

CHAPTER 2 - GENERAL PROVISIONS

Section 1.2.1 General

Article 1.2.1.1

The CDS Clearing Documentation sets out the principles and general conditions governing the organisation and operation of the CDS Clearing Service.

Article 1.2.1.2

Any general or specific decisions which LCH.Clearnet SA is required or permitted to take pursuant to the provisions of the CDS Clearing Documentation shall be taken in accordance with general principles of good faith and fair dealing, in a commercially reasonable manner, in accordance with high standards of integrity, and at an appropriate level of seniority.

Article 1.2.1.3

The provisions of the CDS Clearing Documentation shall be binding on all Clearing Members in relation to the CDS Clearing Service and Clearing Members shall at all times comply with the requirements set out in the CDS Clearing Documentation in addition to any other conditions and restrictions that apply or are imposed in accordance herein.

Section 1.2.2 Modification

Article 1.2.2.1

LCH.Clearnet SA shall only be permitted to modify the CDS Clearing Documentation from time to time, in accordance with the provisions of this Section 1.2.2. For the avoidance of doubt, this Section 1.2.2 does not apply to the issuance of Clearing Notices.

Article 1.2.2.2

In respect of any proposed modification applying to Clearing Members generally including any proposed new provisions or amendments to and/or revocations of existing provisions, LCH.Clearnet SA shall first consult with the appropriate legal, risk, operational and/or other forums established by LCH.Clearnet SA, in which Clearing Members may request to participate. Subject to Article 1.2.2.4 and Article 1.2.2.7, if, pursuant to this consultation process, LCH.Clearnet SA wishes to proceed with a proposed modification, LCH.Clearnet SA shall issue a Rules Proposal to all Clearing Members providing at least 14 days for Clearing Members to respond.

Article 1.2.2.3

Subject to Article 1.2.2.6, following the due completion of the process set out in Article 1.2.2.2, LCH.Clearnet SA may issue a Rules Notice. The Rules Notice shall provide full details of each new, amended or revoked provision of the CDS Clearing Document. Each such Rules Notice shall come into effect two Clearing Days after its publication or upon a later Clearing Day specified in such Rules Notice.

Article 1.2.2.4

Other than in respect of any matter which is a Specific Matter, for which Article 1.2.2.7 shall apply, LCH.Clearnet SA may issue a Rules Notice without having issued a Rules Proposal or provided 14 days for Clearing Members to respond in accordance with Article 1.2.2.2 in the following circumstances:

- (i) the proposed modification is of a limited, technical nature or relates to minor, administrative provisions and, in each case, LCH.Clearnet SA reasonably considers that prior consultation of Clearing Members in accordance with Article 1.2.2.2 is not appropriate;
- (ii) the proposed modification is required, necessary or desirable (whether in accordance with the legal advice received by LCH.Clearnet SA or otherwise) to ensure that LCH.Clearnet SA:
 - (a) complies with Applicable Law, accounting standards or the requirements or recommendations of any Governmental Authority or relevant Regulatory Body; or
 - (b) maintains its status as a clearing house within the meaning of Article L. 440-1 of the French Monetary and Financial Code or any other legal or regulatory status it has under any other Applicable Law;
 - (c) properly manages any risks to LCH.Clearnet SA arising out of what LCH.Clearnet SA reasonably considers to be Extreme Market Developments;

provided that no modifications shall be made under sub-paragraphs (a) or (b) above without issuing a Rules Proposal and providing 14 days for Clearing Members to respond unless it is impractical for LCH.Clearnet SA to do so or LCH.Clearnet SA acting reasonably and in good faith considers it not to be necessary; and provided that no modifications shall be made under sub-paragraph (c) above without LCH.Clearnet SA having first convened an emergency meeting of the Risk Committee (which shall constitute the appropriate forum for the purposes of Article 1.2.2.2) on whatever notice period LCH.Clearnet SA is able to give and LCH.Clearnet SA's having regard to any advice of the Risk Committee before making any such modifications.

Notwithstanding its rights set out in this Article 1.2.2.4(ii)(c), LCH.Clearnet SA shall deal with an Event occurring in respect of a Clearing Member in accordance with its rights set out in Section 2.4.1 and Section 4.3.1 and shall deal with an Event of Default being declared in respect of a Clearing Member in accordance with Section 4.3.2 and Section 4.3.3. The occurrence of an Event, the declaration of an Event of Default or the due implementation of the CDS Default Management Process shall not constitute Extreme Market Developments.

Article 1.2.2.5

Where LCH.Clearnet SA issues a Rules Notice in the circumstances described in Article 1.2.2.4(i) or (ii), the Rules Notice shall come into effect on the expiry of such period of notice as is set out in such Rules Notice and LCH.Clearnet SA shall not be bound by the minimum period set out in Article 1.2.2.3. Notwithstanding the foregoing, LCH.Clearnet SA agrees that, wherever feasible, a Rules Notice will be published on the Website two Clearing Days prior to it coming into effect.

Article 1.2.2.6

Subject to Article 1.2.2.4 and Article 1.2.2.11, LCH.Clearnet SA shall not, in any circumstances, be permitted to make any modification to the CDS Clearing Documentation that would alter the terms, including, but not limited to, the payment or delivery obligations, of a Cleared Transaction.

Notwithstanding the foregoing, in relation to any relevant index, where the related Index Publisher publishes an updated form of confirmation in respect of CDS referencing such index, or where ISDA publishes an updated form of confirmation for the Single Name Cleared Transaction, LCH.Clearnet SA may, in consultation with the Risk Committee, adopt such form of confirmation in respect of Index Cleared Transactions or Single Name Cleared Transactions, as the case may be, either:

- (i) with respect to existing and future Cleared Transactions referencing such index or Single Name Cleared Transactions, as the case may be; or
- (ii) with respect to future Cleared Transactions referencing such index or Single Name Cleared Transactions, as the case may be, only,

and in each case may make consequential changes to the CDS Clearing Supplement and the Procedures, provided that LCH.Clearnet SA may only adopt such confirmations and make consequential changes following consultation with the Risk Committee and provided further that:

- (a) LCH.Clearnet SA may only adopt such confirmations when LCH.Clearnet SA determines, following consultation with the Risk Committee, that such confirmations are industry standard; and
- (b) LCH.Clearnet SA may only modify existing Cleared Transactions as the case may be, if LCH.Clearnet SA determines, following consultation with the Risk Committee, that such modifications will not result in an MTM Change in respect of the relevant Cleared Transaction, as the case may be.

