

## CLIENT CLEARED OTC DERIVATIVES ADDENDUM

[Made on ..... and]<sup>1</sup>

Dated as of .....

This Client Cleared OTC Derivatives Addendum (this "Addendum"), including the Addendum Annex, supplements and forms part of the Agreement between Clearing Member and Client and, except as the parties may otherwise agree in writing, supersedes any prior addendum to the Agreement between the parties with respect to the Client Transactions.

Client Transactions will be governed by, and be subject to, the terms of the Clearing Agreement. Transactions between Clearing Member and Client which are not Client Transactions may also be governed by, and be subject to, the Agreement. The parties agree that this Addendum will apply solely in respect of Client Transactions.

Notwithstanding that the Clearing Agreement constitutes a single agreement, each Cleared Transaction Set will be treated separately for certain purposes, including, without limitation, termination of transactions in certain circumstances, as further described in this Addendum.

### 1. Interpretation

- (a) **Definitions.** Capitalised terms not otherwise defined in this Addendum have the meanings specified in the Agreement.
- (b) **Inconsistency.**
  - (i) The provisions of the Agreement will apply to the Client Transactions unless otherwise specified in this Addendum. To the extent of any inconsistency between the provisions of this Addendum and the other provisions of the Agreement, this Addendum will prevail for the purposes of the Client Transactions only. To the extent of any inconsistency between the provisions of the Addendum Annex and the other provisions of this Addendum, the Addendum Annex will prevail. To the extent of any inconsistency between the terms of any Confirm and this Addendum, the Confirm will prevail for the purposes of the relevant Client Transaction.
  - (ii) To the extent of any inconsistency between the terms of the Clearing Agreement and any Mandatory CCP Provision, such Mandatory CCP Provision will prevail in respect of the relevant Cleared Transaction Set.
- (c) **Singular and Plural.** Unless the context requires otherwise, words denoting the singular meaning will include the plural meaning and vice versa.

### 2. Representations

- (a) On the date on which this Addendum or any amendment to it is entered into, any representations, warranties, covenants or undertakings which were given pursuant to the Agreement on the date of entering into the Agreement and any Additional Representations

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<sup>1</sup> Include only if the Client Cleared OTC Derivatives Addendum is to be executed as a deed.

specified in the Addendum Annex are each hereby deemed repeated or given, as applicable, by the relevant party.

- (b) At each time at which (i) in the case of Client, a Clearing Eligible Trade is Submitted for Clearing or (ii) in the case of Clearing Member, a Clearing Eligible Trade is Cleared, any representations, warranties, covenants or undertakings which are deemed to be given pursuant to the Agreement on each date on which a transaction is entered into under the Agreement and any Additional Representations specified in the Addendum Annex are each hereby deemed repeated or given, as applicable, by the relevant party.
- (c) Clearing Member will give notice to Client if any CM Tax Representation was not accurate or true when given or deemed to have been given or has since ceased to be accurate or true promptly upon learning of the same. Such notice will include new CM Tax Representations to be given by Clearing Member for the purposes of this Section 2(c) as Clearing Member considers are accurate and true and, if required, new Tax Documents with respect to such new CM Tax Representations to be delivered by Clearing Member to Client under Paragraph 9 of Appendix 3. Upon delivery of such a notice the then current CM Tax Representations given by Clearing Member for the purposes of this Section 2(c) and the then current Tax Documents to be delivered to Client by Clearing Member under Paragraph 9 of Appendix 3 will be deemed to be replaced with the new CM Tax Representations and Tax Documents set out in such notice. The replaced CM Tax Representations and Tax Documents will remain in effect to, but excluding, the date specified in such notice and the new CM Tax Representations and Tax Documents will take effect from, and including, such date, in each case for the purposes of outstanding Client Transactions.
- (d) Client will give notice to Clearing Member if any Client Tax Representation was not accurate or true when given or deemed to have been given or has since ceased to be accurate or true promptly upon learning of the same. Such notice will include new Client Tax Representations to be given by Client for the purposes of this Section 2(d) as Client considers are accurate and true and, if required, new Tax Documents with respect to such new Client Tax Representations to be delivered by Client to Clearing Member under Paragraph 9 of Appendix 3. Upon delivery of such a notice, the then current Client Tax Representations given by Client for the purposes of this Section 2(d) and the then current Tax Documents to be delivered to Clearing Member by Client under Paragraph 9 of Appendix 3 will be deemed to be replaced with the new Client Tax Representations and Tax Documents set out in such notice. The replaced Client Tax Representations and Tax Documents will remain in effect until the date specified in such notice and the new Client Tax Representations and Tax Documents will take effect from, and including, such date, in each case for the purposes of outstanding Client Transactions.

### 3. Client Transactions

- (a) ***Client Transactions.*** In relation to a Clearing Eligible Trade, a Client Transaction will arise between Clearing Member and Client under this Addendum without the need for any further action by either party upon such Clearing Eligible Trade being Cleared through an Agreed CCP Service. Subject to the other provisions of this Addendum and the terms of any other relevant agreement between Clearing Member and Client and without the need for any further action by either party, the terms of each Client Transaction will be identical to those of the related CM/CCP Transaction (in each case, as may be modified from time to time pursuant to the occurrence of any relevant Modification Change Event), except that (i) each Client Transaction will be governed by, and be subject to, the terms of the Clearing Agreement, (ii) the provisions relating to collateral (including, without limitation, the

determination of the amount or types of collateral to be transferred and the timing and means of transfer) in respect of each Client Transaction will be as agreed by the parties in the Collateral Agreement and (iii) under each Client Transaction, Clearing Member will take the opposite position to the position it has under the related CM/CCP Transaction.

(b) **Transferred transactions.** If a transaction in relation to an Agreed CCP Service between another clearing member of an Agreed CCP and such Agreed CCP credited to the client account of that other clearing member for the account of Client is Transferred to Clearing Member for credit to the Client Account in accordance with the relevant Rule Set as a result of agreement by Clearing Member, then:

- (i) such transaction will be deemed to be a Clearing Eligible Trade which has been Cleared through the relevant Agreed CCP Service so that there is a related CM/CCP Transaction between Clearing Member and the relevant Agreed CCP; and
- (ii) a Client Transaction will arise between Clearing Member and Client in accordance with Section 3(a),

in each case, immediately at the time at which the related CM/CCP Transaction arises in accordance with the relevant Rule Set for the account of Client.

(c) **Modification Events.**

- (i) As soon as reasonably practicable upon becoming aware of the occurrence of a Modification Event:
  - (1) if such Modification Event is a Modification Mismatch Event and subject to Section 3(c)(i)(2), Clearing Member will (A) make the same modifications to the terms of the related Client Transaction as have been made to the relevant CM/CCP Transaction as a result of such Modification Event and (B) determine any Modification Loss Amount; and
  - (2) if (A) such Modification Event is a Modification Mismatch Event and it is impossible or impracticable for Clearing Member to make modifications to the terms of the related Client Transaction pursuant to Section 3(c)(i)(1) or (B) such Modification Event is a Modification Change Event and it is impossible or impracticable for Clearing Member to maintain the related Client Transaction following such Modification Change Event, Clearing Member will give notice to Client, designating a day not earlier than the first Business Day following the expiry of the Modification Termination Period as a termination date in respect of the related Client Transaction. The delivery of such notice will not constitute a Transfer Condition Default and Client may, at any time during the Modification Termination Period, exercise its right to request either (I) a Transfer of the related Client Transaction and the relevant CM/CCP Transaction pursuant to Section 5 or (II) that Clearing Member accept one or more Offsetting Transactions in relation to the related Client Transaction for clearing pursuant to Section 6. If the related Client Transaction is outstanding on the day designated as the termination date in such notice, the related Client Transaction will automatically terminate on such date and the provisions of Section 9 will apply in respect of such related Client Transaction.

- (ii) Where Clearing Member takes any action permitted by this Section 3(c), it will notify Client of the relevant Modification Event and of such action and any Modification Loss Amount as soon as reasonably practicable after taking such action. In the case of modifications pursuant to Section 3(c)(1), the notice must contain details of the modifications made to the terms of the Client Transaction and of any Modification Loss Amount, including the calculations in respect thereof.
- (iii) The notice required to be delivered pursuant to Section 3(c)(ii) need not provide any more detail in respect of the relevant Modification Event than the detail supplied to Clearing Member in respect of such Modification Event by the relevant Agreed CCP or any other relevant institution and Clearing Member will have no obligation to verify such details as provided by such Agreed CCP or other relevant institution.
- (iv) In the case of an event that constitutes a Modification Event in respect of more than one CM/CCP Transaction that results in Clearing Member taking any action permitted by Section 3(c)(i) in respect of more than one Client Transaction, the notice required to be given pursuant to Section 3(c)(ii) may be delivered as a single notice on a portfolio basis.
- (v) Where Clearing Member determines a Modification Loss Amount pursuant to this Section 3(c), such Modification Loss Amount will be payable on the second Business Day following the date on which notice of such Modification Loss Amount is effectively given pursuant to Section 3(c)(ii). If the Modification Loss Amount is a positive number, it will be payable by Client to Clearing Member and if the Modification Loss Amount is a negative number the absolute value of such Modification Loss Amount will be payable by Clearing Member to Client, provided that a party will have no obligation to pay a Modification Loss Amount determined to be payable by it pursuant to this Section 3(c) if the relevant Modification Event is directly caused by the other party's fraud, wilful default or gross negligence.

(d) **Compression.** Client may at any time request by notice in writing to Clearing Member that Clearing Member elects for two or more CM/CCP Transactions relating to Client to be Compressed in accordance with the relevant Rule Set. If Client so requests, Clearing Member will be obliged to take such action(s) that it is required to take pursuant to the relevant Rule Set in order for such CM/CCP Transactions to be Compressed. Clearing Member will not take any action to Compress CM/CCP Transactions other than following a request by Client pursuant to this Section 3(d), following a request from Client to accept an Offsetting Transaction pursuant to Section 6(a) or as provided for in the relevant Rule Set.

(e) **Rule Set – Client.** Client agrees (i) (1) to be bound by, comply with and use commercially reasonable efforts to facilitate compliance by Clearing Member with the Core Provisions of each Agreed CCP Service (to the extent such Core Provisions require Client or Clearing Member in relation to Client, as applicable, to be bound by, comply with or facilitate compliance with such Core Provisions in accordance with such Core Provisions of each such Agreed CCP Service) and (2) to be bound by and comply with the Mandatory CCP Provisions of each Agreed CCP Service and (ii) promptly to execute and/or deliver to Clearing Member any documentation or evidence required by an Agreed CCP to demonstrate the agreement of Client to be bound by the Core Provisions and/or the Mandatory CCP Provisions, as applicable, of the relevant Agreed CCP Service or any part thereof. Client agrees that, except as expressly permitted by the Clearing Agreement or any related Collateral Agreement, it will not take any action with respect to Client Transactions or any related Collateral Agreement which would reasonably be expected to cause Clearing

Member to breach any relevant provisions of (or representation, warranty or covenant given by Clearing Member pursuant to) the Rule Set of any Agreed CCP Service (to the extent to which Client has actual knowledge of, or would reasonably be expected to have actual knowledge of, such relevant provisions) and will take all reasonable steps requested by Clearing Member where Client's cooperation is needed to assist Clearing Member in complying with its obligations under the Rule Set of any Agreed CCP Service, including, without limitation, the delivery of requested documentation for the purposes of compliance with the Rule Set.

