and the amount payable on a day to one party (the **Payee**) by the other party (the **Payer**) under (i) or (ii) (as applicable) above shall be reduced by setting-off such amount against the amount (the **Other Amount**) payable by the Payee to the Payer under (i) or (ii) (as applicable) above. To the extent the Other Amount is so applied, the Other Amount will be discharged promptly and in all respects.

REGULATION 105 FOREXCLEAR OPTION SERVICE – AUTHORITY TO BIND FOREXCLEAR OPTION CLEARING MEMBERS

(a) Each ForexClear Option Clearing Member (acting individually) hereby appoints the Clearing House, with full and power and authority of that ForexClear Option Clearing Member, to act as its agent for the following purposes only:

(i) at any time following the occurrence of a ForexClear Liquidity Event or Settlement Cycle Failure (and where such ForexClear Liquidity Event or Settlement Cycle Failure is continuing, as applicable), to enter into, in the name of, and on behalf of, the ForexClear Option Clearing Member, one or more Mandatory ForexClear Swap Contracts on such terms as the Clearing House shall in its sole and absolute discretion determine, *provided however that*:

(A) if the ForexClear Option Clearing Member is a Non-Affected ForexClear Option Clearing Member in respect of that ForexClear Liquidity Event, the Clearing House shall not have the authority to enter into any Mandatory ForexClear Swap Contract that would, (i) upon its registration by and with the Clearing House, cause the Net Settlement Amount in relation to the ForexClear Option Clearing Member on the relevant day and in relevant ForexClear Currency to exceed the Settlement Position Limit applicable to the ForexClear Option Clearing Member and the relevant ForexClear Currency on such day, or (ii) exceed the Mandatory ForexClear Swap Limit applicable to that Non-Affected ForexClear Option Clearing Member and the relevant ForexClear Currency; and

(B) the terms of the Mandatory ForexClear Swap Contract shall be subject to Regulation 101;

(ii) at the time permitted by Regulation 100(k) and/or Regulation 100(l) in respect of a ForexClear Settlement Event, to enter into, in the name of, and on behalf of, the relevant ForexClear Option Clearing Member, one or more Mandatory Settlement ForexClear Swap Contracts on such terms as the Clearing House shall in its sole and absolute discretion determine, provided however that:

(A) if the ForexClear Option Clearing Member is a Non-Impacted ForexClear Option Clearing Member in respect of that ForexClear Settlement Event, the Clearing House shall not have the authority to enter into any Mandatory Settlement ForexClear Swap Contract that would, upon its registration by and with the Clearing House, cause the Net Settlement Amount in relation to the ForexClear Option Clearing Member on the relevant day and in relevant ForexClear Currency to exceed the Settlement Position Amount applicable to the ForexClear Option Clearing Member and the relevant ForexClear Currency on such day; and

(B) the terms of the Mandatory Settlement ForexClear Swap Contracts shall be subject to Regulation 100;

(iii) to register any Mandatory ForexClear Swap Contracts or Mandatory Settlement ForexClear Swap Contracts entered into under this Regulation in the ForexClear Option Clearing Member's Proprietary Account; and

(iv) to (A) execute in the ForexClear Option Clearing Member's name and on the ForexClear Option Clearing Member's behalf any document, contract, deed or other agreement, or (B) do, or cause to be done, any acts, in each case as the Clearing House determines (acting reasonably) to be lawfully necessary to give effect to the Mandatory ForexClear Swap Contracts and/or Mandatory Settlement ForexClear Swap Contracts entered into with such ForexClear Option Clearing Member.

REGULATION 106 FOREXCLEAR OPTION SERVICE – THE SETTLEMENT SERVICE PROVIDER

(a) Each ForexClear Option Clearing Member hereby agrees and acknowledges for the benefit of the Settlement Service Provider that the Settlement Service Provider shall owe no liability or responsibility whatsoever to any ForexClear Option Clearing Member with respect to the settlement services the Settlement Service Provider shall provide in conection with settlement under the ForexClear Option Service not taking place through the Clearing House Protected Payment System.

(b) Each ForexClear Option Clearing Member agrees that this Regulation 106 shall be for the benefit of, and enforceable by, the Settlement Service Provider in accordance with the Contracts (Rights of Third Parties) Act 1999. The rights of the Clearing House to terminate, rescind or vary, waive or agree to a settlement under this Regulation 106 are not subject to the consent of any other person.

REGULATION 106A SETTLEMENT-TO-MARKET OF FOREXCLEAR STM CONTRACTS

(a) Notwithstanding anything to the contrary in Regulation 20, neither the Clearing House nor a ForexClear Clearing Member shall be obliged to make any payment by way of variation margin in respect of a ForexClear STM Contract. This Regulation 106A shall be without prejudice to the Clearing House's other rights to require Collateral to be transferred to it under Regulation 20 (including, but not limited to, its right to require Collateral to be transferred to it in respect of a ForexClear Clearing Member's initial margin obligations in respect of a ForexClear STM Contract).

(b) The Clearing House shall, at least once per business day, determine (i) the change in the net present value of each ForexClear STM Contract, and (ii) the Price Alignment Amount payable on such business day, in each case in accordance with the relevant ForexClear STM Terms and in such manner and at such times as may be provided in the Procedures. Immediately upon the Clearing House making each such determination of the net present value of a ForexClear STM Contract, an NPV Reset shall occur with respect to that ForexClear STM Contract.

(c) Upon the occurrence of an NPV Reset in relation to a ForexClear STM Contract that is not a ForexClear Option Contract:

(i) if the Clearing House has determined that the net present value of the ForexClear STM Contract has increased since the immediately preceding NPV Reset, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract) equal to the amount of such increase shall immediately become due and payable by the ForexClear Clearing Member to the Clearing House under the relevant ForexClear STM Terms;

(ii) if the Clearing House has determined that the net present value of the ForexClear STM Contract has decreased since the immediately preceding NPV Reset, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract) equal to the amount of such decrease shall immediately become due and payable by the Clearing House to the ForexClear Clearing Member under the relevant ForexClear STM Terms;

(iii) if the Clearing House has determined that the net present value of the ForexClear STM Contract has not changed since the immediately preceding NPV Reset, neither the Clearing House nor the ForexClear Clearing Member shall be obliged to make any payment; and

(iv) the net present value of the ForexClear STM Contract shall for all purposes be reset to zero.