Without prejudice to its right to make other changes to the CDS Clearing Documentation in accordance with this Section 1.2.2, LCH.Clearnet SA shall not, by Clearing Notice or otherwise, issue any interpretation of any provision of any Cleared Transaction that is or purports to be binding on Clearing Members generally. Following the due completion of the process set out in Article 1.2.2.2, LCH.Clearnet SA will issue a Rules Notice in accordance with Article 1.2.2.3.

Article 1.2.2.7

If LCH.Clearnet SA issues a Rules Proposal which purports to amend, introduce, override, contravene or revoke any Specific Matter, LCH.Clearnet SA shall ensure that the consultation process involving Clearing Members shall be no less than 30 calendar days from the date of the publication of this Rules Proposal and, as part of such consultation process, LCH.Clearnet SA shall act fairly and professionally in accordance with the best interests of the Clearing Members (as a whole) and sound risk management. On completion of the consultation process, LCH.Clearnet SA may issue a Rules Notice, subject that such Rules Notice shall come into effect no earlier than 180 calendar days from the date of its publication. Notwithstanding the foregoing, LCH.Clearnet SA shall be permitted to shorten the 30 calendar day and/or the 180 calendar day period if at least 50% of Clearing Members by number and 75% by contributions to the CDS Default Fund as at the date of its last calculation pursuant to Article 4.4.1.5 and Article 4.4.1.6 agree in writing to LCH.Clearnet SA.

Notwithstanding the foregoing, this Article 1.2.2.7 shall not apply in respect of any Rules Proposal and Rules Notice issued in order solely to implement a binding direction issued to LCH.Clearnet SA by a Regulatory Body.

Article 1.2.2.8

LCH.Clearnet SA may issue from time to time a Clearing Notice in accordance with this CDS Clearing Rule Book, the CDS Clearing Supplement or the Procedures. LCH.Clearnet SA may amend or revoke any previous Clearing Notice by means of a Clearing Notice. Except in cases where LCH.Clearnet SA considers a modification to guidance to be urgent (where modification may take immediate effect), a Clearing Notice shall take effect two Clearing Days after its publication.

Article 1.2.2.9

Clearing Notices may not be used to issue new, or amend or revoke any existing, principles, rights or obligations as set out in the CDS Clearing Rules or any Cleared Transaction. For the avoidance of doubt, Clearing Notices shall not be notices contemplated by or to be given under the terms of Cleared Transactions pursuant to the CDS Clearing Supplement and shall not be subject to Section 1.10 (Requirements Regarding Notices) of the 2003 ISDA Credit Derivatives Definitions or Section 1.38 (Requirements Regarding Notices) of the 2014 ISDA Credit Derivatives Definitions, as applicable.

Article 1.2.2.10

The terms of reference of the Risk Committee will be set by the board of directors of LCH.Clearnet SA, and any decision to change thereto will be subject to prior consultation with the Risk Committee. Such changes will be notified in advance to the Clearing Members and made by the board of directors of LCH.Clearnet SA.

Article 1.2.2.11

LCH.Clearnet SA may, in consultation with the Risk Committee and such other appropriate legal, operational and other forums established by LCH.Clearnet SA, modify this CDS Clearing Rule Book, the CDS Clearing Supplement and/or the Procedures in accordance with any relevant CDS industry sponsored protocol or other industry sponsored protocol (or, in each case, other multilateral agreement process) to which, as at 17.00 on the originally scheduled closing date of such protocol or other multilateral agreement process, at least 50% of Clearing Members by number and 50% by contribution to the CDS Default Fund as at the date of its last recalculation pursuant to Article 4.4.1.5 and Article 4.4.1.6 agree to adhere, with such modification to be applicable to all existing or future Cleared Transactions of the relevant CDS Type as set forth in such protocol or multilateral agreement process or resolution.

Article 1.2.2.12

In relation to any proposed modification in accordance with Article 1.2.2.4, LCH.Clearnet SA shall, following consultation with the appropriate legal, risk, operational and/or other forums established by LCH.Clearnet SA in relation to such proposed modification, determine whether such proposed modification will have an MTM Change on any existing Cleared Transaction that will be affected by any such proposed modification and any amount that shall be payable to a Clearing Member by LCH.Clearnet SA or from a Clearing Member to LCH.Clearnet SA to reflect such MTM Change. LCH.Clearnet SA shall, following any determination of an MTM Change in respect of a Cleared Transaction and any payment due in respect thereof, promptly notify each relevant Clearing

Member of the same and the date on which such amount shall be due and payable by LCH.Clearnet SA or the Clearing Member as applicable.

Section 1.2.3 Publication

Article 1.2.3.1

LCH.Clearnet SA shall ensure that the CDS Clearing Documentation is kept updated and that all such documents and each Clearing Notice, each Rules Proposal and each Rules Notice and all other decisions of general application to the Clearing Members and/or any relevant decisions in relation to the CDS Clearing Service provided by LCH.Clearnet SA to Clearing Members are posted on its Website and notified to Clearing Members individually in accordance with the CDS Admission Agreement, as appropriate.

Article 1.2.3.2

Whenever any Rules Notice is issued in relation to the CDS Clearing Service provided by LCH.Clearnet SA to Clearing Members, LCH.Clearnet SA shall ensure that the relevant CDS Clearing Documents are updated as soon as reasonably possible to reflect the modifications contained in the Rules Notice and shall post such updated document on the Website.

Article 1.2.3.3

LCH.Clearnet SA shall additionally update the Procedures periodically to incorporate guidance issued by way of Clearing Notice in relation to the CDS Clearing Service provided by LCH.Clearnet SA to Clearing Members, pursuant to Article 1.2.2.8, and shall post such updated Procedures on the Website.

Section 1.2.4 Extension or waiver

Article 1.2.4.1

The time fixed by the CDS Clearing Documentation for the doing of any acts by a Clearing Member in relation to LCH.Clearnet SA may be extended or waived by LCH.Clearnet SA in its discretion whenever it considers that an extension or waiver is necessary or in the best interests of the CDS Clearing Service.