- (f) **Rule Set – Clearing Member.** Clearing Member agrees to be bound by and comply with: (i) the Core Provisions of each Agreed CCP Service (to the extent such Core Provisions require Clearing Member to be bound by or to comply with such Core Provisions in accordance with such Core Provisions of each such Agreed CCP Service) other than any Core Provision in respect of which the relevant Agreed CCP has indicated that it will not declare an event of default to have occurred in respect of Clearing Member solely as a result of a failure to comply with such Core Provision in its published form (such indication may be express or implied by a course of dealing and may be made to Clearing Member only or to some or all of the clearing members (including Clearing Member) of such Agreed CCP generally); and (ii) the Mandatory CCP Provisions of each Agreed CCP Service.
- (g) **No obligation to consent to clearing.** Subject to Section 6(a), nothing in this Addendum imposes any obligation on Clearing Member to consent to the clearing of Clearing Eligible Trades or to enter into Client Transactions or CM/CCP Transactions.
- (h) **Payment Netting.** If "Payment Netting" is specified in the Addendum Annex as applying, then, to the extent permitted by Applicable Law, if on any date amounts would otherwise be payable:
  - (i) in the same currency; and
  - (ii) in respect of one or more Specified Netting Contracts,by each party to the other, then, on such date, each party's obligation to make payment of any such amount will, without prejudice to the rights and obligations of a party under the applicable Specified Netting Contracts and if payment is not made by the other party, be settled if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, upon the payment by the party by which the larger aggregate amount would have been payable to the other party of an amount equal to the excess of the larger aggregate amount over the smaller aggregate amount.

The election for "Payment Netting" may be made separately for different groups of transactions.

#### 4. Tax in Relation to Client Transactions

The parties agree that the Addendum Tax Provisions will apply to Client Transactions and that the Addendum Tax Provisions constitute terms of this Addendum.

## 5. Transfer of Positions in the Absence of Default

Without prejudice to the operation of the Core Provisions in respect of any Agreed CCP Service, Client may at any time request by notice in writing to Clearing Member that Clearing Member Transfer one or more Client Transactions and the related CM/CCP Transaction(s) to one or more other clearing members of the relevant Agreed CCP in relation to the relevant Agreed CCP Service. If Client so requests, provided that (a) no CCP Default, CM Trigger Event or Transfer Condition Default has occurred and is continuing and (b) the Transfer Conditions have been satisfied, and subject to the relevant Rule Set and Applicable Law, Clearing Member will promptly take such action(s) that the relevant Rule Set and the rules and procedures of any electronic facility, trade repository, system or platform used by the relevant Agreed CCP or Clearing Member in connection with such Client Transaction(s) and related CM/CCP Transaction(s) contemplate that it should take in order to facilitate and effect the Transfer of (i) the relevant CM/CCP Transaction(s) and (ii) any collateral attributable to such CM/CCP Transaction(s). Upon such CM/CCP Transaction(s) being terminated or removed from the relevant Client Account at the relevant Agreed CCP pursuant to the relevant Rule Set as a result of any such Transfer, (1) Clearing Member and Client will be automatically and immediately released and discharged from further obligations with respect to the related Client Transaction(s); and (2) to the extent that collateral attributable to such CM/CCP Transaction(s) is transferred to another clearing member as part of the Transfer of such CM/CCP Transaction(s), Clearing Member will be automatically and immediately released and discharged from any further obligations under the Collateral Agreement that correspond to such transferred collateral including, without limitation, any obligation of Clearing Member to return corresponding collateral to Client under such Collateral Agreement.

## 6. Offsetting Transactions

- (a) Client may at any time request by notice in writing to Clearing Member that, in respect of one or more Client Transactions (each a "**Specified Client Transaction**"), Clearing Member accept for clearing an Offsetting Transaction. If Client so requests, and subject to Section 6(b), Clearing Member will be obliged (i) to accept for clearing such Offsetting Transaction(s) and (ii) to take such action(s) that it is required to take in accordance with the relevant Rule Set in order for such Offsetting Transaction(s) to be Cleared through the same Agreed CCP Service as such Specified Client Transaction(s) and for each resulting CM/CCP Transaction to be Compressed with the CM/CCP Transaction relating to the relevant Specified Client Transaction in accordance with the Rule Set.
- (b) Clearing Member will not be obliged to take the actions referred to in Section 6(a) at any time at which any Offsetting Condition is not satisfied.

## 7. Illegality/Impossibility

If "Illegality/Impossibility" is specified in the Addendum Annex as applying, then:

- (a) if either party is subject to any Cleared Transaction Illegality/Impossibility, it will give notice in writing to the other party of such event as soon as reasonably practicable following such event;
- (b) without prejudice to Clearing Member's rights to terminate Client Transactions pursuant to Section 8(a), if either party is or both parties are subject to a Cleared Transaction Illegality/Impossibility in respect of a Client Transaction(s) or Clearing Member is subject to a Cleared Transaction Illegality/Impossibility in respect of a CM/CCP Transaction(s), the party subject to the Cleared Transaction Illegality/Impossibility or, where both parties are

subject to the Cleared Transaction Illegality/Impossibility, either party may give notice in writing to the other party designating a day (the "**Illegality/Impossibility Termination Date**") not earlier than the day such notice is effective as the day on which the relevant Client Transaction(s) will terminate. Client may, at any time prior to the Illegality/Impossibility Termination Date, exercise its right to request a Transfer of the relevant Client Transaction(s) and the related CM/CCP Transaction(s) pursuant to Section 5. If the relevant Cleared Transaction Illegality/Impossibility is continuing on the Illegality/Impossibility Termination Date and the relevant Client Transaction(s) are outstanding on the Illegality/Impossibility Termination Date, such Client Transaction(s) will automatically terminate on such Illegality/Impossibility Termination Date and the provisions of Section 9 will apply in respect of such Client Transaction(s); and

- (c) if, with respect to a Client Transaction, an event or circumstance would constitute a Cleared Transaction Illegality/Impossibility and a termination event or other similar event, howsoever described, that would entitle Clearing Member to terminate such Client Transaction under Section 8(a), and such termination event or other similar event has occurred and is continuing, Clearing Member may elect whether to terminate the relevant Client Transaction pursuant to this Section 7 or pursuant to Section 8(a).

For the purposes of this Section 7, in the case of a Cleared Transaction Illegality/Impossibility in respect of a CM/CCP Transaction, the relevant Client Transaction will be the Client Transaction related to such CM/CCP Transaction.

## 8. Early Termination following Default

### (a) *Termination by Clearing Member and Automatic Termination.*

- (i) Any provisions of the Agreement that (1) would entitle Clearing Member to withhold any payment or delivery as a result of the occurrence of a potential event of default, event of default, termination event or other similar event, howsoever described, in respect of Client or (in case of a termination event or other similar event only, howsoever described) in respect of Clearing Member, as applicable, or (2) subject to Section 8(a)(iv), (A) would entitle Clearing Member to terminate transactions upon the occurrence of an event of default, termination event or other similar event, howsoever described, or would automatically terminate transactions upon the occurrence of any such event in respect of Client or (in case of a termination event or other similar event only, howsoever described) in respect of Clearing Member, as applicable, or (B) provide for the consequences of, and rights arising upon or pursuant to, the occurrence of any such event (including, without limitation, the provisions relating to the calculation of, and obligation to pay, any amount payable by either party following such early termination), will continue to apply in respect of Client Transactions.
- (ii) If the Agreement is a form of the 1992 ISDA Master Agreement and Market Quotation is the applicable payment measure, then, following the designation of an Early Termination Date in respect of any Client Transactions other than as a result of a CM Trigger Event or CCP Default, it will be deemed that Market Quotation would not produce a commercially reasonable result and, subject to the immediately following paragraph, Loss will be the applicable payment measure in respect of Client Transactions.

- (iii) If the Agreement is a form of the 1992 ISDA Master Agreement and Loss is the applicable payment measure (either as a result of Loss being specified as the applicable payment measure or as a result of Market Quotation being deemed not to produce a commercially reasonable result pursuant to Section 8(a)(ii)), then, following the designation of an Early Termination Date in respect of any Client Transaction(s) other than as a result of a CM Trigger Event or CCP Default, Clearing Member's "Loss" in respect of such Client Transactions will, notwithstanding the definition of that term in the Agreement, be deemed to be equal to (1) the amount that would be determined as the "Close-out Amount" pursuant to the ISDA 2002 Master Agreement *plus*, if Loss is the applicable payment measure other than as a result of Market Quotation being deemed not to produce a commercially reasonable result pursuant to Section 8(a)(ii), (2)(A) the Termination Currency Equivalent of the Unpaid Amounts (each as defined in the ISDA 2002 Master Agreement) owing to Clearing Member *minus* (B) the Termination Currency Equivalent of the Unpaid Amounts (each as defined in the ISDA 2002 Master Agreement) owing to Client.
- (iv) In respect of the termination of Client Transactions as a result of the occurrence of an event of default, termination event or other similar event, howsoever described, in respect of Client or (in case of a termination event or other similar event only, howsoever described) in respect of Clearing Member, as applicable, (x) if the Agreement is a form of the 1992 ISDA Master Agreement or the ISDA 2002 Master Agreement, in determining the Close-out Amount, or (y) otherwise, in valuing CM/CCP Transactions in order to determine the termination amount payable by one party to the other in accordance with the Agreement, Clearing Member:
  - (1) will act at all times in accordance with the Close-out Standard;
  - (2) subject to Section 8(a)(v), will be entitled to take into account, without duplication, including without duplication of amounts permitted to be taken into account under the Agreement, (A) any amount attributable to the relevant Client Transactions under the Clearing Agreement or any related Collateral Agreement, pro-rated where necessary if such amount can be partially attributed to transactions other than the relevant Client Transactions, which was payable but unpaid at the time of termination and is not otherwise accounted for pursuant to this Section 8(a)(iv) and/or (B) any gains or losses realised or incurred by Clearing Member (or its Affiliates to the extent its Affiliates enter into Risk Hedging Transactions with respect to CM/CCP Transactions on Clearing Member's behalf) in connection with or attributable to (I) terminating the related CM/CCP Transactions (including, without limitation, as a result of a Transfer of a CM/CCP Transaction from the relevant Client Account to Clearing Member's proprietary account, any offset of a CM/CCP Transaction with other transactions in Clearing Member's proprietary account, where applicable, and subsequent re-establishment of transactions in Clearing Member's proprietary account following any such offset, where applicable), (II) entering into Close-out Transactions and/or (III) entering into or unwinding any Risk Hedging Transactions in whole or in part and whether on an individual transaction or portfolio basis;
  - (3) will make an assessment of the number and nature of the relevant Client Transactions and the then-prevailing conditions in the relevant markets in

which quotations for Close-out Transactions and Risk Hedging Transactions could be sought, provided that Clearing Member will make such assessment at the time at which quotations would be sought if Clearing Member were entering into Close-out Transactions or Risk Hedging Transactions at that time, but may make such assessment prior to seeking any such quotations; and

(4) will then take the action from among those listed in Sections 8(a)(iv)(4)(A) to 8(a)(iv)(4)(D) that it determines to be most commercially reasonable taking into account Sections 8(a)(iv)(1) to 8(a)(iv)(3):

- (A) entering into one or more Close-out Transactions;
- (B) entering into one or more Risk Hedging Transactions;
- (C) taking any other actions in accordance with any other method permitted by the Agreement; or
- (D) effecting any combination of the actions listed in Sections 8(a)(iv)(4)(A) to 8(a)(iv)(4)(C), provided that Clearing Member will not enter into both a Close-out Transaction and a Risk Hedging Transaction in respect of a single CM/CCP Transaction.