(d) Upon the occurrence of an NPV Reset in relation to a ForexClear STM Contract that is a ForexClear Option Contract:

(v) if the Clearing House has determined that the net present value of the obligation to pay the "Premium" (as defined in the ForexClear Contract Terms of that ForexClear STM Contract) has increased since the immediately preceding NPV Reset, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract) equal to the amount of such increase shall immediately become due and payable by the ForexClear Clearing Member to the Clearing House under the relevant ForexClear STM Terms;

(vi) if the Clearing House has determined that the net present value of the obligation to pay the "Premium" (as defined in the ForexClear Contract Terms of that ForexClear STM Contract) has decreased since the immediately preceding NPV Reset, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract) equal to the amount of such decrease shall immediately become due and payable by the Clearing House to the ForexClear Clearing Member under the relevant ForexClear STM Terms;

(vii) if the Clearing House has determined that the net present value of the ForexClear STM Contract (excluding the obligation to pay the "Premium" (as defined in the ForexClear Contract Terms of that ForexClear STM Contract)) has increased since the immediately preceding NPV Reset, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract) equal to the amount of such increase shall immediately become due and payable by the ForexClear Clearing Member to the Clearing House under the relevant ForexClear STM Terms;

(viii) if the Clearing House has determined that the net present value of the ForexClear STM Contract (excluding the obligation to pay the "Premium" (as defined in the ForexClear Contract Terms of that ForexClear STM Contract)) has decreased since the immediately preceding NPV Reset, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract) equal to the amount of such decrease shall immediately become due and payable by the Clearing House to the ForexClear Clearing Member under the relevant ForexClear STM Terms;

(ix) if the Clearing House has determined that the net present value referred to in any of (i)-(iv) above has not changed since the immediately preceding NPV Reset, neither the Clearing House nor the ForexClear Clearing Member shall be obliged to make any payment; and

(x) the net present value of the ForexClear STM Contract shall for all purposes be reset to zero.

(e) The ForexClear Clearing Member and the Clearing House hereby agree that:

(i) for the avoidance of doubt, an "increase" in the net present value of a ForexClear STM Contract or an obligation thereunder shall mean that the net present value of that ForexClear STM Contract or that obligation has moved in favour of the Clearing House since the immediately preceding NPV Reset;

(ii) for the avoidance of doubt, a "decrease" in the net present value of a ForexClear STM Contract or an obligation thereunder shall mean that the net present value of that ForexClear STM Contract or that obligation has moved in favour of the ForexClear Clearing Member since the immediately preceding NPV Reset; and

(iii) unless otherwise agreed between the ForexClear Clearing Member and the Clearing House, the net present value of a ForexClear STM Contract or an obligation thereunder on the Trade Date (as such term is defined in the ForexClear STM Terms applicable to that ForexClear STM Contract) shall be reset to zero.

(f) Except as prescribed in the Procedures, the net present value calculated by the Clearing House shall in no circumstances be called in question.

(g) Any determination of the net present value of a ForexClear STM Contract or obligation thereunder shall not take into account the ForexClear STM Terms of such ForexClear STM Contract.

(h) Upon the Clearing House's determination of the Price Alignment Amount in relation to a ForexClear STM Contract or certain obligations thereunder:

(i) if the Clearing House has determined that the Cumulative Net Present Value in relation to the ForexClear STM Contract or those obligations is greater than zero, then, subject to (iii) below, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract) equal to the relevant Price Alignment Amount shall immediately become due and payable by the Clearing House to the ForexClear Clearing Member;

(ii) if the Clearing House has determined that the Cumulative Net Present Value in relation to the ForexClear STM Contract or those obligations is less than zero, then, subject to (iii) below, an amount of cash (denominated in the currency determined in accordance with the Procedures for that ForexClear STM Contract)equal to the relevant Price Alignment Amount shall immediately become due and payable by the ForexClear Clearing Member to the Clearing House; and

(iii) if any Price Alignment Amount payable by a party on a business day is a negative amount, then the relevant Price Alignment Amount payable by that party will be deemed to be zero, and the other party will pay to that party the absolute value of the negative Price Alignment Amount on such business day.

(i) For the purpose of determining the Cumulative Net Present Value in relation to a ForexClear STM Contract that has been (i) transferred to a Backup Clearing Member pursuant to the Default Rules in relation to ForexClear Contracts, or (ii) novated pursuant to Regulation 91(n), the Trade Date of the ForexClear STM Contract that comes into existence immediately following such transfer or novation (as applicable) shall be the Trade Date of the ForexClear STM Contract that was so transferred or novated (as applicable).

(j) For the purpose of determining the Cumulative Net Present Value in relation to a ForexClear STM Contract that has been converted from a ForexClear CTM Contract pursuant to Regulation 106A, the Trade Date of the ForexClear STM Contract that comes into existence immediately following such conversion shall be the Trade Date of the ForexClear CTM Contract that was so converted.

(k) The payment of each of the amounts due and payable under the ForexClear STM Terms applicable to a ForexClear STM Contract shall be made in such manner and at such times as may be provided in the Procedures.

(l) In respect of all ForexClear STM Contracts the Clearing House shall:

(i) on each business day (as such term is defined in the ForexClear STM Terms relating to that ForexClear STM Contract), and to the extent that the following amounts are payable in the same currency and in respect of the same Client Account (that is not an Indirect Gross Account), Proprietary Account or Indirect Gross Sub-Account (as applicable), aggregate:

(A) the amounts (if any) payable by the ForexClear Clearing Member to the Clearing House on such business day in accordance with Regulation 106A(c)(i), 106A(d)(i) and 106A(d)(iii);

(B) the Price Alignment Amount (if any) payable by the ForexClear Clearing Member to the Clearing House on such business day in accordance with Regulation 106A(h)(ii); and

(C) any other amounts which are payable by the ForexClear Clearing Member to the Clearing House on such business day under those ForexClear STM Contracts,

(ii) on each business day, and to the extent that the following amounts are payable in the same currency and in respect of the same Client Account (that is not an Indirect Gross Account), Proprietary Account or Indirect Gross Sub-Account (as applicable), aggregate:

(A) the amounts (if any) payable by the Clearing House to the ForexClear Clearing Member on such business day in accordance with Regulation 106A(c)(ii), 106A(d)(ii) and 106A(d)(iv);

(B) the Price Alignment Amount (if any) payable by the Clearing House to the ForexClear Clearing Member on such business day in accordance with Regulation 106(a)(h)(ii); and

(C) any other amounts which are payable by the Clearing House to the ForexClear Clearing Member on such business day under those ForexClear STM Contracts,

and only the excess of the larger amount over the smaller amount (when comparing the aggregate amounts payable under (i) and (ii) above) shall be payable by the party by whom the larger amount would otherwise have been payable. To the extent the smaller amount is so applied, the smaller amount will be discharged promptly and in all respects.

(m) The Clearing House and the ForexClear Clearing Member agree that satisfaction of the payment obligation arising under the ForexClear STM Terms of a ForexClear STM Contract by the applicable party shall discharge such obligation for the purpose of settling the then outstanding exposure under that ForexClear STM Contract.