Article 1.2.4.2

Any waiver of any right or consent given by LCH.Clearnet SA under the CDS Clearing Documentation is only effective if it is given in writing. Any such waiver or consent shall only apply to the circumstances for which it was given and shall not prevent LCH.Clearnet SA from subsequently relying upon the relevant provision in another circumstance. No delay or failure by LCH.Clearnet SA to exercise its rights or pursue any of its remedies under the CDS Clearing Documentation shall constitute a waiver.

Section 1.2.5 Notices - Communications

Article 1.2.5.1

Unless stated otherwise in the relevant sections of the CDS Clearing Documentation, LCH.Clearnet SA shall deliver any notice, order or communication which is required to be given to Clearing Members pursuant to the CDS Clearing Documentation by hand, post, courier, electronic transmission, email, facsimile or telephone to the address, email address, facsimile number or telephone number specified by a Clearing Member in the CDS Admission Agreement, as updated

from time to time, except that a copy of any Default Notice delivered pursuant to Article 4.3.1.3, Final Settlement Notice delivered pursuant to Article 4.3.3.4 and/or Membership Termination Notice delivered pursuant to Article 2.4.2.2 must additionally be delivered to a Clearing Member by hand, post or courier.

Article 1.2.5.2

Upon the occurrence of an Event of Default in respect of a Clearing Member, LCH.Clearnet SA shall rely on the latest information received by LCH.Clearnet SA from the relevant Defaulting Clearing Member on its Client(s) in order to contact the relevant Client(s) or for the purposes of any payment to the relevant Clients(s).

Article 1.2.5.3

Clearing Members shall deliver, provide, serve on or file with LCH.Clearnet SA any notice, document, communication, filing or form that is required pursuant to the CDS Clearing Documentation in writing unless otherwise specified in the CDS Clearing Documentation.

Article 1.2.5.4

With the exception of modifications made under Section 1.2.2 (which will become effective on the date stated therein), and unless stated otherwise in the relevant sections of the CDS Clearing Documentation, any notice (including but not limited to any Default Notice, Clearing Notice, Rules Notice, and excluding any notice relating to Margin), document (including but not limited to any Rules Proposal), communication, filing or form, provided by LCH.Clearnet SA or a Clearing Member will, unless otherwise specified in the CDS Clearing Rules, only be effectively served, filed, made or provided:

- (i) if sent by post, on the third Business Day (or tenth Business Day in the case of airmail) after the day on which it was posted, with full postage paid and in a correctly addressed envelope;
- (ii) if delivered by hand or by courier, at the time of delivery or, if not delivered prior to 17.00 on a Business Day, on the following Business Day; and
- (iii) if delivered by facsimile or electronic transmission or published on the Website, on the Business Day of transmission or publication where such transmission or publication occurs prior to 16.00 or, where transmission or publication occurs after 16.00, on the following Business Day.

Article 1.2.5.5

LCH.Clearnet SA is entitled to act upon notice, order or communication appearing to have been issued by, or have come from, a Clearing Member or, pursuant to Clause 4.3 of the CDS Client Clearing DMP, a Client. These will be accepted by LCH.Clearnet SA as genuine, even if, for example, they are later found:

- (i) to be inaccurate, whether in whole or in part; or
- (ii) not to have been given by the Clearing Member or a Client, as appropriate; or
- (iii) not to have been given with the authority of the Clearing Member or a Client, as appropriate.

Section 1.2.6 Fees

Article 1.2.6.1

The fees payable by Clearing Members to LCH.Clearnet SA shall be published from time to time by LCH.Clearnet SA on the Website.

Article 1.2.6.2

Each Clearing Member shall pay to LCH.Clearnet SA such fees when due and payable and in such manner as is required by LCH.Clearnet SA.

Section 1.2.7 Currency

Article 1.2.7.1

Subject to Article 1.2.7.4, if at any time a currency is substituted by another currency pursuant to existing or new legislation, the obligations of Clearing Members arising under the CDS Clearing Documentation shall take place in the substitute currency as from the effective date of such replacement providing that such substitute currency is an Eligible Currency.

Article 1.2.7.2

If substitution of a specific currency involves a period of transition, clearing by Clearing Members during this period of transition will take place in the currency as specified by LCH.Clearnet SA in a Rules Notice.

Article 1.2.7.3

If necessary, LCH.Clearnet SA shall establish the rate for converting the replaced currency to the substitute currency as well as the applicable rounding rules in accordance with the Procedures, subject to Applicable Law.

Article 1.2.7.4

If at any time the currency in which Clearing Members are required to make Cash Payments is succeeded or substituted by another currency pursuant to existing or new legislation, LCH.Clearnet SA shall be required to consult with Clearing Members, in accordance with Article 1.2.2.2, prior to issuing a Rules Notice which revises the currency in which such Cash Payment obligations are required to be performed.

Article 1.2.7.5

Subject to Article 1.2.7.1 to Article 1.2.7.4 above, and to the extent permitted by Applicable Law, if any judgment or order expressed in a currency other than the CDS Contractual Currency is rendered:

- (i) for the payment of any amount owing in respect of any Cleared Transaction;
- (ii) for the payment of any amount relating to any early termination in respect of such Cleared Transaction; or
- (iii) in respect of a judgment or order of another court for the payment of any amount described in sub-paragraph (i) or (ii) above,

the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other

party the amount of any shortfall of the CDS Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the CDS Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the CDS Contractual Currency is converted into the currency of the judgment or order for the purpose of such judgment or order and the rate of exchange at which such party is able, acting in good faith and using commercially reasonable procedures in converting the currency received into the CDS Contractual Currency, to purchase the CDS Contractual Currency with the amount of the currency of the judgment or order actually received by such party.

Article 1.2.7.6

To the extent permitted by Applicable Law, the provisions of Article 1.2.7.5 above constitute separate and independent obligations from the other obligations under the CDS Clearing Documentation, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of the CDS Admission Agreement.

Article 1.2.7.7

For the purpose of Article 1.2.7.5 and Article 1.2.7.6 above, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase of currencies been made.

Section 1.2.8 Time reference

Article 1.2.8.1

Where reference is made in the CDS Clearing Documentation to a time or deadline, it shall be understood to mean Central European Time (CET), unless otherwise stipulated in the CDS Clearing Documentation.