(v) Where Clearing Member effects Close-out Transactions or Risk Hedging Transactions with itself or with its Affiliates, such transactions will only satisfy the Close-out Standard to the extent that they are executed on an arm's length basis and at then-prevailing market prices, as determined in good faith and a commercially reasonable manner by Clearing Member, provided, however, if Clearing Member, acting in good faith and a commercially reasonable manner, determines that there is no relevant prevailing market price for such a transaction at such time or that seeking quotations for such a transaction would produce a result that would not satisfy the Close-out Standard, such transaction will satisfy the Close-out Standard if executed on an arm's length basis at a commercially reasonable price.

(vi) In connection with determining the termination amount payable pursuant to this Section 8(a), Client agrees that Clearing Member may take any action that is required under the relevant Rule Set for the purpose of Transferring the related CM/CCP Transactions from the relevant Client Account to Clearing Member's proprietary account.

(b) ***Clearing Member Events.***

(i) Any provisions of the Agreement that (1) would entitle Client to withhold any payment or delivery as a result of the occurrence of a potential event of default, event of default, termination event or other similar event, howsoever described, in respect of Clearing Member or (2) subject to Client's right to terminate Client Transactions pursuant to Section 7 and subject to Section 8(b)(ii), (A) would entitle Client to terminate transactions early upon the occurrence of an event of default, termination event or other similar event, howsoever described, in respect of Clearing Member or Client, as applicable, or would automatically terminate transactions early upon the occurrence of any such event in respect of Clearing Member or (B) provide for the consequences of, and rights arising upon or pursuant to, the occurrence of

any such event (including, without limitation, the provisions relating to the calculation of, and obligation to pay, any amount payable by either party following such early termination), will not apply in respect of Client Transactions. For the avoidance of doubt but subject to Section 8(e), any provision of the Agreement that permits Client to set off any termination amounts due under the Agreement will not be affected by this Section 8(b).

(ii) Upon the occurrence of a CM Trigger Event, the Client Transactions in the relevant Cleared Transaction Set will, except to the extent otherwise stated in the Core Provisions of the relevant Rule Set, be dealt with as set out below:

- (1) each Client Transaction in the relevant Cleared Transaction Set will automatically terminate at the same time as the related CM/CCP Transaction is terminated or Transferred and, following such termination, no further payments or deliveries in respect of such Client Transaction as specified in the Confirm or any default interest, howsoever described, on such payment obligations will be required to be made but without prejudice to the other provisions of the Clearing Agreement, and the amount payable following such termination will be the Cleared Set Termination Amount determined pursuant to this Section 8(b)(ii);
- (2) the value of each such terminated Client Transaction for the purposes of calculating the applicable Cleared Set Termination Amount and Aggregate Transaction Values will be equal to the relevant CM/CCP Transaction Value or the relevant part thereof;
- (3) the applicable Cleared Set Termination Amount will be determined by Client on, or as soon as reasonably practicable after, (x) if there were no outstanding Client Transactions immediately prior to the occurrence of a CM Trigger Event, the date on which the CM Trigger Event occurred, or (y) if there were outstanding Client Transactions immediately prior to the occurrence of a CM Trigger Event, the day on which the relevant Client Transactions were terminated (in either case, provided that, if Clearing Member gives notice to Client requiring it to determine such amount and Client does not do so within two Business Days of such notice being effectively delivered, Clearing Member may determine the applicable Cleared Set Termination Amount) and, in either case, will be an amount equal to the sum, but without duplication, of (A) the Aggregate Transaction Value, (B) any amount which became payable, or which would have become payable but for a condition precedent not being satisfied, in respect of any such Client Transaction on or prior to the termination of such transactions but which remains unpaid at the time of such termination, together with interest on such amount in the same currency as such amount for the period from, and including, the original due date for payment to, but excluding, the date of termination, if applicable (expressed as a positive amount if such unpaid amount is due from Clearing Member to Client and as a negative amount if such unpaid amount is due from Client to Clearing Member), (C) an amount equal to the Relevant Collateral Value in respect of the relevant Client Transactions and (D) any other amount attributable to the relevant Client Transactions under the Clearing Agreement or any related Collateral Agreement, pro-rated where necessary if such amount can be partially attributed to transactions other than the relevant Client

Transactions, which was payable but unpaid at the time of termination and is not otherwise included in Sections 8(b)(ii)(3)(A) to 8(b)(ii)(3)(C), together with interest on such amount in the same currency as such amount for the period from, and including, the original due date for payment to, but excluding, the date of termination, if applicable (expressed as a positive amount if such unpaid amount is due from Clearing Member to Client and as a negative amount if such unpaid amount is due from Client to Clearing Member);

- (4) if a Cleared Set Termination Amount is a positive number, it will be due from Clearing Member to Client and if a Cleared Set Termination Amount is a negative number, the absolute value of the Cleared Set Termination Amount will be due from Client to Clearing Member, and in each case will be payable in accordance with this Addendum;
- (5) the applicable Cleared Set Termination Amount will be payable (A) if there were no outstanding Client Transactions immediately prior to the occurrence of a CM Trigger Event, in the currency in which an early termination amount would be payable under the Agreement and (B) if there were outstanding Client Transactions immediately prior to the occurrence of a CM Trigger Event, in the same currency as the termination amount payable by Clearing Member or the relevant Agreed CCP, as applicable, in respect of the related terminated CM/CCP Transaction(s) in accordance with the relevant Rule Set (and any amount included in Section 8(b)(ii)(3) not denominated in such currency will be included as the Currency Equivalent Amount thereof);
- (6) the party determining the Cleared Set Termination Amount pursuant to Section 8(b)(ii)(3) will notify the other party in writing of the applicable Cleared Set Termination Amount promptly following the relevant party's determination of such amount pursuant to Section 8(b)(ii)(3); and
- (7) the applicable Cleared Set Termination Amount will:
  - (A) if (x) payable by Client or (y) payable by Clearing Member and there were no outstanding Client Transactions immediately prior to the occurrence of a CM Trigger Event, be payable on: (I) if Client is determining the amount, the first Business Day after the day on which Clearing Member receives notification of such amount from Client pursuant to Section 8(b)(ii)(6) or (II) if Clearing Member is determining the amount, the first Business Day after the date on which Client receives notification of such amount from Clearing Member pursuant to Section 8(b)(ii)(6), provided in either case, that if such notification pursuant to Section 8(b)(ii)(6) is delivered on a date that is not a Business Day or after the Payment Notification Cut-Off Time on any Business Day, such notification will be deemed to have been delivered on the first following day that is a Business Day;
  - (B) if payable by Clearing Member and there were outstanding Client Transactions immediately prior to the occurrence of a CM Trigger Event, be payable on the first Business Day after the date on which

any portion of the termination amount receivable by Clearing Member in respect of all relevant terminated CM/CCP Transactions is received, subject to the application of Section 15 and in particular, but without limitation, any pro rata allocation between Client and other clients of Clearing Member in relation to the relevant Agreed CCP Service. For the purposes of any such pro rata allocation in relation to a Cleared Set Termination Amount, Clearing Member will only be obliged to determine such pro rata allocation to the extent that it has information of the termination amounts for all clients (including Client) in relation to the relevant Agreed CCP Service and Clearing Member agrees that it will use reasonable efforts to obtain such information or otherwise determine the termination amount in accordance with the terms of the clearing agreement with each such client.

(c) **CCP Default.** Upon the occurrence of a CCP Default, the Client Transactions in the relevant Cleared Transaction Set will, except to the extent otherwise stated in the Core Provisions of the relevant Rule Set, be dealt with as set out below:

- (i) each Client Transaction in the relevant Cleared Transaction Set will automatically terminate at the same time as the related CM/CCP Transaction and, following such termination no further payments or deliveries in respect of such Client Transaction as specified in the Confirm or any default interest, howsoever described, on such payment obligations will be required to be made but without prejudice to the other provisions of the Clearing Agreement, and the amount payable following such termination will be the Cleared Set Termination Amount determined pursuant to this Section 8(c);
- (ii) the value of each such terminated Client Transaction for the purposes of calculating the applicable Cleared Set Termination Amount and Aggregate Transaction Values will be equal to the relevant CM/CCP Transaction Value or relevant part thereof;
- (iii) the applicable Cleared Set Termination Amount will be determined by Clearing Member on, or as soon as reasonably practicable after, (x) if there were no outstanding Client Transactions immediately prior to the occurrence of a CCP Default, the date on which the CCP Default occurred, or (y) if there were outstanding Client Transactions immediately prior to the occurrence of a CCP Default, the day on which the relevant Client Transactions were terminated and, in either case, will be an amount equal to the sum, but without duplication, of (1) the Aggregate Transaction Value, (2) any amount which became payable, or which would have become payable but for a condition precedent not being satisfied, in respect of any such Client Transaction on or prior to the termination of such transactions but which remains unpaid at the time of such termination, together with interest on such amount in the same currency as such amount for the period from, and including, the original due date for payment to, but excluding, the date of termination, if applicable (expressed as a positive amount if such unpaid amount is due from Clearing Member to Client and as a negative amount if such unpaid amount is due from Client to Clearing Member), (3) an amount equal to the Relevant Collateral Value in respect of the relevant Client Transactions and (4) any other amount attributable to the relevant Client Transactions under the Clearing Agreement and any related Collateral Agreement, pro-rated where necessary if such amount can be partially attributed to transactions other than the relevant Client

Transactions, which was payable but unpaid at the time of termination and is not otherwise included in Sections 8(c)(iii)(1) to 8(c)(iii)(3), together with interest on such amount in the same currency as such amount for the period from, and including, the original due date for payment to, but excluding, the date of termination, if applicable (expressed as a positive amount if such unpaid amount is due from Clearing Member to Client and as a negative amount if such unpaid amount is due from Client to Clearing Member);