(n) A ForexClear Clearing Member that is not a US FXCCM may submit a request in accordance with the Procedures (a "**ForexClear STM Conversion Request"**) to the Clearing House requesting that the Clearing House convert all of its open ForexClear CTM Contracts in its Proprietary Account or a given Client Account to ForexClear STM Contracts and register all of its future ForexClear Contracts in its Proprietary Account or such Client Account as ForexClear STM Contracts (such ForexClear Clearing Member, a "**Converting ForexClear Clearing Member"**). For the avoidance of doubt, a ForexClear STM Conversion Request must specify the given Proprietary Account or Client Account that contains the ForexClear Contracts the Converting ForexClear Clearing Member wishes to convert.

(o) Following the Clearing House's receipt of a ForexClear STM Conversion Request, the Clearing House may, in its sole and absolute discretion, nominate a business day (such day, a "**ForexClear STM Conversion Date"**) from, and including which, all of such ForexClear Clearing Member's ForexClear CTM Contracts in its Proprietary Account or in a given Client Account shall cease to be registered as ForexClear CTM Contracts and shall immediately and automatically become registered as ForexClear STM Contracts, which are subject to this Regulation 106A and the ForexClear STM Terms. For the avoidance of doubt, if the Clearing House determines that it shall convert a ForexClear CTM Contract into a ForexClear STM Contract, such conversion shall be effected through the Clearing House and the Converting ForexClear Clearing Member agreeing to a modification of the terms of the relevant ForexClear CTM Contract to include the ForexClear STM Terms, and each Converting ForexClear Clearing Member hereby agrees to such modification. Such conversion shall not be effected through the Clearing House and the Converting ForexClear Clearing Member terminating the relevant ForexClear CTM Contract and entering into a new ForexClear STM Contract.

(p) A conversion of a Converting ForexClear Clearing Member's ForexClear Contracts pursuant to paragraph (o) above shall be subject to the following conditions precedent:

(i) the Converting ForexClear Clearing Member is not a Defaulter;

(ii) the conversion of the Converting ForexClear Clearing Member's ForexClear Contracts to ForexClear STM Contracts would not violate or result in the violation of any Applicable Law;

(iii) the Converting ForexClear Clearing Member has satisfied all of its obligations to meet any margin calls made by the Clearing House with respect to its ForexClear Contracts subject to conversion pursuant to paragraph (o) above up to, but excluding, the ForexClear STM Conversion Date. The Converting ForexClear Clearing Member shall satisfy such margin calls in accordance with the Procedures and/or applicable Regulations, as would ordinarily be the case;

(iv) the Converting ForexClear Clearing Member has paid to the Clearing House, or the Clearing House has paid to the Converting ForexClear Clearing Member (as applicable), any cash settlement amount that the Clearing House determines (in

its sole and absolute discretion) must be paid to ensure that the net present value of each ForexClear Contract to be converted shall be equal to zero on the ForexClear STM Conversion Date. Such amounts shall be determined and paid by the relevant party in accordance with the Procedures. The Converting ForexClear Clearing Member and the Clearing House agree that the Clearing House may, in its sole and absolute discretion, apply any Collateral held by it in respect of the ForexClear Contracts of the Converting ForexClear Clearing Member to satisfy (in whole or in part) the Converting ForexClear Clearing Member's obligation to pay the amount (if any) required under this Regulation 106A(p)(iv). The Converting ForexClear Clearing Member and the Clearing House agree that any Collateral held by the Converting ForexClear Clearing Member in respect of each ForexClear Contract registered in the name of the Converting ForexClear Clearing Member and subject to conversion under paragraph (o) above shall be applied to satisfy (in whole or in part) the Clearing House's obligation to pay the amount (if any) required under this Regulation 106A(p)(iv) in relation to such ForexClear Contracts; and

(v) all other conditions stipulated by the Clearing House have been complied with in a manner satisfactory to it.

(q) Upon the occurrence of a ForexClear STM Conversion Date, the given Converting ForexClear Clearing Member agrees and acknowledges for the benefit of the Clearing House that the ForexClear Contracts registered in its name and converted pursuant to paragraph (o) above cannot, in any circumstance, be re-converted into ForexClear CTM Contracts.

(r) For the purposes of this Regulation 106A;

(i) "**Cumulative Net Present Value**" means:

(A) in respect of a ForexClear STM Contract that is not a ForexClear Option Contract and a business day (as such term is defined in the ForexClear STM Terms relating to that ForexClear STM Contract) falling after the Trade Date, a hypothetical value, determined by the Clearing House acting in its sole and absolute discretion, equal to:

(1) the aggregate of the amounts (if any) payable by the ForexClear Clearing Member to the Clearing House (expressed as a positive number) under Section 4.1 (or Section 10.1, if the ForexClear STM Contract is a ForexClear NDF STM Contract) of the applicable ForexClear STM Terms from, and including, the Trade Date to, but excluding, that business day; plus

(2) if such ForexClear STM Contract has been converted from a ForexClear CTM Contract, the aggregate of the amounts (if any) of variation margin determined to be payable by the ForexClear Clearing Member to the Clearing House (expressed as a positive number) from, and including, the Trade Date, to, and including, the

ForexClear STM Conversion Date relating to such ForexClear STM Contract; plus

(3) the aggregate of the amounts (if any) payable by the Clearing House to the ForexClear Clearing Member (expressed as a negative number) under Section 4.1 (or Section 10.1, if the ForexClear STM Contract is a ForexClear NDF STM Contract) of the ForexClear STM Terms from, and including, the Trade Date, to, but excluding, that business day; plus

(4) if such ForexClear STM Contract has been converted from a ForexClear CTM Contract, the aggregate of the amounts (if any) of variation margin determined to be payable by the Clearing House to the ForexClear Clearing Member (expressed as a negative number) from, and including, the Trade Date, to, and including, the ForexClear STM Conversion Date relating to the ForexClear STM Contract.

(B) in respect of a ForexClear STM Contract that is a ForexClear Option Contract, the sum of the Premium Cumulative Net Present Value and the Option Cumulative Net Present Value.

(ii) "**NPV Reset**" means, in relation to a ForexClear STM Contract, the point in time when the Clearing House makes its determination of the net present value in relation to that ForexClear STM Contract, and immediately following which the provisions of Regulation 106A(c) and (d) shall apply.