Section 1.2.9 Obligations of LCH.Clearnet SA to each Clearing Member

Article 1.2.9.1

In accordance with Article 3 of the Settlement Finality Directive, upon registration in accordance with this CDS Clearing Rule Book, Cleared Transactions shall be legally enforceable and binding on third parties even in the event of Insolvency Proceedings against a Clearing Member.

LCH.Clearnet SA undertakes to perform its obligations to each Clearing Member on the basis of the Cleared Transactions registered in its name, in accordance with the CDS Clearing Documentation.

Article 1.2.9.2

Where a Clearing Member is subject to a Payment Failure, LCH.Clearnet SA may (without prejudice to any other rights it may have against the Clearing Member) withhold any payments it would otherwise be obliged to make under the CDS Clearing Documentation to such Clearing Member up to the value of the payment(s) that constitute the Payment Failure (such value calculated using reasonable currency conversion rates where necessary) for so long as the Payment Failure continues.

The scope of the obligations that LCH.Clearnet SA undertakes to perform as counterparty to the relevant Clearing Members with respect to Cleared Transactions and as detailed in the relevant provisions of the CDS Clearing Documentation after registration in accordance with this CDS Clearing Rule Book has occurred include, without limitation:

- (i) the payment of the Variation Margin to the relevant Clearing Member;
- (ii) the payment of the Price Alignment Interest to the Clearing Member;
- (iii) the payment of the Initial Payment Amount, if any, to the relevant Clearing Member;
- (iv) the payment of Fixed Amounts to the CDS Seller; and
- (v) following a Credit Event, and in accordance with the CDS Clearing Supplement:
 - (a) when Auction Settlement applies, the payment of the Auction Settlement Amount to the CDS Buyer;
 - (b) when Physical Settlement applies, the payment to the CDS Buyer of the Physical Settlement Amount; and
 - (c) where the Partial Cash Settlement Terms apply pursuant to the Cleared Transaction, the payment of the Cash Settlement Amount to the CDS Buyer.

These obligations of LCH.Clearnet SA to each Clearing Member shall be determined after giving effect to netting as set out in Section 3 of the Procedures.

Section 1.2.10 Liability

Article 1.2.10.1

Subject to Article 1.2.10.2, Article 1.2.10.3 and Article 1.2.10.5 below, a Clearing Member shall be liable for any direct Damage incurred or suffered by LCH.Clearnet SA as a consequence of such Clearing Member's breach of any of its obligations under the CDS Clearing Documentation or the terms of a Cleared Transaction.

Article 1.2.10.2

A Clearing Member will not be held liable for any special, indirect or consequential Damage, including loss of custom, profit or revenues, or any Damage which results from abnormal or fraudulent use of the CDS Clearing System by third parties, or for any Damage resulting from acts or omissions of third parties, other than members of its Financial Group.

Article 1.2.10.3

Unless expressly stated otherwise in the CDS Clearing Documentation, LCH.Clearnet SA will under no circumstances be liable for any Damage, including that arising out of or in connection with any of the following:

- (i) in respect of a claim for Damages by a Clearing Member or a Client, following a total or partial failure by such Clearing Member to perform or comply with the CDS Clearing Documentation;
- (ii) any act or omission of a Clearing Member or other third party, including, without limitation, in the circumstances set out in (ix) or (xviii) below;

- (iii) any agreement or arrangement that a Clearing Member has entered into with a third party in connection with its activities under the CDS Clearing Documentation (including, without limitation, the CDS Client Clearing Agreement and any agreement or arrangement referred to in Section 2.2.7);
- (iv) any suspension, restriction or closure of LCH.Clearnet SA or its services, where required of LCH.Clearnet SA pursuant to Applicable Law, whether for a temporary period or otherwise;
- (v) reliance by LCH.Clearnet SA on any data provided to it by a Clearing Member or as may otherwise be provided to it in accordance with this CDS Clearing Rule Book, including the End of Day Contributed Prices;
- (vi) excepting any dispute arising under the CDS Dispute Resolution Protocol which may relate to whether an Original Transaction has been novated pursuant to this CDS Clearing Rule Book, any dispute arising from or in relation to any Original Transaction; including, but not limited to, any dispute as to the validity or otherwise of the Original Transaction, the terms of the Original Transaction or whether any alleged agreement or arrangement constitutes an Original Transaction;
- (vii) any failure to pre-register, or the improper pre-registration of, positions in the CDS Clearing System corresponding to an Original Transaction eligible for clearing by LCH.Clearnet SA because of a third party's fault or a Force Majeure Event affecting LCH.Clearnet SA;
- (viii) registration of Cleared Transactions in a Clearing Member's Trade Account and/or allocation of such Cleared Transactions in a Clearing Member's Margin Account where it does so on the basis of the Original Transaction Data with respect to the relevant Original Transaction;
- (ix) the quality, fitness for purpose, completeness or accuracy of End of Day Contributed Prices or composite prices/spreads;
- (x) in respect of a claim for Damages by a Defaulting Clearing Member, any decision by LCH.Clearnet SA to proceed with a liquidation of its Cleared Transactions or the taking of any other action pursuant to Article 4.3.2.3 or the CDS Default Management Process (including, for the avoidance of doubt, the CDS Client Clearing DMP);
- (xi) the exercise, or failure to exercise, by LCH.Clearnet SA of any discretion or right conferred upon it by the CDS Clearing Documentation, including any actions taken or omitted to be taken in relation to the application of LCH.Clearnet SA's rights following the declaration of an Event of Default in respect of a Clearing Member;
- (xii) any statement, representation or warranty by LCH.Clearnet SA or any of its officers or representatives other than as expressly set out in the CDS Clearing Documentation or the CDS Admission Agreement;
- (xiii) any special, indirect or consequential Damage, including loss of custom, profit or revenues;
- (xiv) rejection of any application to become a Clearing Member;