- (iv) if a Cleared Set Termination Amount is a positive number, it will be due from Clearing Member to Client and if a Cleared Set Termination Amount is a negative number, the absolute value of the Cleared Set Termination Amount will be due from Client to Clearing Member, and in each case will be payable, in accordance with this Addendum;
- (v) the applicable Cleared Set Termination Amount will be payable (1) if there were no outstanding Client Transactions immediately prior to the occurrence of a CCP Default, in the currency in which an early termination amount would be payable under the Agreement and (2) if there were outstanding Client Transactions immediately prior to the occurrence of a CCP Default, in the same currency as the termination amount payable by Clearing Member or the relevant Agreed CCP, as applicable, in respect of the related terminated CM/CCP Transaction(s) in accordance with the relevant Rule Set (and any amount included in Section 8(c)(iii) not denominated in such currency will be included as the Currency Equivalent Amount thereof);
- (vi) Clearing Member will notify Client in writing of the applicable Cleared Set Termination Amount promptly following Clearing Member's determination of such amount pursuant to Section 8(c)(iii); and
- (vii) the applicable Cleared Set Termination Amount will:
  - (1) if (x) payable by Client or (y) payable by Clearing Member and there were no outstanding Client Transactions immediately prior to the occurrence of a CCP Default, be payable on the later of (A) the date on which the termination amount payable by Clearing Member in respect of the terminated CM/CCP Transaction(s) is payable in accordance with the relevant Rule Set and (B) the first Business Day after the date on which Client receives notification of such Cleared Set Termination Amount pursuant to Section 8(c)(vi), provided that, if such notification pursuant to Section 8(c)(vi) is delivered on a date that is not a Business Day or after the Payment Notification Cut-Off Time on any Business Day, such notification will be deemed to have been delivered on the first following day that is a Business Day; or
  - (2) if payable by Clearing Member and there were outstanding Client Transactions immediately prior to the occurrence of a CCP Default, be payable, subject to the application of Section 15, on the first Business Day after the date on which any portion of the termination amount receivable by Clearing Member in respect of all relevant terminated CM/CCP Transactions is received.

(d) ***Hierarchy of Events.***

- (i) Subject to Section 8(d)(ii), if Client Transactions are capable of being terminated pursuant to more than one of Section 7, Section 8(a), Section 8(b) or Section 8(c), then the Section in respect of which a party first exercises any right to terminate Client Transactions (or, the Section pursuant to which Client Transactions are otherwise terminated, if earlier) will prevail for the purposes of the relevant Client Transactions.
- (ii) If each of a CM Trigger Event and a CCP Default occurs, either Section 8(b)(ii) or Section 8(c), as the case may be, will take priority in accordance with the order of priority, if any, given to such events in the relevant Rule Set, provided that, if no such order of priority is given in the relevant Rule Set, Section 8(d)(i) will apply.
- (iii) If a Cleared Set Termination Amount is determined pursuant to Section 8(b) or Section 8(c) and before such Cleared Set Termination Amount is paid an event occurs that would entitle Clearing Member to terminate all other outstanding transactions under the Clearing Agreement, such Cleared Set Termination Amount will remain payable in accordance with Section 8(b) or Section 8(c), as applicable, and will not be taken into account in the determination of the termination amount as a result of such event.
- (iv) Without prejudice to the terms of the Clearing Agreement, nothing in this Addendum will prevent Clearing Member or Client exercising any right to terminate any transactions under the Agreement which are not Client Transactions.

(e) ***Set-off.***

- (i) Any Available Termination Amount will, at the option of (A) Client, in the case of an Available Termination Amount due in respect of a CM Trigger Event and without prior notice to Clearing Member, be reduced by its set-off against any other termination amount payable by Clearing Member to Client under the Clearing Agreement at such time ("**CM Other Amounts**"), or (B) either party, in the case of an Available Termination Amount due in respect of a CCP Default, and without prior notice to the other party, be reduced by its set-off against any other termination amount payable by or to X (where "**X**" means, in the case of Section 8(e)(i)(A), Client or, in the case of Section 8(e)(i)(B), the party electing to set off) under the Clearing Agreement at such time ("**EP Other Amounts**" and together with CM Other Amounts, "**Other Amounts**"), provided that in the case of Section 8(e)(i)(A) or Section 8(e)(i)(B), at the time at which X elects to set off, where Clearing Member is X, a CM Trigger Event has not occurred and is not continuing or, where Client is X, an event of default, termination event or other similar event, howsoever described, in respect of Client in the Agreement, has not occurred and is not continuing. To the extent that any Other Amounts are so set off, those Other Amounts will be discharged promptly and in all respects. X will give notice to the other party promptly after effecting any set-off under Section 8(e)(i)(A) or Section 8(e)(i)(B).
- (ii) For the purposes of this Section 8(e):
  - (A) all or part of the Available Termination Amount or the Other Amounts (or the relevant portion of such amounts) may be converted by X into the

currency in which the other amount is denominated at the rate of exchange at which such party would be able, in good faith and using commercially reasonable procedures, to purchase the relevant amount of such currency;

- (B) if any Other Amounts is unascertained, X may in good faith estimate such Other Amounts and set off in respect of the estimate, subject to the relevant party accounting to the other when such Other Amounts are ascertained; and
- (C) a "termination amount" may, for the avoidance of doubt, be another Cleared Set Termination Amount or another termination amount due under the Agreement including, in either case, any such amount that has previously been reduced in part by set-off pursuant to this Section 8(e).

(iii) Nothing in this Section 8(e) will be effective to create a charge or other security interest. This Section 8(e) will be without prejudice and in addition to any right of set-off, offset, combination of accounts, lien, right of retention or withholding or similar right or requirement to which Client or Clearing Member is at any time otherwise entitled or subject (whether by operation of law, contract or otherwise), provided that, notwithstanding anything to the contrary in the Clearing Agreement or any related Collateral Agreement, no party may exercise any rights of set-off in respect of Excluded Termination Amounts.

## 9. Early Termination in Circumstances other than Default

Where any Client Transaction (the "**Relevant Client Transaction**") is terminated early pursuant to this Addendum, other than pursuant to Section 8:

- (a) the consequences of such early termination with respect to the Relevant Client Transaction (including, without limitation, the provisions relating to calculation of, and obligation to pay, any amount payable by either party following such early termination) will be determined in accordance with the Clearing Agreement as if an event of default in respect of Client had occurred under the Clearing Agreement and the Relevant Client Transaction(s) were the only transactions under the Clearing Agreement;
- (b) such early termination will be without prejudice to any obligations that arose under the terms of the Relevant Client Transaction(s) on or prior to the relevant date of termination;
- (c) in no circumstances will an event of default in respect of Client, termination event or analogous event be deemed to have occurred solely as a result of such early termination; and
- (d) in connection with any such termination, Client agrees that Clearing Member may take any action that is necessary under the relevant Rule Sets for the purpose of Transferring the related CM/CCP Transactions from the relevant Client Account to Clearing Member's proprietary account.

## 10. Collateral

- (a) **Collateral Standard Terms.** If "Collateral Standard Terms" is specified in the Addendum Annex as applying, then:
  - (i) if the Agreement is not a form of the 1992 ISDA Master Agreement or the ISDA 2002 Master Agreement, Clearing Member and Client agree to deliver collateral in

respect of Client Transactions in accordance with and subject to the provision(s) relating to collateral set out in the Agreement and the Existing Collateral Agreement, if any, as supplemented by this Addendum<sup>2</sup>; and

- (ii) if the Agreement is a form of the 1992 ISDA Master Agreement or the ISDA 2002 Master Agreement, then<sup>3</sup>:
  - (1) the Existing Collateral Agreement, if any, will not apply to Client Transactions; and
  - (2) on each date on which the first Clearing Eligible Trade for an Agreed CCP Service is Submitted for Clearing, unless otherwise specified in the Addendum Annex, either (A) if the Agreement is governed by the laws of the State of New York, a separate 1994 Credit Support Annex (New York Law) in the form published by ISDA but with a paragraph 13 in the form set out in the New York Law CSA Collateral Terms or (B) if the Agreement is governed by English law, a separate 1995 Credit Support Annex (English Law) in the form published by ISDA but with a paragraph 11 in the form set out in the English Law CSA Collateral Terms, in either case with any elections specified in the CSA Elections Table (a "CSA") will be deemed to supplement and form part of the Clearing Agreement. Each CSA will be a "Collateral Agreement" and will apply only to Client Transactions in a single Cleared Transaction Set.

(b) ***Clearing Member's Use of Collateral.***

- (i) If this Section 10(b) is specified in the Addendum Annex as applying, then, without prejudice to Clearing Member's rights under any relevant Collateral Agreement, Client agrees that Clearing Member may use any collateral provided by Client under a Collateral Agreement in respect of Client Transactions in order to allow Clearing Member to satisfy Clearing Member's obligations to provide collateral to the relevant Agreed CCP in connection with such Client Transactions. Where Clearing Member exercises such right of use of collateral, all right, title and interest in and to such collateral (the "**Used Collateral**") will vest in Clearing Member free and clear of any liens, claims, charges or encumbrances or any other interest of Client or of any third person (other than a lien routinely imposed on all securities in a relevant clearance system).
- (ii) Upon any such use of collateral by Clearing Member:
  - (1) the parties intend that such arrangements under the relevant Collateral Agreement will constitute a title transfer financial collateral arrangement, as such term is used in the EU Financial Collateral Directive (2002/47/EC), and, subject to the provisions of the Clearing Agreement and any related Collateral Agreement, Client will have a right against Clearing Member for the delivery of equivalent property, cash, or securities of the same type,

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<sup>2</sup> Potential application of a client asset regime to collateral provided in this context should be assessed by the parties based on their particular circumstances.