(iii) "**Option Cumulative Net Present Value**" means in relation to all obligations under a ForexClear Option STM Contract other than the obligation to pay "Premium" and a business day falling after the Trade Date, a hypothetical value, determined by the Clearing House acting in its sole and absolute discretion, equal to:

(1) the aggregate of the amounts (if any) payable by the ForexClear Clearing Member to the Clearing House (expressed as a positive number) under Section 4.1(b)(ii) of the applicable ForexClear STM Terms from, and including, the Trade Date to, but excluding, that business day; plus

(2) if such ForexClear STM Contract has been converted from a ForexClear CTM Contract, the aggregate of the amounts (if any) of variation margin in respect of such obligations determined to be payable by the ForexClear Clearing Member to the Clearing House (expressed as a positive number) from, and including, the Trade Date, to, and including, the ForexClear STM Conversion Date relating to such ForexClear STM Contract; plus

(3) the aggregate of the amounts (if any) payable by the Clearing House to the ForexClear Clearing Member (expressed as a negative number) under Section 4.1(b)(ii) of the ForexClear STM Terms from, and including, the Trade Date, to, but excluding, that business day; plus

(4) if such ForexClear STM Contract has been converted from a ForexClear CTM Contract, the aggregate of the amounts (if any) of variation margin in respect of such obligations determined to be payable by the Clearing House to the ForexClear Clearing Member (expressed as a negative number) from, and including, the Trade Date, to, and including, the ForexClear STM Conversion Date relating to the ForexClear STM Contract.

(iv) "**Option Price Alignment Amount**" means, in relation to all obligations under a ForexClear Option STM Contract other than the obligation to pay "Premium" and a business day falling after the Trade Date of that ForexClear STM Contract, the product of:

(A) the absolute value of the Option Cumulative Net Present Value on such business day;

(B) the applicable Price Alignment Amount Rate on such business day; and

(C) the day count fraction determined by the Clearing House as being applicable to the ForexClear Margin or Settlement Currency (as defined in Procedures 2I) of that ForexClear STM Contract.

(v) "**Premium Cumulative Net Present Value**" means in relation to the obligation under a ForexClear Option STM Contract to pay "Premium" and a business day falling after the Trade Date, a hypothetical value, determined by the Clearing House acting in its sole and absolute discretion, equal to:

(A) the aggregate of the amounts (if any) payable by the ForexClear Clearing Member to the Clearing House (expressed as a positive number) under Section 4.1(b)(i) of the applicable ForexClear STM Terms from, and including, the Trade Date to, but excluding, that business day; plus

(B) if such ForexClear STM Contract has been converted from a ForexClear CTM Contract, the aggregate of the amounts (if any) of variation margin in respect of such obligation determined to be payable by the ForexClear Clearing Member to the Clearing House (expressed as a positive number) from, and including, the Trade Date, to, and including, the ForexClear STM Conversion Date relating to such ForexClear STM Contract; plus

(C) the aggregate of the amounts (if any) payable by the Clearing House to the ForexClear Clearing Member (expressed as a negative number) under Section 4.1(b)(i) of the ForexClear STM Terms from, and including, the Trade Date, to, but excluding, that business day; plus

(D) if such ForexClear STM Contract has been converted from a ForexClear CTM Contract, the aggregate of the amounts (if any) of variation margin in respect of such obligation determined to be payable by the Clearing House to the ForexClear Clearing Member (expressed as a negative number) from, and including, the Trade Date, to, and including, the ForexClear STM Conversion Date relating to the ForexClear STM Contract.

(vi) "**Premium Price Alignment Amount**" means, in relation to the obligation to pay "Premium" under a ForexClear Option Contract and a business day falling after the Trade Date of that ForexClear STM Contract, the product of:

(A) the absolute value of the Premium Cumulative Net Present Value on such business day;

(B) the applicable Price Alignment Amount Rate on such business day; and

(C) the day count fraction determined by the Clearing House as being applicable to the ForexClear Margin or Settlement Currency (as defined in Procedures 2I) of that ForexClear STM Contract.

(vii) "**Price Alignment Amount**" means:

(A) in relation to a ForexClear STM Contract that is not a ForexClear Option Contract and a business day falling after the Trade Date of that ForexClear STM Contract, the product of:

(1) the absolute value of the Cumulative Net Present Value of that ForexClear STM Contract on such business day;

(2) the applicable Price Alignment Amount Rate on such business day; and

(3) the day count fraction determined by the Clearing House as being applicable to the ForexClear Margin or Settlement Currency (as defined in Procedures 2I) of that ForexClear STM Contract.

(B) in relation to a ForexClear STM Contract that is a ForexClear Option Contract, the sum of the Premium Price Alignment Amount and the Option Price Alignment Amount.

(viii) "**Price Alignment Amount Rate**" means, in respect of a ForexClear STM Contract, the applicable rate that is specified and published by the Clearing House in accordance with the Procedures.

CHAPTER XXII LISTED INTEREST RATES REGULATIONS

REGULATION 107 APPLICATION OF LISTED INTEREST RATES REGULATIONS

General

(a) The Clearing House shall provide the Listed Interest Rates Service subject to and in accordance with the terms of these Listed Interest Rates Regulations and the Procedures.

(b) Listed Interest Rates Clearing Members shall be bound by these Listed Interest Rates Regulations. Applications to become a Listed Interest Rates Clearing Member shall be made in accordance with Regulation 107(d) and (e). Other than as expressly specified in this Regulation 107, the remainder of the Regulations shall not apply to the Listed Interest Rates Clearing Service. A summary table of those Regulations which apply to the Listed Interest Rates Clearing Service as described in Regulation 107(a) to Regulation 107(u) is provided at Regulation 107(v).

(c) Regulations 2 and 3 of the Regulations apply to the Listed Interest Rates Clearing Service.

Listed Interest Rates Clearing Membership

(d) A Clearing Member may apply to become a Listed Interest Rates Clearing Member in accordance with the Procedures.

(e) Regulation 4 applies to Listed Interest Rates Service and applications for such membership.

(f) Regulation 5 applies to a Listed Interest Rates Clearing Member.

(g) In the event of any inconsistency between a Rates Exchange Rule and the Listed Interest Rates Regulations, the Listed Interest Rates Regulations shall prevail.

Accounts

(h) Regulation 10 applies to the opening and operation of accounts with respect to a Listed Interest Rates Clearing Member. Such accounts shall be designated in accordance with Regulation 15.

Client Clearing

(i) Regulation 11 applies to those Listed Interest Rates Clearing Members who provide (or wish to provide) Client Clearing Services.

Formation, registration and transfers of Listed Interest Rates Contracts

(j) Regulation 16(b), (c) and (e) to (l), Regulation 17, Regulation 108and Regulation 109apply to the formation and registration of a Listed Interest Rates Contract.

(k) Regulation 107 to Regulation 114 apply to the Listed Interest Rates Service.

(l) Regulation 18 (and, insofar as relevant, Regulation 12(b)) apply to a Listed Interest Rates Contract which is an open contract.

Margin and Collateral

(m) Regulation 20 applies to a Listed Interest Rates Clearing Member.

Options

(n) Regulation 21, Regulation 26 and Regulation 27 apply to Listed Interest Rates Contracts which are options.

Reference Prices and Revaluation

(o) Regulation 22 applies to open Listed Interest Rates Contracts.