- (xv) the effectiveness, efficiency, performance or any other aspect of the services provided by any Approved Matching Provider or the timeliness or otherwise of the delivery of any Original Transaction details by that Approved Matching Provider to LCH.Clearnet SA;
- (xvi) any error within or corruption of any data sent by an Approved Matching Provider directly or indirectly to LCH.Clearnet SA or to a Clearing Member or any delay in or failure of the transmission of such data to LCH.Clearnet SA;
- (xvii) the registration of a Cleared Transaction on the basis of incorrect or corrupted data sent to it by an Approved Matching Provider;
- (xviii) any decision of any ISDA Credit Derivatives Determinations Committee or any failure of any such committee to take any decision;
- (xix) any breach by a Clearing Member of its obligations, under any Applicable Law or otherwise resulting from the CDS Clearing Services, vis-à-vis its Clients, Affiliates or LCH.Clearnet SA (including, without limitation, in the case of an FCM Clearing Member, any breach of its obligations under the FCM CDS Clearing Regulations regarding segregation or any agreement or arrangement to which it is a party);
- (xx) any action or inaction on the part of any Clearing Member or third party which would prevent, impair, limit, restrict or delay the transfer or porting of Cleared Transactions or the conditions under which Cleared Transactions may be or are transferred or ported (whether in the context of an Event of Default or otherwise); or
- (xxi) any default of an FCM Client (or, if permitted pursuant to Article 6.1.1.1, an Affiliate), including, without limitation, a breach by an FCM Client (or such Affiliate) of its obligations under any Applicable Law, FCM Cleared Transaction or CDS Client Clearing Agreement.

Article 1.2.10.4

Nothing in Article 1.2.10.3 above shall be construed as LCH.Clearnet SA excluding or restricting its liability vis-à-vis any Clearing Member for:

- (i) fraud, fraudulent representation, gross negligence or an intentional omission or act on the part of LCH.Clearnet SA;
- (ii) personal injury or death caused by the negligence, recklessness or any intentional act or omission of LCH.Clearnet SA;
- (iii) any liability which cannot be lawfully excluded under Applicable Law (to the extent such liability cannot be lawfully excluded);
- (iv) the performance of its obligations vis-à-vis any Clearing Member pursuant to Section 1.2.9 (to the extent that no Event of Default has occurred with respect to such Clearing Member (and is ongoing), and other than where such liability occurs as a result of LCH.Clearnet SA following the CDS Default Management Process);
- (v) its obligation to return the Excess Collateral to a Clearing Member pursuant to Article 4.2.2.5 (to the extent that no Event of Default has occurred with respect to such Clearing Member);
- (vi) its obligation to transfer the Client Assets to a Receiving Clearing Member pursuant to Section 5.3.2 or Section 6.3.2;

- (vii) its obligation to return any CCM Unallocated Client Collateral or FCM Unallocated Client Excess Collateral (as applicable) to the Defaulting Clearing Member in accordance with Article 4.3.2.4;
- (viii) its obligation to transfer the Ported Collateral to a Backup Clearing Member pursuant to Clause 4 of the CDS Default Management Process;
- (ix) its obligation, in the case of a CCM, to return the CDS Client Clearing Entitlement to the relevant Client pursuant to Clause 4 of the CDS Default Management Process;
- (x) its obligation, pursuant to Article 2.4.2.11, to repay to a Clearing Member who voluntarily terminates its membership in accordance with Article 2.4.2.2 an amount equal to the sum of its Margin Balance and Client Collateral Buffer, (save that LCH.Clearnet SA shall be entitled to retain any collateral in accordance with the FCM CDS Clearing Regulations), any Collateral that has been transferred to LCH.Clearnet SA to satisfy its Contribution Requirement to the extent it has not been used by LCH.Clearnet SA in accordance with the CDS Clearing Rules and any recovery made by LCH.Clearnet SA in accordance with Article 4.4.3.8; or
- (xi) its obligation to return any FCM Client Collateral Buffer to an FCM Clearing Member.

Article 1.2.10.5

LCH.Clearnet SA and each Clearing Member shall take all reasonable care in the selection and monitoring of any Person that is to act on its behalf.

Section 1.2.11 Force Majeure Events

Article 1.2.11.1

Neither LCH.Clearnet SA nor a Clearing Member shall be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the CDS Clearing Documentation if and to the extent that such failure, hindrance or delay arises as a result of a Force Majeure Event affecting LCH.Clearnet SA or the Clearing Member (as the case may be).

Article 1.2.11.2

On the occurrence of a Force Majeure Event:

- (i) if applicable to a Clearing Member, such Clearing Member shall as soon as reasonably practicable notify LCH.Clearnet SA of the occurrence of the Force Majeure Event occurring in respect of it. The decision to notify LCH.Clearnet SA of a Force Majeure Event under this Article 1.2.11.2 will be taken by a Clearing Member at an appropriate level of seniority;
- (ii) if applicable to LCH.Clearnet SA, LCH.Clearnet SA shall issue a Clearing Notice, notifying all Clearing Members of the occurrence of the Force Majeure Event occurring in respect of it, which must be made by the Chief Executive Officer of LCH.Clearnet SA or at an appropriate level of seniority;
- (iii) all Clearing Members shall comply with any reasonable directions issued by LCH.Clearnet SA in respect of such Cleared Transactions affected by the Force Majeure Event and as are specified by LCH.Clearnet SA provided that such directions may not have the effect of amending, introducing, overriding, contravening or revoking any of the rights of Clearing Members in respect of any Specific Matter (unless, for the avoidance of doubt,

LCH.Clearnet SA complies with the procedures set out in Article 1.2.2.7 as applicable) save where LCH.Clearnet SA is required to do so in order to implement a binding direction issued to it by a Regulatory Body, and provided that no such direction shall be given in the circumstances contemplated by Article 1.2.2.4(ii)(c) without LCH.Clearnet SA having complied with the requirements of that Article;

- (iv) each of the Clearing Members and LCH.Clearnet SA who are, and continue to be, affected by the Force Majeure Event shall use all reasonable endeavours to mitigate the effect of the same upon each of their respective ability to perform their obligations under the CDS Clearing Documentation;
- (v) each Clearing Member affected by the Force Majeure Event shall promptly notify LCH.Clearnet SA as soon as its ability to perform is no longer affected by the Force Majeure Event; and
- (vi) if LCH.Clearnet SA was obliged to issue a Clearing Notice pursuant to Article 1.2.11.2(ii) above, it shall issue a further Clearing Notice to all Clearing Members as soon as its ability to perform is no longer affected by the Force Majeure Event.