<sup>3</sup> There is a presumption in this Section that parties will use an ISDA credit support document with the same governing law as their ISDA Master Agreement. It is noted, however, that this will not always necessarily be the case and it is open to parties to amend this position in the Addendum Annex if necessary.

nominal value, description and amount as the Used Collateral ("Equivalent Used Collateral"). In the case of securities, Equivalent Used Collateral may, but will not be required to, include securities with the same ISIN. Notwithstanding the foregoing and subject always to the provisions of Section 15, where relevant Equivalent Used Collateral has been transferred by Clearing Member to the relevant Client Account at the relevant Agreed CCP, Clearing Member will only be required to transfer Equivalent Used Collateral to Client to the extent that the relevant Agreed CCP transfers Equivalent Used Collateral to Clearing Member;

- (2) any Used Collateral may upon exercise of Clearing Member's right of use cease to be subject to any client asset protection regime(s) that might otherwise have been applicable<sup>4</sup>;
- (3) the parties do not intend to create in favour of Client, and Client will not be entitled to assert any claim in respect of, any mortgage, charge, lien, pledge, encumbrance or other security interest in any Used Collateral unless otherwise stated in the relevant Core Provisions; and
- (4) Clearing Member may redeliver Equivalent Used Collateral to Client by causing such Equivalent Used Collateral to be transferred, appropriated or designated to an account for Client and such Equivalent Used Collateral will, upon such transfer, appropriation or designation by Clearing Member, become subject to (A) all of the provisions of the Clearing Agreement and any related Collateral Agreement, including, without limitation, any security interest described therein; and (B) any client asset protection regime(s) that may be applicable.<sup>5</sup>

## 11. Payment Adjustment

- (a) Without prejudice to Section 11(b), Client will notify Clearing Member as soon as reasonably practicable after becoming aware that it has been, or will be, paid (or has otherwise received, or will otherwise receive credit for) any amount from an Agreed CCP in relation to an Agreed CCP Service under the relevant Rule Set in connection with one or more Client Transactions and the related CM/CCP Transactions.
- (b) If any amount has been paid, or is payable, to Client (or Client has otherwise received or will otherwise receive credit for any amount) from an Agreed CCP in relation to an Agreed CCP Service under the relevant Rule Set and such amount is attributable to amounts that would otherwise be determined and/or payable under the Clearing Agreement or any related Collateral Agreement and is not otherwise already taken into account in the determination of amounts payable under the Clearing Agreement or any related Collateral Agreement, then Clearing Member will make such adjustment to the payment or other terms of the Clearing Agreement or any related Collateral Agreement (which may include, without limitation, an obligation on Client to pay to Clearing Member any amount received by Client from an

<sup>4</sup> Given the different client asset regimes that might be applicable, and their ongoing development, the parties should satisfy themselves as to the applicability of any particular regime in particular circumstances, on Clearing Member's use of collateral, whilst at the CCP and upon Clearing Member's return of Equivalent Used Collateral for the account of Client.

<sup>5</sup> If Section 10(b) applies and the Existing Collateral Agreement does not provide for collateral to be delivered either on a title transfer basis or by way of security but with a right of rehypothecation for Clearing Member, further amendments to the Existing Collateral Agreement will be required to ensure that its mechanics operate with the approach described here.

Agreed CCP in relation to an Agreed CCP Service that exceeds the amount due to Client from Clearing Member in respect of that Agreed CCP Service under the Clearing Agreement) as Clearing Member determines appropriate to account for any Losses that Clearing Member may otherwise incur as a result of such amount being paid, or payable, to Client, or Client otherwise receiving credit for such amount, from the relevant Agreed CCP.

## **12. Limitation of Liability**

If "Limitation of Liability" is specified in the Addendum Annex as applying, then Client agrees that no Relevant Party will be liable (whether directly or indirectly, in contract or in tort or otherwise) to Client or any other person for Losses incurred by Client or any other person that arise out of or in connection with (a) the performance or non-performance by, or insolvency of, an Agreed CCP, (b) any breakdown, delay, malfunction or failure of transmission of any electronic facility, trade repository, system or platform used by an Agreed CCP or Clearing Member or any custodian, settlement system or any other person or (c) actions that a Relevant Party takes or fails to take for the purposes of compliance with a relevant Rule Set or Applicable Law, in relation to any CM/CCP Transaction or any Client Transaction, except that nothing will relieve a Relevant Party from any liability which it would otherwise have in respect of Losses incurred by any such person which are directly caused by such Relevant Party's fraud, wilful default or gross negligence. Without limiting the generality of the foregoing, a Relevant Party will have no liability to Client or any other person and Client will have no liability to a Relevant Party or any other person for any special, punitive or consequential damage, loss of profits, loss of goodwill or loss of business opportunity arising under or in connection with this Addendum, whether arising out of negligence, breach of contract, misrepresentation or otherwise. Nothing in this Addendum will exclude or limit any duty or liability which may not be excluded or limited under Applicable Law.

## **13. Indemnity**

- (a) If "Indemnity" is specified in the Addendum Annex as applying, then Client agrees to indemnify and hold harmless each Relevant Party from and against any and all Losses incurred by such Relevant Party that arise out of or are related to any Client Transaction or any CM/CCP Transaction including, without limitation, as a result of:
  - (i) Client's breach of the Clearing Agreement or any related Collateral Agreement, any applicable Rule Set or any related agreement;
  - (ii) any breach of any applicable Rule Set by such Relevant Party arising in connection with any action or inaction by Client in connection with any Client Transactions or CM/CCP Transactions;
  - (iii) any action taken or not taken by such Relevant Party in reliance upon any instruction, notice or communication that it reasonably believes to have originated from Client or Client's duly authorised agent (including a third-party adviser, if any); or
  - (iv) the occurrence of a CCP Default in respect of any relevant Agreed CCP.
- (b) The indemnity pursuant to this Section 13 is in addition to any other rights Clearing Member may have against Client under the Clearing Agreement or any other agreement between Clearing Member and Client in respect of the events listed in Sections 13(a)(i) to 13(a)(iv) inclusive, provided that any amount determined pursuant to Section 13(a) will be determined without duplication of any amount determined pursuant to any such other right.

## 14. Disclosure of Information

If "Disclosure of Information" is specified in the Addendum Annex as applying, then notwithstanding any agreement of the parties to the contrary, each party (a "**Disclosing Party**"):

- (a) may disclose Confidential Information in respect of the other party:
  - (i) to an Agreed CCP or the provider or operator of any electronic facility, trade repository, system or platform used by an Agreed CCP or Clearing Member in connection with a Client Transaction and/or a CM/CCP Transaction and the services offered by such Agreed CCP or such third party provider or operator in relation to such Client Transaction and/or a CM/CCP Transaction under the relevant Rule Set or any relevant agreement;
  - (ii) to any person to whom disclosure is required or requested to be made by any court of competent jurisdiction or any Governmental Authority or similar body, the rules of any relevant stock exchange or pursuant to any Applicable Law;
  - (iii) to any Related Party of such Disclosing Party, professional adviser or auditor to whom the Disclosing Party, acting in good faith and a commercially reasonable manner, considers it appropriate to disclose, provided that (1) any person to whom the information is to be given pursuant to this Section 14(a)(iii) is informed in writing of its confidential nature, except that there will be no such requirement to inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the information and (2) the Disclosing Party will procure that any Related Party to whom the information is to be given in accordance with this Section 14(a)(iii) does not disclose such information other than in accordance with this Section 14(a)(iii);
  - (iv) where the Disclosing Party is Clearing Member, credit reference agencies and other organisations that help Clearing Member make credit decisions and reduce the incidence of fraud (provided that disclosure under this Section 14(a)(iv) may only be made in the course of Clearing Member carrying out identity fraud prevention or credit control checks in respect of Client); and
  - (v) otherwise, with the consent of the other party; and
- (b) without prejudice to Section 12 or Section 13, will not be liable (whether directly or indirectly, in contract or in tort or otherwise) to the other party for any Losses incurred by such other party or by any other person in connection with the disclosure of any Confidential Information pursuant to Section 14(a).

## 15. Limited Recourse

- (a) Client agrees that performance and payment obligations by Clearing Member to Client under or in respect of Client Transactions (including, without limitation, any related obligations under the Collateral Agreement) (other than as set out in Paragraph 6 of Appendix 3) are limited by and contingent on the actual performance or payment by the relevant Agreed CCP to Clearing Member in relation to the related CM/CCP Transactions or any related collateral arrangements, provided that amounts that would have been paid by the Agreed CCP to Clearing Member but for the application of (i) netting or set-off in accordance with the

relevant Rule Set and/or Applicable Law or (ii) any provision of the relevant Rule Set and/or Applicable Law that allows the Agreed CCP to make payments directly to Client or Transfer related CM/CCP Transactions upon the occurrence of a CM Trigger Event will, for the purposes of this provision and without prejudice to Section 11(b), be considered to have been paid.

(b) In the event that an Agreed CCP defaults on or (except to the extent arising as a result of the fraud, wilful default or gross negligence of Clearing Member or a breach by Clearing Member of any provision of the Rule Set of that Agreed CCP (other than as a result of any action or inaction on the part of Client) or as a result of a Tax Deduction in respect of which Clearing Member is entitled to make a corresponding deduction under Paragraph 6 of Appendix 3) defers the payment or performance of any obligation otherwise owed by it under or in respect of a CM/CCP Transaction or any related collateral arrangements, Clearing Member will be entitled, acting in good faith and a commercially reasonable manner, to make (1) a corresponding deduction, withholding or other reduction from, or tolling or deferring of, any corresponding payment or performance of any obligation otherwise owed by it under the related Client Transaction and/or Collateral Agreement and/or (2) its corresponding performance under such related Client Transaction and/or Collateral Agreement conditional on performance by the Agreed CCP under or in respect of the related CM/CCP Transaction or any related collateral arrangements (and where any such deduction, withholding, tolling or deferral may be attributable to both CM/CCP Transaction(s) and to transactions referable to other clients of Clearing Member, Clearing Member will allocate such deduction, withholding, tolling or deferral among such transactions on a pro rata basis), provided that:

- (i) following such a default or deferral, Clearing Member will take all reasonable steps to obtain payment or performance by the Agreed CCP; and
- (ii) if such defaulted or deferred payment or performance is subsequently obtained by Clearing Member from the Agreed CCP (in whole or in part), Clearing Member will thereupon make the corresponding payment or performance (or portion thereof), together with any related interest amount paid by the Agreed CCP, to Client.

(c) Clearing Member will give notice in writing to Client of any deduction, withholding or other reduction from, or tolling or deferring of, any payment or performance effected under this Section 15, in each case as soon as reasonably practicable following the relevant event.

## 16. Increased Costs

If "Increased Costs" is specified in the Addendum Annex as applying, then Client will pay to Clearing Member any Increased Costs Amount on the applicable Costs Payment Date.

## 17. Termination of Agreed CCP Services

(a) If "Termination of Agreed CCP Services" is specified in the Addendum Annex as applying, either party may at any time give notice in writing to the other party (a "**CCP Service Termination Notice**") designating a day not earlier than the first Business Day following the expiry of (i) the CM Termination Notice Period, in the case of a CCP Service Termination Notice delivered by Clearing Member to Client, or (ii) the Client Termination Notice Period, in the case of a CCP Service Termination Notice delivered by Client to Clearing Member, as the CCP Service Termination Date in respect of all Client Transactions related to each Agreed CCP Service identified in the CCP Service Termination Notice, in

which case all Client Transactions relating to each such Agreed CCP Service outstanding on the CCP Service Termination Date will automatically terminate on the CCP Service Termination Date and the provisions of Section 9 will apply in respect of such Client Transactions.