Physical settlement

(p) Regulation 28 to 32 (inclusive) and Regulation 36 apply to Listed Interest Rates Contracts.

Delivery Failure

(q) Regulation35 applies to Listed Interest Rates Contracts.

Market disorders; force majeure; invoicing back; currency conversion; disclosure; fees and other charges; records; Procedures; alteration of Regulations and Procedures; interpretation; waiver; validity; governing law and jurisdiction; exclusion of liability; netting

(r) Regulation 36 to Regulation 50 (inclusive), Regulation 51(a) and (c) to (e) and Regulation 52 apply to Listed Interest Rates Clearing Members and Listed Interest Rates Contracts.

Portfolio Margining Service

(s) Regulation 59 applies to Listed Interest Rates Clearing Members that are also SwapClear Clearing Members and have opted in to the Portfolio Margining Service in accordance with the Procedures.

Default Rules

(t) The Default Rules apply to Listed Interest Rates Clearing Members and Listed Interest Rates Contracts.

Clearing House Settlement Finality Regulations

(u) The Clearing House Settlement Finality Regulations apply in relation to Listed Interest Rates Clearing Members and Listed Interest Rates Contracts.

Summary Table of Regulations which apply to the Listed Interest Rates Service

(v) The Regulations listed in this Regulation 107(v) apply to the Listed Interest Rates Service as described under Regulation 107(a) to Regulation 107(u).

Regulation	***Title***
Regulation 2	Obligation to the Clearing House to each Member
Regulation 3	Performance by the Clearing House of its Obligations under the Terms of an Open Contract
Regulation 4	Clearing Member Status of the Clearing House
Regulation 5	Resigning and Retiring Members
Regulation 7	Non-Member Market Participant Status
Regulation 9	Service Withdrawal
Regulation 10	Accounts
Regulation 11	Client Clearing Business
Regulation 12(b)	Novation
Regulation 14(a) to (d), (f)	Allocation of Original Contracts
Regulation 15	Designation
Regulation 16 (b), (c) and (e) to (l)	Registration
Regulation 17	Trading Information
Regulation 18	Transfer
Regulation 20	Margin and Collateral
Regulation 21	Premium under Option Contracts
Regulation 22	Official Quotations and Reference Price
Regulation 26	Exercise of Options
Regulation 27	Delivery Contract Arising upon the Exercise of an Option
Regulation 28	Obligation to Make and Accept Tender under Cleared Exchange Contracts
Regulation 29	Delivery Contracts
Regulation 30	Open Contracts Subject to Tender
Regulation 31	Arrangements for Delivery and Payment of Price

Regulation	***Title***
Regulation 32	Restrictions on Clearing House's Obligations and Liability
Regulation 36	Default of a Member: Substituted Obligation
Regulation 37	Market Disorders, Impossibility of Performance, Trade Emergency
Regulation 38	Force Majeure
Regulation 39	Invoicing Back
Regulation 40	Currency Conversion
Regulation 41	Disclosure and Reporting
Regulation 42	Fees and Other Charges
Regulation 43	Records
Regulation 44	Alteration of Regulations and the Procedures
Regulation 45	Netting
Regulation 46	Distribution of Assets
Regulation 46A	Solvency Threatening Treasury Default Loss
Regulation 47	Procedures
Regulation 48	Interpretation of these Regulations
Regulation 49	Waiver
Regulation 50	Validity of Regulations and Action
Regulation 51(a), and (c) to (e)	Governing Law and Jurisdiction
Regulation 52	Exclusion of Liability
Regulation 59	Portfolio Margining Service
Regulation 107 to Regulation 114	Listed Interest Rates Regulations
Default Rules	Default Rules
Settlement Finality Regulations	Settlement Finality Regulations

REGULATION 108 LISTED INTEREST RATES OPEN OFFER FOR RATES EXCHANGE MATCHES

(a) This Regulation 108 applies to Rates Exchange Matches arising pursuant to Rates Exchange Particulars submitted by or on behalf of an Listed Interest Rates Clearing Member. In the event of any inconsistency between the Rulebook and any relevant Rates Exchange Rules, the Rulebook shall prevail.

(b) If a Listed Interest Rates Clearing Member has been given approval by the Clearing House to clear eligible Rates Exchange Matches in respect of the Rates Exchange specified in such approval and such approval has not been withdrawn by the Clearing House the Clearing House will enter into Listed Interest Rates Contracts with that Listed Interest Rates Clearing Member pursuant to such approval in accordance with and subject to the provisions of the Regulations and the Procedures. The terms of a registered Listed Interest Rates Contract shall be as received by the Clearing House, or its relevant approved agent, from the relevant Rates Exchange or the relevant Listed Interest Rates Clearing Member, as applicable, and otherwise subject to the Regulations and the Procedures (and the Clearing House and the Listed Interest Rates Clearing Member party to the registered Listed Interest Rates Contract shall be obliged to perform their obligations thereunder in accordance with such terms, the Regulations and the Procedures).

(c) The Clearing House makes an open offer to a Listed Interest Rates Clearing Member to enter into a Listed Interest Rates Contract in respect of a Rates Exchange Match in accordance with paragraph (e) of this Regulation 108 pursuant to the submission of Rates Exchange Particulars by or on behalf of that Listed Interest Rates Clearing Member provided that the following requirements (the "**Listed Interest Rates Open Offer Eligibility Criteria**") shall have been satisfied:

(i) at the relevant times, the Listed Interest Rates Clearing Member was party to a valid and subsisting Clearing Membership Agreement;

(ii) at the relevant times and up to and including the time at which the Clearing House or its relevant approved agent receives the details referred to under sub-paragraph (iv) of this paragraph (c), the Listed Interest Rates Clearing Member is not a Defaulter;

(iii) the product the subject of the Rates Exchange Match is a Listed Interest Rates Eligible Product;

(iv) all necessary details as required by the Clearing House from time to time in respect of the Rates Exchange Match shall have been provided to the Clearing House or its approved agent in the form, and by the times, prescribed by the Clearing House from time to time. Such information must be complete, must not be corrupted and must be legible at the time of receipt by the Clearing House, or its relevant approved agent, as applicable;

(v) the Listed Interest Rates Eligible Product, which is the subject of the Rates Exchange Match, is not subject to any trading halts, suspension of dealings or any other action having equivalent effect;

(vi) at the relevant times, the Listed Interest Rates Service or any relevant part of the Listed Interest Rates Open Offer in respect of the Rates Exchange Match had not been suspended or withdrawn;

(vii) the Listed Interest Rates Clearing Member has executed such other agreements or documents as may be required by the Clearing House from time to time in connection with the Listed Interest Rates Clearing Service; and

(viii) the relevant eligibility criteria and requirements for registration, as set out in Schedule 7 of the Product Specific Contract Terms and Eligibility Criteria Manual, are satisfied.