Section 1.2.12 Confidentiality

Article 1.2.12.1

LCH.Clearnet SA shall hold all information concerning past or current activities of a Clearing Member (including, but not limited to, information concerning:

- (i) the Cleared Transactions registered in its Trade Account(s);
- (ii) the Open Positions registered in its Margin Account(s);
- (iii) the positions pre-registered in its Account Structure;
- (iv) its Margin Requirement;
- (v) the level of Excess Collateral maintained by such Clearing Member in respect of any of its Margin Accounts;
- (vi) the level of Collateral maintained by such Clearing Member in its Buffer Collateral Account;
- (vii) the Collateral transferred to LCH.Clearnet SA by such Clearing Member;
- (viii) deliveries and payments made by or to such Clearing Member; and
- (ix) any financial statements and other documents filed with LCH.Clearnet SA by such Clearing Member,

in a confidential manner and shall not make such confidential information known to any other person, save to the extent permitted by Article 1.2.12.2 to Article 1.2.12.5 below.

Article 1.2.12.2

LCH.Clearnet SA may, in accordance with the provisions of Article L. 632-17 of the French Monetary and Financial Code, when applicable, disclose any information referred to in Article 1.2.12.1 above:

- (i) with the written consent of the relevant Clearing Member;

- (ii) to any person to whom, at such times and in such manner as, LCH.Clearnet SA is required or formally requested to disclose information pursuant to an order of a competent court, or by or on behalf of any relevant Regulatory Body with respect to LCH.Clearnet SA and/or the relevant Clearing Member, Client or Affiliate;
- (iii) to an Approved Matching Provider or the TIW, to the extent that such disclosure is necessary for the proper performance by LCH.Clearnet SA or the relevant Clearing Member of its obligations under the CDS Clearing Documentation;
- (iv) as expressly permitted by the CDS Clearing Documentation, including, without limitation, to one or several Clearing Members, to the extent that such disclosure is necessary for the proper management of an Event of Default or of an LCH Default and the implementation by LCH.Clearnet SA and Clearing Members of physical settlement of the Cleared Transactions, and the information thus disclosed by LCH.Clearnet SA shall be treated as confidential information by the receiving Clearing Members and shall not be made known to any other person nor used for any purpose other than that for which it has been disclosed by LCH.Clearnet SA;
- (v) to other clearing houses, to which the relevant Clearing Member is admitted as a member for the purpose of clearing CDS, in connection with the occurrence of an Event or an Event of Default in respect of such Clearing Member; or
- (vi) to any other person (with the exception of ratings agencies including but not limited to Moody's, Standard and Poor's and Fitch) to whom LCH.Clearnet SA is authorised to disclose such information pursuant to and in accordance with the provisions of Articles L. 511-33 and L. 511-34 of the French Monetary and Financial Code.

Article 1.2.12.3

LCH.Clearnet SA shall disclose to a Clearing Member, on request, details of the Regulatory Body(ies) to whom it may disclose information, referred to in Article 1.2.12.1, pursuant to Article 1.2.12.2(ii).

Article 1.2.12.4

Where LCH.Clearnet SA is required or requested to disclose information referred to in Article 1.2.12.1 above in the circumstance described in Article 1.2.12.2(ii), the relevant Competent Authorities will also be promptly informed of such disclosure.

Article 1.2.12.5

LCH.Clearnet SA may disclose any information referred to in Article 1.2.12.1 above to LCH.Clearnet Group Limited, LCH.Clearnet Limited or LCH.Clearnet LLC, provided such recipient is bound by equivalent obligations of confidentiality regarding this information as those set out in this Section 1.2.12. Any such disclosure permitted under this Article 1.2.12.5 is limited to disclosure which allows LCH.Clearnet SA to perform its obligations under the CDS Clearing Documentation or for risk management purposes and no information is to be released for the commercial benefit of LCH.Clearnet Group Limited, LCH.Clearnet Limited, LCH.Clearnet LLC or any other Person.

Article 1.2.12.6

For the avoidance of doubt, nothing in this Section 1.2.12 shall prevent a Clearing Member from disclosing any information provided to LCH.Clearnet SA to Regulatory Body(ies) or other third parties where required by Applicable Law.

Article 1.2.12.7

Where a Clearing Member owes a duty of confidentiality to LCH.Clearnet SA under the CDS Clearing Documentation, that Clearing Member is released from that duty to the extent that such disclosure is required under Applicable Law or by the Clearing Member's Competent Authority.

Section 1.2.13 Data protection

Article 1.2.13.1

For the purposes of its general administration, client and risk management and for the proper performance by LCH.Clearnet SA of its obligations under the CDS Clearing Documentation and Applicable Law and regulation, LCH.Clearnet SA, acting as data controller, processes personal data concerning representatives, managers, employees or any other individuals acting on behalf of the Clearing Members, in accordance with the Data Protection Law.

Article 1.2.13.2

LCH.Clearnet SA may disclose such personal data to such Persons and for such purposes as are set out in Section 1.2.12 in accordance with the Data Protection Law.

Article 1.2.13.3

In accordance with the Data Protection Law, the individuals, in relation to whom personal data is processed by LCH.Clearnet SA have the right (subject to payment of such fee to LCH.Clearnet SA as is published on the Website, where LCH.Clearnet SA is lawfully entitled to levy such a fee) to receive a copy of personal data held by LCH.Clearnet SA and to rectify any errors or inaccuracies in such personal data or delete them, in accordance with the provisions of the Data Protection Law, by contacting the membership department by email (Lchclearnetsa_Membership@lchclearnet.com). Without prejudice to any other rights that individuals may have under the Data Protection Law, they may oppose the use of their personal data by LCH.Clearnet SA for marketing operations.

Article 1.2.13.4

The Clearing Members declare that each of their Representatives in relation to whom personal data is processed by LCH.Clearnet SA have been notified of the disclosure of their personal data to LCH.Clearnet SA for the purposes set out in Article 1.2.13.3.

Article 1.2.13.5

LCH.Clearnet SA and each Clearing Member consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with conversations contemplated by the CDS Clearing Documentation, and agrees to obtain any necessary consent of, and give any necessary notice of such recordings to, its relevant personnel and agrees, subject to Applicable Law, that recordings may be used in evidence.