- (b) The delivery of a CCP Service Termination Notice will not constitute a Transfer Condition Default and Client may, at any time during the Client Termination Notice Period or CM Termination Notice Period, as applicable, exercise its right to request either (i) a Transfer of one or more of the relevant Client Transactions and the related CM/CCP Transaction(s) pursuant to Section 5 or (ii) that Clearing Member accepts one or more Offsetting Transactions in relation to the relevant Client Transactions for clearing pursuant to Section 6.
- (c) If a CCP Service Termination Notice is delivered:
  - (i) by Clearing Member to Client and if "Conditions on CM Termination of Agreed CCP Service" is specified in the Addendum Annex as not applying; or
  - (ii) by Client to Clearing Member and if "Conditions on Client Termination of Agreed CCP Service" is specified in the Addendum Annex as not applying,

then, in each case, in connection with any request by Client during the CM Termination Notice Period or Client Termination Notice Period, as applicable, for Transfer of one or more of the relevant Client Transactions and the related CM/CCP Transactions pursuant to Section 5, it will be deemed that no Additional Transfer Conditions apply.

## 18. Miscellaneous

- (a) **Accounting.** No provision of this Addendum is intended to address the accounting treatment of the relationships between Client, Clearing Member and any Agreed CCP.
- (b) **Counterparts.** This Addendum may be executed and delivered in counterparts (including by facsimile transmission and by electronic messaging system), each of which will be deemed to be an original.
- (c) **Other Provisions.** If any Other Provisions are included in the Addendum Annex, they will constitute terms of this Addendum.
- (d) **Headings.** The headings used in this Addendum are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Addendum.
- (e) **Electronic Notices.** For the purposes of this Addendum, a communication, notice or document delivered by email or an electronic messaging system or made available on an electronic platform will be treated as being in writing.

## 19. Governing Law and Jurisdiction

The governing law, jurisdiction and dispute resolution provisions of the Agreement will apply to this Addendum.

## 20. Definitions

As used in this Addendum:

**"1992 ISDA Master Agreement"** means the 1992 ISDA Master Agreement, as published by ISDA.

**"Addendum"** means this Client Cleared OTC Derivatives Addendum.

**"Addendum Annex"** means the annex to this Addendum, as may be amended between the parties from time to time.

**"Addendum Tax Provisions"** means the terms relating to tax set out in Appendix 3 to this Addendum.

**"Additional Confidential Information"** means the information (if any) specified as such in Part 2 of the Addendum Annex.

**"Additional Excluded Termination Amounts"** means the amounts (if any) specified as such in Part 2 of the Addendum Annex.

**"Additional Representation"** means each representation (if any) specified as such in Part 2 of the Addendum Annex, which, for the avoidance of doubt, will include the CM Tax Representations (if any) and the Client Tax Representations (if any).

**"Additional Transfer Conditions"** means the transfer conditions (if any) specified as such in Part 2 of the Addendum Annex.

**"Affiliate"** means, unless otherwise defined in the Agreement (in which case the definition of Affiliate in the Agreement will prevail), in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person.

**"Aggregate Transaction Value"** means, in respect of the termination of Client Transactions of a Cleared Transaction Set, an amount (which may be positive or negative or zero) equal to the aggregate of the CM/CCP Transaction Values for all Client Transactions in the relevant Cleared Transaction Set or, if there is just one CM/CCP Transaction Value in respect of all such Client Transactions, an amount (which may be positive or negative or zero) equal to such CM/CCP Transaction Value.

**"Agreed CCP"** means any clearing organisation specified as such in Table A.

**"Agreed CCP Service"** means, with respect to an Agreed CCP, each over-the-counter derivative client clearing service offered by such Agreed CCP and specified in respect of such Agreed CCP in Table A.

**"Agreement"** means the contractual arrangement between Clearing Member and Client, as specified in Part 1 of the Addendum Annex and as may be amended as between the parties from time to time.

**"Applicable Law"** means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, judgment or decision of a Governmental Authority.

**"Applicable Tax Law"** means Applicable Law, as modified by the practice of any relevant governmental revenue authority, in effect from time to time.

**"Available Termination Amount"** means, at any time, (a) in respect of a CM Trigger Event, any Cleared Set Termination Amount or other termination amount payable by Client to Clearing Member under the Clearing Agreement, and (b) in respect of a CCP Default, any Cleared Set Termination Amount or other termination amount payable by either party under the Clearing Agreement and, in either case, which (x) may be any such amount that has previously been reduced in part by set-off pursuant to Section 8(e)(i)(A) or Section 8(e)(i)(B), as applicable, and (y) is not an Excluded Termination Amount at such time.

**"Business Day"** has the meaning given to it in Part 1 of the Addendum Annex.

**"CCP Default"** means the occurrence of a default, termination event or other similar event in respect of an Agreed CCP that, under the relevant Rule Set, entitles Clearing Member to terminate, or results in automatic termination of, CM/CCP Transactions.

**"CCP Service Termination Date"** means the date designated in a CCP Service Termination Notice pursuant to Section 17(a).

**"CCP Service Termination Notice"** has the meaning given to it in Section 17(a).

**"Change in Tax Law"** means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or the application or official interpretation of any law) or 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 Clearing Agreement) that occurs after the parties enter into the relevant Client Transaction.

**"Cleared"** means that (a) a Clearing Eligible Trade has been Submitted for Clearing and (b) the relevant Agreed CCP has become a party to a CM/CCP Transaction in respect of such Clearing Eligible Trade in accordance with the relevant Rule Set. Any reference in this Addendum to the time at which a Clearing Eligible Trade is "Cleared" means the time at which the related CM/CCP Transaction arises in accordance with the relevant Rule Set for the account of Client.

**"Cleared Set Termination Amount"** means the termination amount (which may be positive or negative) payable by one party to the other in accordance with the Clearing Agreement in respect of the termination of one or more Client Transactions of a Cleared Transaction Set in accordance with the Clearing Agreement.

**"Cleared Transaction Illegality/Impossibility"** means, in respect of a Client Transaction or a CM/CCP Transaction, the occurrence of an event or circumstance, other than an event or circumstance directly caused by Clearing Member or Client, the result of which is that, after giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, the Clearing Agreement, any related Collateral Agreement or the relevant Rule Set, as applicable, (a) it becomes unlawful under any Applicable Law or impossible or impracticable (other than by reason of a day not being a day on which banks are open for business in any relevant place) on any day for the branch or office through which Clearing Member or Client, as applicable, makes and receives payments or deliveries with respect to such Client Transaction or CM/CCP Transaction, as applicable, to perform any absolute or contingent obligation to make a payment or delivery in respect of such Client Transaction or CM/CCP Transaction, as applicable, to receive a payment or delivery in respect of such Client Transaction or CM/CCP Transaction, as applicable, or to comply with any other material provision of the Clearing Agreement, or any related Collateral Agreement,

relating to such Client Transaction or relevant Rule Set relating to such CM/CCP Transaction, as applicable, or (b) it would be unlawful under any Applicable Law or impossible or impracticable for such branch or office to make or receive such a payment or delivery or to comply with such a provision if the relevant payment, delivery or compliance were required on that day.

**"Cleared Transaction Set"** means all Client Transactions in respect of which the related CM/CCP Transactions are cleared through the same Agreed CCP Service.

**"Clearing Agreement"** means the Agreement as supplemented by this Addendum and, in respect of a Client Transaction, the Confirm.

**"Clearing Eligible Trade"** means, with respect to an Agreed CCP and an Agreed CCP Service, any over-the-counter swap, forward, option or similar transaction capable of being Cleared by Clearing Member on behalf of Client using such Agreed CCP Service and which is of a type specified in respect of such Agreed CCP Service in Table A.

**"Clearing Member"** means the entity specified as such in Part 1 of the Addendum Annex.

**"Clearing Member FATCA Non-Compliance"** means the failure of Clearing Member to satisfy the applicable requirements to establish that a payment made to Clearing Member under a Client Transaction or CM/CCP Transaction is exempt from withholding under FATCA.

**"Clearing Member Merger"** means Clearing Member consolidating or amalgamating with, or merging with or into, or transferring all or substantially all of its assets (or any substantial part of its assets comprising the business conducted by it as at the date of this Addendum) to, or reorganising, reincorporating or reconstituting into or as, another entity.

**"Client"** means the entity specified as such in Part 1 of the Addendum Annex.

**"Client Account"** means, with respect to an Agreed CCP and an Agreed CCP Service, an account of the type specified as such in respect of such Agreed CCP Service in Table A, provided that, if no such account is specified, the Client Account will be an Individual Client Account. References in this Addendum to transactions being credited to or recorded in the Client Account are to such transactions being so credited or recorded for the account of Client.

**"Client Tax Representations"** means the Additional Representation specified in the Addendum Annex as given by Client for the purposes of Section 2(d) as replaced from time to time in accordance with that Section.

**"Client Termination Notice Period"** has the meaning given to it in Part 2 of the Addendum Annex.

**"Client Transaction"** means, with respect to a CM/CCP Transaction, the related transaction that arises between Clearing Member and Client pursuant to Section 3, as may be modified from time to time as a result of a Modification Change Event or pursuant to Section 3(c) or by Compression or to reflect any such Compression in respect of such CM/CCP Transaction.

**"Close-out Standard"** means, with respect to the determination of a termination amount pursuant to Section 8(a), Section 8(b) or Section 8(c), acting in good faith and using commercially reasonable procedures in order to produce a commercially reasonable result.

**"Close-out Transaction"** means, with respect to a CM/CCP Transaction:

- (a) one or more cleared derivatives transactions (which transactions may be executed with an Affiliate of Clearing Member or an unaffiliated third party) that (1) are cleared through the same Agreed CCP Service as such CM/CCP Transaction and (2) in accordance with the applicable Rule Set, result in a proportional offset and close-out of such CM/CCP Transaction at the relevant Agreed CCP Service; or
- (b) a Transfer of the CM/CCP Transaction as a result of which the obligations of Clearing Member in respect of the CM/CCP Transaction are substituted or replaced, in whole or in part, with the obligations of an assignee or transferee (and Clearing Member's corresponding obligations are extinguished).

**"CM Other Amounts"** has the meaning given to it in Section 8(e).

**"CM Tax Representations"** means the Additional Representations specified in Part 2 of the Addendum Annex as given by Clearing Member for the purposes of Section 2(c) as replaced from time to time in accordance with that Section.

**"CM Termination Notice Period"** has the meaning given to it in Part 2 of the Addendum Annex.

**"CM Trigger Event"** means, with respect to an Agreed CCP Service, an event that (a) the applicable Agreed CCP formally declares to Clearing Member constitutes a default in respect of Clearing Member or (b) results in the automatic termination of all relevant CM/CCP Transactions (or would result in the automatic termination of all relevant CM/CCP Transactions if there were CM/CCP Transactions outstanding at that time), in each case in accordance with the relevant Rule Set.

**"CM/CCP Transaction"** means a transaction between Clearing Member and an Agreed CCP that arises when the terms of a Clearing Eligible Trade are Cleared through the relevant Agreed CCP Service (including, without limitation, as a result of transactions being Transferred to Clearing Member as contemplated by Section 3(b)), as may be modified (including, without limitation, as a result of a change to any provision of the relevant Rule Set or by Compression) in accordance with the relevant Rule Set or Applicable Law. For the purposes of Section 8(a)(iv) and the definitions of "Close-out Transaction" and "Risk Hedging Transaction", CM/CCP Transaction includes a transaction corresponding to a CM/CCP Transaction following a Transfer of such CM/CCP Transaction to Clearing Member's proprietary account.