(d) For the avoidance of doubt, Rates Exchange Particulars are deemed to have been presented by or on behalf of the Listed Interest Rates Clearing Member if the details of the Rates Exchange Match received by the Clearing House identify, in accordance with any relevant Rates Exchange Rules, the Regulations or the Procedures, the Rates Exchange Match as having been made by or on behalf of that Listed Interest Rates Clearing Member.

(e) If Rates Exchange Particulars have been submitted to the relevant Rates Exchange by or on behalf of an Listed Interest Rates Clearing Member, as seller (the "**selling Listed Interest Rates Clearing Member**") (or buyer (the "**buying Listed Interest Rates Clearing Member**")) and have been matched by, or in accordance with, the Rates Exchange Rules with Rates Exchange Particulars submitted to such Rates Exchange by or on behalf of another or the same Listed Interest Rates Clearing Member, as buyer (the "**buying Listed Interest Rates Clearing Member**") (or seller (the "**selling Listed Interest Rates Clearing Member**")), and the resulting Rates Exchange Match has been presented to the Clearing House for registration, then, subject to satisfaction of the Listed Interest Rates Open Offer Eligibility Criteria and to the Regulations and the Procedures, the Clearing House shall automatically and immediately register two Listed Interest Rates Contracts as follows:

(i) the Clearing House shall be the buyer under one Listed Interest Rates Contract to the selling Listed Interest Rates Clearing Member; and

(ii) the Clearing House shall be the seller under one Listed Interest Rates Contract to the buying Listed Interest Rates Clearing Member.

(f) Any Listed Interest Rates Contract which is entered into by the Clearing House with Listed Interest Rates Clearing Members pursuant to paragraph (e) shall be registered in the name of each relevant Listed Interest Rates Clearing Member.

(g) Listed Interest Rates Contracts shall be on the terms received by the Clearing House pursuant to paragraph (c)(iv) and otherwise on the relevant Listed Interest Rates Contract Terms and any other terms specified in these Regulations and the Procedures. The Clearing House and the Clearing Member party to a Listed Interest Rates Contract shall be obliged to perform their obligations thereunder in accordance with such terms.

(h) If the details required by the Clearing House pursuant to paragraph (c)(iv) are not provided to the Clearing House in accordance with the Clearing House's requirements,

by the time prescribed by the Clearing House from time to time, or the Clearing House is not able to access such details, the Clearing House may in its sole discretion either:

(i) not register any Listed Interest Rates Contract; or

(ii) register two Listed Interest Rates Contracts on terms the Clearing House determines and such terms shall be binding on the relevant Listed Interest Rates Clearing Members.

(i) Without prejudice to Regulation 52, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall not be liable to any Listed Interest Rates Clearing Member or anyone else for any loss, cost, damage or expense of whatsoever nature suffered or incurred by it or them in respect of any Listed Interest Rates Contract or any determination made by the Clearing House under paragraph (h), if the Clearing House does not receive the relevant details referred to in paragraph (c)(iv) by the time referred to in such paragraph (c)(iv).

(j) Subject to its rights to suspend the Listed Interest Rates Open Offer and/or the Listed Interest Rates Clearing Service generally or in respect of one or more Rates Exchanges or to withdraw the Listed Interest Rates Clearing Service in whole or in part, as set out in these Regulations or the Procedures, the Clearing House undertakes to keep open the offer made by it in this Regulation 108 until such Listed Interest Rates Clearing Member is no longer eligible to have Listed Interest Rates Contracts registered in its name or has withdrawn from trading through each Rates Exchange notified to the Clearing House under paragraph (b). Any such intended withdrawal from trading through a Rates Exchange must be notified to the Clearing House in accordance with the Procedures.

(k) Without prejudice to Regulation 35, a Listed Interest Rates Clearing Member shall be bound by Listed Interest Rates Contract registered in its name in respect of a Rates Exchange Match under these Regulations and notwithstanding that the requirements of paragraph (c) may not have been satisfied in respect of the Listed Interest Rates Clearing Member.

(l) Notwithstanding any other provision in this Regulation 108, the Clearing House may with the agreement of the Listed Interest Rates Clearing Member(s) party to corresponding Listed Interest Rates Contracts set aside or take such other steps with respect to such contracts on such terms as may be agreed if either or both Listed Interest Rates Clearing Members consider that they have entered into a contract in error or that certain terms of the contract have been agreed by them, or on their behalf, in error.

REGULATION 109 LISTED INTEREST RATES NOVATION TRANSACTIONS

(a) Details of any Listed Interest Rates Novation Transaction in respect of a Rates Exchange which is to be presented for registration must be presented in accordance with the Procedures by or on behalf of the Listed Interest Rates Clearing Member who is party to, or is providing clearing services to a party to, such Listed Interest Rates Novation Transaction. For the avoidance of doubt, where the particulars of an Listed Interest Rates Novation Transaction presented by or on behalf of a Listed Interest Rates Clearing Member and received by the Clearing House identify, in accordance with the relevant Rates Exchange Rules or the Procedures, that Listed Interest Rates Clearing Member as buyer or seller, or as acting as Clearing Member for the buyer or seller, in respect of the Listed Interest Rates Novation Transaction, the Clearing House will enter into a Listed Interest Rates Contract with that Listed Interest Rates Clearing Member in accordance with and subject to the provisions of the Regulations and the Procedures.

(b) Without prejudice to the Clearing House's rights under Regulation 16(i), the Clearing House shall register or reject the registration of a Listed Interest Rates Novation Transaction presented for registration by or on behalf of an Listed Interest Rates Clearing Member subject to, and in accordance with, these Regulations, the Procedures and all Applicable Law, where a condition of such registration is that the following requirements ("**Listed Interest Rates Novation Transaction Eligibility Criteria**") are satisfied at the time when the particulars of such Listed Interest Rates Novation Transaction are presented to the Clearing House and continue to be satisfied at all times thereafter up to and including the Registration Time (each such time, for the purposes of this Regulation 109, the "**relevant times**"):

(i) the product the subject of the Listed Interest Rates Novation Transaction is, at the relevant times, a Listed Interest Rates Eligible Product;

(ii) all necessary details as required by the Clearing House from time to time in respect of the Listed Interest Rates Novation Transaction shall have been provided to the Clearing House or its approved agent in the form, and by the times, prescribed by the Clearing House from time to time. Such information must be complete, must not be corrupted and must be legible at the time of receipt by the Clearing House, or its relevant approved agent, as applicable;

(iii) the Listed Interest Rates Eligible Product, which is the subject of the Listed Interest Rates Novation Transaction, is not subject to any trading halts, suspension of dealings or any other action having equivalent effect;

(iv) at the relevant times, the Listed Interest Rates Service for the relevant Rates Exchange has not been suspended or withdrawn, generally or in relation to the relevant Listed Interest Rates Eligible Product or Listed Interest Rates Clearing Member;

(v) the Listed Interest Rates Clearing Member has executed such other agreements or documents as may be required by the Clearing House from time to time in connection with the Listed Interest Rates Clearing Service; and

(vi) the relevant eligibility criteria and requirements for registration, as set out in Schedule 7 of the Product Specific Contract Terms and Eligibility Criteria Manual, are satisfied.