Section 1.2.14 Governing law

Article 1.2.14.1

The CDS Clearing Rules and the CDS Admission Agreement shall be governed by and construed in accordance with French substantive law unless explicitly stated otherwise.

Article 1.2.14.2

The CDS Clearing Supplement, the ISDA Credit Derivatives Definitions, any Cleared Transactions (and any related definitions or Clearing Notices issued in respect of the CDS Clearing Supplement, the ISDA Credit Derivatives Definitions or any Cleared Transactions) shall be governed by and construed in accordance with English substantive law.

Article 1.2.14.3

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

Article 1.2.14.4

The FCM CDS Clearing Regulations (and any related definitions or Clearing Notices issued in respect of the FCM CDS Clearing Regulations), shall be governed by and construed in accordance with the laws of the State of New York, without regard to any conflicts of laws principles, and the laws of the United States of America, in accordance with the terms of the FCM CDS Clearing Regulations.

Article 1.2.14.5

Any non-contractual obligations (within the meaning of Regulation (EC) no. 864/2007 as may be amended from time to time) arising out of, relating to, or having any connection with the CDS Clearing Documentation, or any Cleared Transaction, shall be governed by and construed in accordance with either: (i) French, substantive law; (ii) English substantive law; (iii) Belgian substantive law; or (iv) the substantive law of the State of New York and the federal laws of the United States of America, as determined by this Article 1.2.14.5. Such non-contractual obligations shall be governed by and construed in accordance with:

- (i) French law, where the non-contractual obligation is more closely connected to the CDS Clearing Rules (save the CDS Dispute Resolution Protocol) or the CDS Admission Agreement; or
- (ii) English law, where the non-contractual obligation is more closely connected to the CDS Clearing Supplement, the ISDA Credit Derivatives Definitions, the CDS Dispute Resolution Protocol and/or any Cleared Transactions (and/or to any related definitions or Clearing Notices issued in respect of the CDS Clearing Supplement, the ISDA Credit Derivatives Definitions, the CDS Dispute Resolution Protocol or any Cleared Transactions); or
- (iii) Belgian law, where the non-contractual obligation is more closely connected to the Pledge Agreement; or
- (iv) the laws of the State of New York and the laws of the United States of America where the non-contractual obligation is more closely connected to the FCM CDS Clearing Regulations (and/or to any related definitions or Clearing Notices issued in respect of the FCM CDS Clearing Regulations).

Section 1.2.15 Dispute resolution

Article 1.2.15.1

All Disputes shall be referred to and finally resolved by arbitration or litigation as applicable in accordance with the CDS Dispute Resolution Protocol, subject to the provisions of Sections 8 and 9 of the Procedures.

Section 1.2.16 Default Interest

Article 1.2.16.1

If either LCH.Clearnet SA or a Clearing Member defaults in the performance of any payment obligation, it will, to the extent permitted by Applicable Law, pay interest (before as well as after judgment) on the overdue amount to the other party on demand in Euro, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the average rate at which overnight deposits in Euro are offered by major banks in the French inter-bank market as at 11.00 (or, if no such rate is available, at such reasonable rate as LCH.Clearnet SA or, as applicable, the relevant Clearing Member may select) plus 1% per annum, for each day for which any such sum remains unpaid provided that default interest payable in case of late payment of fees due to LCH.Clearnet SA shall be as set out in the CDS Admission Agreement.

Section 1.2.17 Tax

Article 1.2.17.1

All payments under the CDS Clearing Documentation or any Cleared Transaction will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If LCH.Clearnet SA or a Clearing Member is so required to deduct or withhold, then LCH.Clearnet SA or the Clearing Member ("X") will:

- (i) promptly notify the recipient ("Y") of such requirement;
- (ii) pay to the relevant authorities the full amount required to be deducted or withheld (in the case of a Clearing Member as X, including the full amount required to be deducted or withheld from any amount paid by the Clearing Member to LCH.Clearnet SA under Article 1.2.17.1, Article 1.2.17.2 or Article 1.2.17.3) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (iii) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities.

For the purpose of the CDS Clearing Documentation and Cleared Transactions, "Tax" shall mean any present or future tax, levy, impost, duty, charge, assessment, or fee of any nature (including interest, penalties, and additions thereto) that is imposed by any government or other taxing authority.

Article 1.2.17.2

In the event that any payment made by a Clearing Member to LCH.Clearnet SA under the CDS Clearing Documentation or any Cleared Transaction is subject to deduction or withholding (either at the time of such payment or in the future) for or on account of any Tax (other than a Tax that

would not have been imposed in respect of such payment but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and LCH.Clearnet SA), then the Clearing Member shall pay to LCH.Clearnet SA an amount (such amount, together with any additional amount paid pursuant to Article 1.2.17.7, the "**Additional Amount**"), in addition to the payment to which LCH.Clearnet SA is otherwise entitled under the CDS Clearing Documentation or any Cleared Transaction, necessary to ensure that the net amount actually received by LCH.Clearnet SA (free and clear of any such deduction or withholding for or on account of any such Tax, whether assessed against the Clearing Member or LCH.Clearnet SA), will equal the full amount LCH.Clearnet SA would have received in the absence of any such deduction or withholding.

However, a Clearing Member will not be required to pay any Additional Amount to LCH.Clearnet SA under this Article 1.2.17.2 to the extent that it would not be required to be paid but for (i) the failure by LCH.Clearnet SA to provide to the Clearing Member such forms and documents as required under Article 1.2.17.5 or the CDS Admission Agreement, provided that this clause (i) shall apply only if (A) the relevant Clearing Member has notified LCH.Clearnet SA in writing of such failure and (B) LCH.Clearnet SA has failed to provide such forms or documents within five Business Days after the receipt of such notice; or (ii) the failure of a tax representation made by LCH.Clearnet SA pursuant to the CDS Admission Agreement between LCH.Clearnet SA and the Clearing Member to be accurate and true (unless the failure under this clause (ii) would not have occurred but for (A) any action taken by a taxing authority, or brought in a court of competent jurisdiction (regardless of whether such action is taken or brought with respect to a party to the relevant CDS Admission Agreement) or (B) a Change in Tax Law, that in each case occurs after LCH.Clearnet SA and the Clearing Member enter into the relevant CDS Admission Agreement (or, if applicable, the date that LCH.Clearnet SA and the Clearing Member amend such CDS Admission Agreement to account for such Change in Tax Law)) or a failure by LCH.Clearnet SA to provide the representations that it is obligated to provide pursuant to Article 1.2.17.10 below.