**"CM/CCP Transaction Value"** means, in respect of a terminated Client Transaction or a group of terminated Client Transactions, an amount equal to the value that is determined in respect of or otherwise ascribed to the related CM/CCP Transaction or group of related CM/CCP Transactions in accordance with the relevant Rule Set following a CM Trigger Event or CCP Default. If the value determined in respect of or otherwise ascribed to the related CM/CCP Transaction(s) under the relevant Rule Set reflects a positive value for Clearing Member *vis-à-vis* the Agreed CCP, the value determined in respect of such terminated Client Transaction(s) will reflect a positive value for Client *vis-à-vis* Clearing Member (and will constitute a positive amount for any determination under this Addendum) and, if the value determined in respect of the related terminated CM/CCP Transaction(s) under the relevant Rule Set reflects a positive value for the relevant Agreed CCP *vis-à-vis* Clearing Member, the value determined in respect of such terminated Client Transaction(s) will reflect a positive value for Clearing Member *vis-à-vis* Client (and will constitute a negative amount for any determination under this Addendum). The value determined in respect of or otherwise ascribed to the related CM/CCP Transaction(s) under the relevant Rule Set may be equal to zero.

**"Collateral Agreement"** means the Existing Collateral Agreement as supplemented by this Addendum or, if pursuant to Section 10 the Existing Collateral Agreement does not apply to Client Transactions, each CSA entered into pursuant to Section 10.

**"Collateral Modification Event"** means, in respect of an Agreed CCP Service, any amendment or modification, howsoever described, made by the relevant Agreed CCP to the margin methodology applied to the relevant CM/CCP Transactions such that any Collateral Agreement related to the Cleared Transaction Set in respect of the relevant related Client Transactions no longer reflects the commercial agreement between the parties in relation to the collateral arrangements in respect of such relevant related Client Transactions when compared to the collateral arrangements in respect of such CM/CCP Transactions as determined by Clearing Member in good faith and a commercially reasonable manner.

**"Compression"** means, in respect of two or more Client Transactions or two or more CM/CCP Transactions, as applicable, having the same or offsetting terms (other than notional amounts) (the **"Existing Transactions"**), the termination of such Existing Transactions and, where they do not give rise to an exact offset, replacement with a single Client Transaction or CM/CCP Transaction, as applicable, which represents the net economic position of the Existing Transactions, or any contractual netting, trade compression or other similar process, howsoever described, that has an equivalent effect, and **"Compress"** and **"Compressed"** will be construed accordingly.

**"Confidential Information"** means, in respect of a party to this Addendum, any information such party learns about the other party, its services, systems, technology, operational procedures, investment strategy, holdings or products in the course of the relationship under the Clearing Agreement or any related Collateral Agreement, including, without limitation, client clearing terms provided by, or agreed between, Clearing Member and Client (including, without limitation, any position limits and other credit terms and details of commissions and fees charged by Clearing Member in relation to the provision of any client clearing services) and any Additional Confidential Information, in each case in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (a) is or becomes public information other than as a direct or indirect result of any breach by a party to this Addendum; or
- (b) is known by a party before the date the information is disclosed to it or is lawfully obtained by it after that date and has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

**"Confirm"** means, in respect of a Client Transaction, the document confirming or otherwise constituting the official record in respect of such Client Transaction.

**"Core Provisions"** means, in respect of an Agreed CCP Service, (a) the provisions, if any, specified as such in respect of such Agreed CCP Service in Table A (which such specification may be by reference to a website of the relevant Agreed CCP) or (b) if no such provisions are specified in respect of such Agreed CCP Service in Table A, those provisions of the relevant Rule Set that relate to Client Transactions, including, without limitation, provisions that establish the basis for Client Transactions and the consequences for Client of a CM Trigger Event and which may be (i) published from time to time by the relevant Agreed CCP on its website in a form that is accessible without any subscription or payment of any fee and (ii) amended and supplemented from time to time by the relevant Agreed CCP.

**"Costs Payment Date"** means, in respect of a notice from Clearing Member to Client specifying an Increased Costs Amount, the day that is one Business Day after the day on which such notice is effective.

**"CSA"** has the meaning given to it in Section 10(a).

**"CSA Elections Table"** means the table set out in Part 3(c) of the Addendum Annex, as may be amended in writing between the parties from time to time.

**"Currency Equivalent Amount"** means the amount of the currency in which a termination amount is payable in accordance with a Rule Set required to purchase any relevant amount denominated in a currency other than such currency at the spot rate of exchange determined by the party determining the termination amount on any relevant date of determination.

**"Disclosing Party"** has the meaning given to it in Section 14.

**"English Law CSA Collateral Terms"** means the terms relating to collateral set out in Appendix 1 to this Addendum.

**"EP Other Amounts"** has the meaning given to it in Section 8(e).

**"Equivalent Used Collateral"** has the meaning given to it in Section 10(b)(ii)(1).

**"Excluded Termination Amount"** means, at any time: (a) any Cleared Set Termination Amount payable by Client to Clearing Member under the Clearing Agreement the rights of Clearing Member in respect of which are at such time subject to any mortgage, pledge, lien, charge, assignment security interest or arrangement having a similar effect; and (b) any Additional Excluded Termination Amounts (if applicable).

**"Existing Collateral Agreement"** means the agreement specified as such in Part 1 of the Addendum Annex or, if the Agreement is a form of the 1992 ISDA Master Agreement or the ISDA 2002 Master Agreement, any credit support annex or deed relating to the Agreement.

**"FATCA"** means:

- (a) sections 1471 to 1474 of the Internal Revenue Code of 1986 of the United States of America, as amended, or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any jurisdiction other than the United States of America, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraph (a) or (b) above with the Internal Revenue Service of the United States of America, the government of the United States of America or any governmental or taxation authority in any other jurisdiction.

**"Governmental Authority"** means any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation anywhere in the world with competent jurisdiction.

**"Illegality/Impossibility Termination Date"** has the meaning given to it in Section 7(b).

**"Increased Costs Amount"** means the amounts (if any) specified as such in Part 2 of the Addendum Annex.

**"Indemnifiable Tax"** means any Tax other than a Tax imposed solely as a result of a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment (including, without limitation, a connection arising from such recipient being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient having executed, delivered, performed its obligations or received a payment under, or enforced, the Clearing Agreement or any related Collateral Agreement).

**"Individual Client Account"** means, with respect to an Agreed CCP and an Agreed CCP Service, an account relating to Client (including any Affiliates or principals of Client) individually at such Agreed CCP in respect of such Agreed CCP Service.

**"ISDA"** means the International Swaps and Derivatives Association, Inc.

**"ISDA 2002 Master Agreement"** means the ISDA 2002 Master Agreement, as published by ISDA.

**"Losses"** means any losses, claims, injuries, damages, judgments, interest on judgments, assessments, taxes, costs, fees, charges, amounts paid in settlement or other liabilities (including, without limitation, reasonable attorneys' fees, costs of collection and any reasonable cost incurred in successfully defending against any claim), provided that a person's Losses will not include any injuries, costs, losses and expenses which are directly caused by the relevant person's fraud, wilful default or gross negligence.

**"Mandatory CCP Provision"** means, with respect to an Agreed CCP Service (a) the provisions, if any, specified as such in respect of such Agreed CCP Service in Table A (which such specification may be by reference to a website of the relevant Agreed CCP) or (b) if no such provisions are specified in respect of such Agreed CCP Service in Table A, each provision, if any, specified by an Agreed CCP in respect of an Agreed CCP Service as mandatory for inclusion in the terms of transactions between clearing members of that Agreed CCP Service and their respective clients (to the extent such clients are of the same classification for the purposes of the relevant Rule Set as Client) and, in either case, which such provisions may, without limitation, be intended to be applicable and binding as between such clearing members and their respective clients or to create rights of the relevant Agreed CCP against such clients or liabilities of such clients to that Agreed CCP and which may be (i) published from time to time by the relevant Agreed CCP on its website in a form that is accessible without any subscription or payment of any fee and (ii) amended and supplemented from time to time by the relevant Agreed CCP.

**"Modification Change Event"** means, in relation to a CM/CCP Transaction, a Modification Trigger Event, the effect of which is to amend in any way the economic terms of the respective rights, obligations, liabilities or exposure amounts of Clearing Member and such Agreed CCP pursuant to such CM/CCP Transaction and such amendments are consequently automatically made, in accordance with the relevant Rule Set, to the economic terms of the respective rights, obligations, liabilities or exposure amounts of Clearing Member and Client pursuant to the related Client Transaction such that there is no resulting mismatch between the terms of such CM/CCP Transaction and the terms of such Client Transaction.

**"Modification Event"** means a Modification Change Event or a Modification Mismatch Event.

**"Modification Loss Amount"** means, with respect to a Client Transaction and a modification pursuant to Section 3(c)(i)(1), an amount (and in the currency or currencies) determined by Clearing Member in good faith and a commercially reasonable manner to be its loss or cost (or gain, in which case expressed as a negative number) incurred in connection with the relevant modification, including as a result of any mismatch between the economic terms of the CM/CCP Transaction and the Client Transaction that occurs before any modification of the Client Transaction is effective.

**"Modification Mismatch Event"** means, in relation to a CM/CCP Transaction, a Modification Trigger Event, the result of which (after the effects of any automatic consequential amendments to the terms of the related Client Transaction in accordance with the relevant Rule Set, if applicable) is any mismatch between the economic terms of the respective rights, obligations, liabilities or exposure amounts of Clearing Member and such Agreed CCP pursuant to such CM/CCP Transaction and the economic terms of the respective rights, obligations, liabilities or exposure amounts of Clearing Member and Client pursuant to the related Client Transaction.

**"Modification Termination Period"** has the meaning given to it in Part 2 of the Addendum Annex.

**"Modification Trigger Event"** means, in relation to a CM/CCP Transaction, any event (including but not limited to any change in Applicable Law or any action taken by any Governmental Authority or Agreed CCP pursuant to Applicable Law) or action taken by or in relation to an Agreed CCP or any omission by an Agreed CCP to take any action, other than (a) a termination as a result of a CCP Default or a CM Trigger Event or a Transfer, (b) as a result of a Collateral Modification Event, or (c) solely as a result of any action taken, or any omission to take any action, by Clearing Member, other than where any such action or inaction by Clearing Member is (i) in compliance with or required by the relevant Rule Set, (ii) necessary or advisable in order for the Clearing Member to comply with any Applicable Law or with any directions of any Governmental Authority or Agreed CCP the directions of which Clearing Member would customarily comply with, or (iii) as a result of any breach by Client of the terms of the Clearing Agreement or any related Collateral Agreement.