(c) Every Listed Interest Rates Novation Transaction presented for registration in the name of a Listed Interest Rates Clearing Member in accordance with paragraph (a) above shall be confirmed by or on behalf of such Listed Interest Rates Clearing Member, in such manner and form and by such times as are prescribed by the Procedures or, where the Clearing House has so agreed with a Rates Exchange, as prescribed in the Rates Exchange Rules.

(d) Notwithstanding paragraph (c) above, a Listed Interest Rates Novation Transaction may, subject to the Regulations and the Procedures, be allocated by or on behalf of a Listed Interest Rates Clearing Member to another Listed Interest Rates Clearing Member or to a member of a Rates Exchange who is not a Listed Interest Rates Clearing Member and shall thus be confirmed pursuant to Regulation 14(a) instead of paragraph (c) above.

(e) If a Listed Interest Rates Novation Transaction is not confirmed by or on behalf of a Listed Interest Rates Clearing Member pursuant to paragraph (c) above, or is not allocated by or on behalf of such Listed Interest Rates Clearing Member within the prescribed time pursuant to Regulation 14, the Clearing House may in accordance with the Procedures deem such contract as having been confirmed pursuant to paragraph (c) above.

(f) Any changes to the prescribed methods, forms and times set out in the Procedures in respect of presentation of particulars of Listed Interest Rates Novation Transactions and confirmation of such Listed Interest Rates Novation Transactions shall be made by the Clearing House only after consultation with the relevant Rates Exchange(s), save that the Clearing House may at its absolute discretion make such changes without such consultation where it deems it necessary in the circumstances then prevailing.

(g) Confirmation of a Listed Interest Rates Novation Transaction by or on behalf of a Member pursuant to this Regulation 109 or Regulation 14 and the Procedures shall be effective immediately (unless otherwise specified in the Procedures) and shall constitute the consent of the Member to such contract being registered in his name in accordance with these Regulations.

REGULATION 110 DAILY SETTLEMENT TO MARKET

(a) The Clearing House shall, in accordance with the Procedures, in respect of each open Listed Interest Rates Contract in a Listed Interest Rates Clearing Member's name, effect and register a settlement contract, being a contract on the same terms (except as to price or premium), including the strike price where applicable, as the open Contract, save that where the Listed Interest Rates Clearing Member is a buyer under the terms of the open Contract the Listed Interest Rates Clearing Member shall be a seller under the terms of the settlement contract and vice-versa, such settlement contract to be effected in accordance with the Procedures at the relevant official quotation or Reference Price for that day. The Clearing House shall thereupon settle each open contract against the respective settlement contract in accordance with the Procedures.

(b) The Clearing House shall, upon completion of the process set out in paragraph (a) above, calculate the daily settlement amounts in accordance with the Procedures and shall thereafter debit or credit (as the case may be) the Listed Interest Rates Clearing Member's account and upon the Clearing House so doing, the Listed Interest Rates Clearing Member and the Clearing House shall (unless otherwise agreed) settle any daily settlement amounts arising as follows:

(i) any profit arising to a Listed Interest Rates Clearing Member shall: (A) be credited to the applicable account; and (B) subject to the Clearing House's right to retain such profit pursuant to these Regulations, be paid to the Member on the Member's request; and

(ii) any loss arising to a Listed Interest Rates Clearing Member shall be debited from the applicable account of the Member to the extent that there is an available balance in such account and, in accordance with these Regulations, the Member shall pay the amount of any shortfall in respect of such loss to the Clearing House forthwith on demand.

(c) The Clearing House shall, upon completion of the calculation of daily settlement amounts pursuant to paragraph (b) above, in the manner prescribed by the Procedures, in respect of those open Contracts in a Listed Interest Rates Clearing Member's name which have been settled pursuant to paragraph (a) above, register at the official quotation or Reference Price referred to in paragraph (a) above, contracts in the Member's name as open Contracts on the same terms (except as to price or premium), including the strike price where applicable, as the settled open Contracts, save that no contract for the purchase and no contract for the sale of the same commodity or other reference asset, for the same delivery month, or expiry month and strike price, where applicable, shall be registered in the Member's name.

REGULATION 111 TERMINATION OF FUNGIBLE LISTED INTEREST RATES CONTRACTS

(a) The Clearing House may from time to time designate a Rates Exchange in respect of one or more Listed Interest Rates Eligible Products for the purposes of these Regulations (such Rates Exchange, a "**Designated Rates Exchange**"). A Rates Exchange seeking designation as a Designated Rates Exchange must submit a written request to the Clearing House in the form and manner required by the Clearing House. Such designation, once made effective by the Clearing House, shall remain in effect until such time as the Clearing House agrees, in its sole and absolute discretion, to terminate, modify or suspend such designation.

(b) The Clearing House may from time to time determine that Listed Interest Rates Eligible Products listed for trading on two or more Designated Rates Exchanges have substantially the same economic terms. Such determination may be made where the Clearing House Risk Committee considers, in its sole discretion and in accordance with applicable risk governance requirements, that such Listed Interest Rates Eligible Products have substantially the same fundamental economic attributes. Following such determination, the Clearing House shall designate all Listed Interest Rates Contracts registered in respect of such Listed Interest Rates Eligible Products as "**Designated Listed Interest Rates Contracts**".

(c) Notwithstanding any other provision of these Regulations, where:

(i) two or more Designated Listed Interest Rates Contracts are registered for the account of a Listed Interest Rates Clearing Member; and

(ii) all such Designated Listed Interest Rates Contracts are registered: (a) on the Listed Interest Rates Clearing Member's own behalf to its Proprietary Account, (b) on behalf of the same Listed Interest Rates Clearing Client and to the same Client Account (which is not an Indirect Gross Account), or (c) on behalf of the same Listed Interest Rates Clearing Client and to the same Indirect Gross Sub-Account,

then the Clearing House shall compress and combine all such Designated Listed Interest Rates Contracts by terminating the relevant existing Designated Listed Interest Rates Contracts and compressing them into one Designated Listed Interest Rates Contract reflecting the aggregate economic terms, or the net economic terms, as the case may be, of such original Designated Listed Interest Rates Contracts. For the avoidance of doubt, in no circumstances can a Designated Listed Interest Rates Contract registered in the Proprietary Account of a Listed Interest Rates Clearing Member be compressed pursuant to this Regulation 111 with a Designated Listed Interest Rates Contract registered in the Client Account of that Listed Interest Rates Clearing Member.

