

CHAPTER 2 - GENERAL PROVISIONS

Section 1.2.1 General

Article 1.2.1.1

This Clearing Rule Book sets out the principles and general conditions governing the organisation and operation of the clearing activities of LCH.Clearnet SA.

Article 1.2.1.2

General or specific decisions, which are provided by the Clearing Rule Book, to fall within the authority of LCH.Clearnet SA shall be adopted in accordance with the conditions established by the board of directors of LCH.Clearnet SA.

Article 1.2.1.3

Any general or specific decisions which LCH.Clearnet SA is required or permitted to take pursuant to the provisions of the Clearing Rules 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.

Section 1.2.2 Interpretation and References

Article 1.2.2.1

References to any law, regulation or European directive or regulation shall be construed as those in force from time to time.

Article 1.2.2.2

Chapter or Section headings in this Clearing Rule Book or in the Instructions are for ease of reference only; they are not part of the content of the relevant Chapter or Section and may not in any way affect the interpretation thereof.

Article 1.2.2.3

Capitalised terms used in this Clearing Rule Book shall be construed to be of such number as the context admits or requires.

Article 1.2.2.4

Capitalised terms used in this Clearing Rule Book and not defined in Instructions or in other communications of LCH.Clearnet SA shall have the meaning as set forth in this Clearing Rule Book.

Article 1.2.2.5

The specific provisions dedicated to a market apply in addition to, and not in lieu of, the general provisions.

Article 1.2.2.6

In case of any inconsistency between the specific provisions dedicated to a market and general provisions, the specific provisions will prevail.

Article 1.2.2.7

The Clearing Rule Book shall be implemented and interpreted through Instructions and by Notices, issued by LCH.Clearnet SA and published in accordance with Section 1.2.4. Instructions and Notices shall not be used to amend the principles and general conditions set out in the Clearing Rule Book.

Section 1.2.3 Clearing Rules Modifications

Article 1.2.3.1

The Clearing Rule Book may be modified from time to time by decision adopted by LCH.Clearnet SA. Clearing Members will be informed with reasonable prior notice of each change in writing or by such other means as may be specified by LCH.Clearnet SA.

Prior to implementing any material changes, LCH.Clearnet SA shall consult with all affected Clearing Members, following the consultation process set-out in an Instruction.

Article 1.2.3.2

If any modification of the Clearing Rules, other than a modification required by European Union or national law, materially adversely affects the rights or obligations of the Clearing Members generally or of any category of Clearing Members, then any Clearing Member so affected may terminate its membership by notification in writing given to LCH.Clearnet SA within 10 Clearing Days from the date of publication of the relevant modification.

Section 1.2.4 Publication and Effectiveness

Article 1.2.4.1

LCH.Clearnet SA shall ensure publication of the Clearing Rule Book, Instructions, Notices and other decisions of general application to its Clearing Members or to the relevant category of Clearing Members through dissemination via posting on its website, or individual notification as appropriate.

Article 1.2.4.2

Except cases of emergency, such provisions shall become effective and binding on all Clearing Members upon the Clearing Day following the day of publication or at a later date as specified in such publication.

Section 1.2.5 Fees

Article 1.2.5.1

Clearing Members shall pay to LCH.Clearnet SA Admission Fees, Clearing Fees and any other fees pursuant to the fee grid available on LCH.Clearnet SA web site and as modified from time to time.

Section 1.2.6 Currency

Article 1.2.6.1

If a specific currency is replaced by another currency, such as the euro for example, in pursuance of the amendment of existing legislation or the coming into effect of new legislation, the clearing of all the financial obligations of Clearing Members arising under these Clearing Rules and which are denominated in the currency that is replaced shall take place in the substitute currency as from the effective date of such replacement.

Article 1.2.6.2

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 by Notice.

Article 1.2.6.3

If necessary, LCH.Clearnet SA shall establish the conversion rate of the substitute currency and the currency due to be replaced as well as the applicable rounding rules, subject to the applicable laws and regulations.

Article 1.2.6.4

LCH.Clearnet SA shall determine in a Notice the currency of the Financial Instruments which are cleared in another currency than Euro.

Section 1.2.7 Time Reference

Article 1.2.7.1

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