In the event that the failure under clause (ii) of the preceding paragraph would not have occurred but for the reasons described under sub-clause (A) or (B) thereof, LCH.Clearnet SA shall use commercially reasonable efforts to provide to the Clearing Member a new tax representation (to the extent that it is appropriate) for the purpose of the relevant CDS Admission Agreement between LCH.Clearnet SA and the Clearing Member, promptly after the learning of such failure (so long as the provision of such representation would not materially prejudice the legal or commercial position of LCH.Clearnet SA).

A Clearing Member will also not be required to pay any Additional Amount to LCH.Clearnet SA under this Article 1.2.17.2 for any tax (a "**FATCA Withholding Tax**") imposed under U.S. Internal Revenue Code Sections 1471, 1472, 1473 or 1474 (or any successor sections that are substantially similar) and any regulation or authoritative guidance promulgated thereunder (collectively, the "**FATCA Rules**") provided that such FATCA Withholding Tax would not have been imposed but for LCH.Clearnet SA's failure to comply with the FATCA Rules.

For the purpose of this Article 1.2.17.2, "**Change in Tax Law**" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law).

Article 1.2.17.3

If: (i) a Clearing Member is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding from any payment

made to LCH.Clearnet SA under the CDS Clearing Documentation or any Cleared Transaction for or on account of any Tax, in respect of which the Clearing Member would be required to pay an Additional Amount to LCH.Clearnet SA under Article 1.2.17.2; (ii) the Clearing Member does not so deduct or withhold; and (iii) a liability resulting from such Tax is assessed directly against LCH.Clearnet SA, then, except to the extent the Clearing Member has satisfied or then satisfies the liability resulting from such Tax, the Clearing Member will promptly pay to LCH.Clearnet SA the amount of such liability (including any related liability for interest, penalties and costs).

Article 1.2.17.4

If: (i) LCH.Clearnet SA is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding from any payment made to a Clearing Member under the CDS Clearing Documentation or any Cleared Transaction for or on account of any Tax; (ii) LCH.Clearnet SA does not so deduct or withhold; and (iii) a liability resulting from such Tax is assessed directly against LCH.Clearnet SA, then, except to the extent the Clearing Member has satisfied or then satisfies the liability resulting from such Tax, the Clearing Member will promptly pay to LCH.Clearnet SA the amount of such liability (excluding any related liability for interest, penalties and costs).

Article 1.2.17.5

LCH.Clearnet SA shall provide to each Clearing Member (i) the tax forms and documents specified in the CDS Admission Agreement between LCH.Clearnet SA and the Clearing Member and (ii) any other form or document reasonably requested in writing by the Clearing Member in order to allow the Clearing Member to make a payment under the CDS Clearing Documentation or any Cleared Transaction without deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document as described in this clause (ii) would not materially prejudice the legal or commercial position of LCH.Clearnet SA).

Article 1.2.17.6

LCH.Clearnet SA shall request from each Clearing Member: (i) the tax forms and documents specified in the CDS Admission Agreement between LCH.Clearnet SA and the Clearing Member and (ii) any other form or document reasonably requested in order to allow LCH.Clearnet SA to make a payment under the CDS Clearing Documentation or any Cleared Transaction without deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate. For the avoidance of doubt, in the event that any payment made by LCH.Clearnet SA to a Clearing Member under the CDS Clearing Documentation or any Cleared Transaction is subject to deduction or withholding (either at the time of such payment or in the future) for or on account of any Tax, LCH.Clearnet SA is not required to pay any additional amount in respect of such deduction or withholding. LCH.Clearnet SA will, at the Clearing Member's expense, use commercially reasonable efforts to cooperate with a Clearing Member to seek any credit or remission or other relief available with respect to any such Tax so deducted or withheld (so long as such cooperation would not, in LCH.Clearnet SA's judgment, materially prejudice the legal or commercial position of LCH.Clearnet SA).

Article 1.2.17.7

Each Clearing Member will pay any stamp, registration, documentation, excise, sales or value added Tax or any other similar Tax levied or imposed upon it or in respect of its execution or performance of any agreement, contract or transaction in connection with the CDS Clearing

Documentation and will indemnify LCH.Clearnet SA against any such stamp, registration, documentation, excise, sales or value added Tax (to the extent that LCH.Clearnet SA is not able, in LCH.Clearnet SA's commercially reasonable judgment, to reclaim or recover such value added Tax) or any other similar Tax levied or imposed upon LCH.Clearnet SA or in respect of LCH.Clearnet SA's execution or performance of any agreement, contract or transaction in connection with the CDS Clearing Documentation. Any payment required to be made by a Clearing Member to LCH.Clearnet SA under this Article 1.2.17.7 shall include an additional amount equal to any Tax levied or imposed on LCH.Clearnet SA as a result of the receipt of any payment under this Article 1.2.17.7.

Article 1.2.17.8

Each Clearing Member shall promptly notify LCH.Clearnet SA in writing upon learning that any payment made by LCH.Clearnet SA to the Clearing Member or by the Clearing Member to LCH.Clearnet SA under the CDS Clearing Documentation is subject to any Tax, other than any Tax imposed or levied based on the net income of the Clearing Member or LCH.Clearnet SA, as applicable.

Article 1.2.17.9

Clearing Members shall not have any termination or other special rights in respect of Cleared Transactions as a result of the occurrence of adverse Tax consequences, whether relating to a Change in Tax Law or otherwise, it being understood that Clearing Members may, in accordance with the CDS Clearing Documentation, submit for clearing Original Transactions that, if accepted, would offset its Cleared Transaction. If so requested by a Clearing Member for the purpose of reducing adverse Tax consequences to such Clearing Member, LCH.Clearnet SA shall use reasonable efforts to expeditiously review an application for status as a Clearing Member submitted by an Affiliate of such requesting Clearing Member.

Article 1.2.17.10

LCH.Clearnet SA shall provide such representations and documentation as are required and requested by each Clearing Member such that each Clearing Member can make payments to LCH.Clearnet SA without deduction or withholding being applicable.