REGULATION 112 DISPUTES AND LIMITATION OF LIABILITY

(a) A dispute arising from or in relation to any Listed Interest Rates Contract or in relation to these Regulations relating to the clearing of a Listed Interest Rates Contracts shall, unless resolved between the Clearing House and the Listed Interest Rates Clearing Member, be finally resolved by arbitration under the LCIA Rules, which rules are deemed to be incorporated by reference into this clause, by three arbitrators, the seat of the arbitration to be England, with any hearings to be held in London in the English language. The Clearing House shall be entitled, at its option, to call upon a Listed Interest Rates Clearing Member who is a buyer and a Listed Interest Rates Clearing Member who is a seller, under the terms of the Listed Interest Rates Contracts to conduct the arbitration accordingly.

(b) In the event that the Clearing House elects, pursuant to paragraph (a) above, to call upon a seller and a buyer to arbitrate between them, the following process shall apply:

(i) the Clearing House shall give notice of such election to the buyer, the seller and, where applicable, to the relevant Rates Exchange;

(ii) the seller shall at its own expense have the conduct of the Clearing House's case against the buyer, and the buyer shall at its own expense have the conduct of the Clearing House's case against the seller, in either case, subject to the provisions of this Regulation;

(iii) copies of all pleadings, correspondence and documents shall be given to the Clearing House and the Clearing House shall be entitled to submit any additional arguments to the arbitrators in support of its own case, in which case it shall supply copies of such submissions to the seller and the buyer;

(iv) the arbitrators shall have the power to call upon the Clearing House to disclose documents relating to the arbitration which are in its custody, power or possession to the same extent as if it were a direct party to the arbitration; and

(v) the arbitrators shall issue two awards, one between the seller and the Clearing House and one between the buyer and the Clearing House which shall determine the rights of each of the seller and the buyer against the Clearing House and vice versa.

(c) If the Clearing House is found liable to one of the parties to the arbitration ("**the first party**") in respect of a breach of a Listed Interest Rates Contract and the other party to the arbitration ("**the second party**") is found liable to the Clearing House in respect of such breach of a Listed Interest Rates Contract, the liability of the Clearing House to the first party shall be deemed to be a foreseeable consequence of the breach by the second party and the Clearing House shall be entitled to be indemnified in respect of such liability by the second party.

(d) If notice of claim and notice of intention to refer a dispute to arbitration is given to the Clearing House pursuant to this Regulation in respect of an open Listed Interest Rates Contract, any or all Collateral (including any Applied Collateral Excess Proceeds) standing to the credit of the account in which the relevant Contract is registered (whether such Collateral is held with respect to the contract under dispute or otherwise)

may be retained by the Clearing House. The Clearing House may at any time and from time to time demand transfer by such Listed Interest Rates Clearing Member of additional Collateral, in such amount as it may deem appropriate in respect of such contract or contracts, to be held by the Clearing House under these Regulations until the claim is finally disposed of. The amount of such Collateral to be transferred by the Member to the Clearing House shall be assessed by reference to such circumstances as the Clearing House in its discretion deems relevant

(e) Without prejudice to the generality of Regulation 52 or any other provision of the Regulations or Procedures concerning liability of the Clearing House or a Member, any liability of the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) to a Member or to any other person (including, without limitation, any client of a Member) which might otherwise arise in connection with the Listed Interest Rates Clearing Service shall, if and to the extent such liability arises out of any act or omission of any third party upon whom the Clearing House is reliant in any material respect in its provision of the Listed Interest Rates Clearing Service (including, without limitation, a Rates Exchange or any provider of transaction routing functionality), be limited to such amounts as the Clearing House is entitled to recover and is successful in recovering from that third party in respect of that party's acts and/or omissions.

(f) No person may refer to arbitration any dispute arising from or in connection with the Default Rules or any step taken or proposed to be taken under the Default Rules.

REGULATION 113 SUSPENSION OF THE LISTED INTEREST RATES CLEARING SERVICE OR THE LISTED INTEREST RATES OPEN OFFER

The Clearing House may, from time to time, in its absolute discretion suspend the Listed Interest Rates Service or the Listed Interest Rates Open Offer in respect of Rates Exchange Matches or its service in respect of any Listed Interest Rates Novation Transaction on one or more Rates Exchanges for such period of time as it may determine.

REGULATION 114 REJECTION OF RATES EXCHANGE MATCHES AND OF LISTED INTEREST RATES NOVATION TRANSACTIONS

(a) Any Rates Exchange Match, particulars of which are presented to the Clearing House, or its relevant approved agent, for registration by the Clearing House as a Listed Interest Rates Contract, which does not meet the relevant Listed Interest Rates Open Offer Eligibility Criteria, or which the Clearing House declines to register under any other provision of these Regulations or the Procedures, will, subject to paragraph (c), be rejected by the Clearing House and no Listed Interest Rates Contracts shall be deemed to have arisen. If the Clearing House rejects the Rates Exchange Match, the presenting Clearing Members and relevant Rates Exchange will be notified of the rejection within the required timeframe under all Applicable Law. Without prejudice to the generality of Regulation 52, and any other provision of the Regulations or Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person with regard to the rejection by it of any such Rates Exchange Match.

(b) Any Listed Interest Rates Novation Transaction, particulars of which are presented to the Clearing House, or its relevant approved agent, for registration by the Clearing House as an Listed Interest Rates Contract, which does not meet the relevant Listed Interest Rates Novation Transaction Eligibility Criteria, or which the Clearing House declines to register under any other provision of these Regulations or the Procedures, will, subject to paragraph (c), be rejected by the Clearing House and no Listed Interest Rates Contracts shall be deemed to have arisen. If the Clearing House rejects the Listed Interest Rates Novation Transaction, the presenting Clearing Members and relevant Rates Exchange will be notified of the rejection within the required timeframe under all Applicable Law. Without prejudice to the generality of Regulation 52, or any other provision of the Regulations and Procedures concerning liability of the Clearing House or a Member, the Clearing House (and each other member of the LCH Group and their respective officers, employees and agents) shall have no liability whatsoever to any Member or any other person with regard to the rejection by it of any such Listed Interest Rates Novation Transaction.

(c) The Clearing House may, in its absolute discretion, agree to register a Listed Interest Rates Contract, notwithstanding that it does not meet the relevant Listed Interest Rates Open Offer Eligibility Criteria or Listed Interest Rates Novation Transaction Eligibility Criteria (as applicable) or it contains invalid or incomplete message data, in accordance with provisions prescribed by the Clearing House from time to time in the Procedures.

REGULATION 115 [INTENTIONALLY LEFT BLANK]