**"New York Law CSA Collateral Terms"** means the terms relating to collateral set out in Appendix 2 to this Addendum.

**"Offsetting Condition"** means, with respect to the acceptance for clearing of any Offsetting Transaction:

- (a) no early termination date, howsoever described, in respect of the relevant Specified Client Transaction has been designated or notified under the Clearing Agreement;
- (b) Client will have satisfied any condition agreed for this purpose in any portfolio margining arrangement between Clearing Member and Client, including, without limitation, any obligation in respect of any additional collateral which will result from clearing such Offsetting Transaction; and
- (c) the clearing of such Offsetting Transaction will not increase the aggregate exposure of Clearing Member to Client in respect of all Client Transactions beyond any risk limits agreed between Clearing Member and Client.

**"Offsetting Transaction"** means, with respect to a Specified Client Transaction, a Clearing Eligible Trade that would give rise to a Client Transaction, the terms of which would be identical to those of such Specified Client Transaction, except that (a) Clearing Member would take the opposite position to the position it has under such Specified Client Transaction and (b) the notional amount of such

Clearing Eligible Trade is equal to or less than the notional amount of such Specified Client Transaction.

**"Omnibus Client Account"** means, with respect to an Agreed CCP and an Agreed CCP Service, an account relating to Client together with other clients of Clearing Member at such Agreed CCP in respect of such Agreed CCP Service.

**"Other Amounts"** has the meaning given to it in Section 8(e).

**"Other Provisions"** means the provisions (if any) specified as such in Part 5 of the Addendum Annex.

**"Other Tax"** means any present or future stamp, registration, documentation, excise (including insurance premium excise), sales, value added, transaction (including financial transaction) duty, levy or tax or similar duty, levy or tax (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority.

**"Payment Notification Cut-Off Time"** has the meaning given to it in Part 1 of the Addendum Annex.

**"Related Party"** means, in respect of a party to this Addendum, such party, such party's Affiliates and its or their respective directors, members, officers, partners and employees.

**"Relevant Client Transaction"** has the meaning given to it in Section 9.

**"Relevant Collateral Value"** means, in respect of the termination of Client Transactions in a Cleared Transaction Set, the value (without applying any "haircut" but otherwise as determined in accordance with the Collateral Agreement) of all collateral that:

- (a) is attributable to such Client Transactions;
- (b) has been transferred by one party to the other in accordance with the Collateral Agreement or pursuant to Section 10(b) and has not been returned at the time of such termination or otherwise applied or reduced in accordance with the terms of the relevant Collateral Agreement; and
- (c) is not beneficially owned by, or subject to any encumbrances or any other interest of, the transferring party or of any third person.

The Relevant Collateral Value will constitute a positive amount if the relevant collateral has been transferred by Client to Clearing Member and it or equivalent collateral has not been returned at the time of termination or otherwise applied or reduced in accordance with the terms of the relevant Collateral Agreement and a negative amount if the relevant collateral has been transferred by Clearing Member to Client and it or equivalent collateral has not been returned at the time of termination or otherwise applied or reduced in accordance with the terms of the relevant Collateral Agreement.

Notwithstanding the foregoing, where any Collateral Agreement specifies a methodology for calculating the "Relevant Collateral Value", then such methodology will prevail for the purposes of determining the Relevant Collateral Value.

**"Relevant Party"** means a Related Party in respect of Clearing Member.

**"Risk Hedging Transaction"** means, with respect to a CM/CCP Transaction or a portfolio of CM/CCP Transactions, a transaction (which transaction may be executed internally with Clearing Member or with an Affiliate of Clearing Member or an unaffiliated third party), other than a Close-out Transaction, that is reasonably designed to hedge, mitigate or eliminate, in whole or in part, whether on an individual transaction or portfolio basis, the market risk associated with the relevant CM/CCP Transactions, including a transaction that hedges, mitigates or eliminates such risk across CM/CCP Transactions related to more than one Cleared Transaction Set.

**"Rule Set"** means, with respect to an Agreed CCP Service, the rules, conditions, and procedures, regulations, standard terms, membership agreements, collateral addenda, notices, guidance, policies or other such documents promulgated by the Agreed CCP in respect of the relevant Agreed CCP Service as amended and supplemented from time to time.

**"Specified Client Transaction"** has the meaning given to it in Section 6.

**"Specified Netting Contracts"** has the meaning given to it in Part 2 of the Addendum Annex.

**"Submitted for Clearing"** means, in respect of a Clearing Eligible Trade, such Clearing Eligible Trade being submitted, or otherwise provided (including, without limitation, where details of a Clearing Eligible Trade are submitted), by or on behalf of Client or its counterparty to an Agreed CCP for clearing in an Agreed CCP Service with the intention that the related CM/CCP Transaction is recorded in the Client Account at the Agreed CCP Service.

**"Table A"** means the table set out in Part 4 of the Addendum Annex, as may be amended in writing between the parties from time to time.

**"Tax"** means 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 other than any Other Tax.

**"Tax Deduction"** means any deduction or withholding for or on account of Tax.

**"Tax Document"** means any form, document or certificate relating to Tax.

**"Tax Event"** means, due to:

- (a) a Change in Tax Law;
- (b) a Clearing Member Merger; or
- (c) a Clearing Member FATCA Non-Compliance,

Clearing Member will, or there is a substantial likelihood that it will, on the next succeeding payment date, either:

- (i) receive a payment from Client under a Client Transaction from which an amount is required to be withheld or deducted for or on account of Tax and no additional amount is required to be paid in respect of such Tax under Paragraph 4 of Appendix 3 (other than by reason of Paragraph 5(a)(iii) of Appendix 3);
- (ii) make a payment to an Agreed CCP under a CM/CCP Transaction from which an amount is required to be withheld or deducted for or on account of Tax and no additional amount is

required to be paid in respect of such Tax under Paragraph 4 of Appendix 3 (other than by reason of Paragraph 5(b)(ii) of Appendix 3); or

- (iii) be required to pay to Client an additional amount in respect of Tax under Paragraph 6 of Appendix 3 (other than by reason of Paragraph 6(c) of Appendix 3).

**"Transfer"** means, in respect of a party and in the context of (a) a Client Transaction, (b) a transaction between a clearing member of an Agreed CCP other than Clearing Member and (i) such Agreed CCP or (ii) Client or (c) a CM/CCP Transaction, to transfer such party's rights, obligations and interest in or under such transaction, including by way of assignment, novation or termination and replacement, and **"Transferred"** and **"Transferring"** will be construed accordingly.

**"Transfer Condition Default"** means, with respect to a Transfer of Client Transaction(s) requested by Client pursuant to Section 5, the events (if any) specified as such in Part 2 of the Addendum Annex in each case with respect to Client and either (a) all transactions under the Clearing Agreement or (b) such Client Transaction(s).

**"Transfer Condition Limitation"** means, with respect to a Transfer of Client Transaction(s) requested by Client pursuant to Section 5, the events, if any, specified as such in Part 2 of the Addendum Annex, in each case with respect to Clearing Member and either (a) all transactions under the Clearing Agreement or (b) such Client Transaction(s).

**"Transfer Conditions"** means, with respect to a Transfer of Client Transaction(s) requested by Client pursuant to Section 5:

- (a) if required by Clearing Member, Client will have transferred additional collateral in the amount specified by Clearing Member to satisfy any additional collateral requirements in respect of Client Transactions that are not the subject of the requested Transfer which (i) are imposed by the Rule Set for the relevant Agreed CCP Service as a condition to the relevant Transfer or (ii) will result from the relevant Transfer in accordance with the terms of any Collateral Agreement; and
- (b) unless (i) Transfer Condition Limitation is specified in Part 2 of the Addendum Annex as applying and (ii) a Transfer Condition Limitation has occurred and is continuing, any Additional Transfer Conditions.

**"Used Collateral"** has the meaning given to it in Section 10(b)(i).

[In witness whereof, the parties have executed this Addendum to the Agreement on the respective dates specified below with effect from the date specified on the first page of this Addendum.

[Clearing Member]

.....  
(Name of Party)

By: .....

Name: .....

Title: .....

Date: .....

[Client]

.....  
(Name of Party)

By: .....

Name: .....

Title: .....

Date: ..... ]<sup>6</sup>

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<sup>6</sup> Changes may be required to the signature blocks, particularly if this Addendum is required to be executed as a deed. Execution requirements may differ in different jurisdictions and for different entities and parties should therefore satisfy themselves as to applicable legal requirements and amend the signature block if necessary.

## ADDENDUM ANNEX

### 1. Definitions

**"Agreement"** means [●].

**"Business Day"** means:

- (i) in relation to notices, [●]; and
- (ii) in relation to payments, [●].

**"Clearing Member"** means [●].

**"Client"** means [●].

**"Existing Collateral Agreement"** means [●].

**"Payment Notification Cut-Off Time"** means [●], [●] time.

### 2. Basic Addendum Elections

#### (a) **Additional Representations**

- (i) Additional Representations applicable to Client.

For the purposes of Section 2(a) of this Addendum and at the times specified therein, Client makes the following representations:

**Due Authorisation.** Client has obtained any approval, authorisation, licence or permit required by any Applicable Law to perform its obligations under this Addendum. Client will ensure that any such approval, authorisation, licence or permit remains valid and in force to the extent required under any Applicable Law at any time Client maintains any Client Transaction.

**Relationship Between the Parties.** Client is acting for its own account, and has made its own independent decisions to enter into the Client Transactions, based upon its own judgement and upon advice from such advisers as it has deemed necessary as to whether such action is appropriate or proper. It is not relying on any communication (written or oral) of Clearing Member as investment advice or as a recommendation to enter into the Client Transactions or to use any specific Agreed CCP Service. Client is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of entering into and submitting the Client Transactions, including, without limitation, the risk that: (1) the relevant Rule Set applicable to, and Applicable Law in respect of, each Client Transaction may differ from the regulations applicable to the clearance of futures; and (2) such Client Transactions may not be afforded the same legal and regulatory treatment as may be afforded to clearance of futures contracts. Clearing Member is not acting as a fiduciary for or an adviser to Client in respect of the Client Transactions.

*[include other representations to be made by Client, if applicable]*

(ii) **CM Tax Representations.**

For the purposes of Section 2(c) of this Addendum and at the times specified therein, Clearing Member makes the following representations: [none][●].

(iii) **Client Tax Representations.**

For the purposes of Section 2(d) of this Addendum and at the times specified therein, Client makes the following representations: [none][●].

**(b) Modification Events**

**"Modification Termination Period"** means, in respect of a notice from Clearing Member to Client terminating a Client Transaction pursuant to Section 3(c)(i)(2) of this Addendum, the period from and including the date on which such notice is effectively delivered to Client to and including the date that is *[insert agreed length of notice period]* Business Days after the date on which such notice is effectively delivered.

**(c) Payment Netting**

"Payment Netting" [will][will not] apply.

[If "Payment Netting" applies, the following will constitute "Specified Netting Contracts" for the purpose of this Addendum in respect of the specified transactions or groups of transactions:

*[include descriptions of relevant agreements/services/documents in respect of which Client Transactions, relevant Collateral Agreements and/or other payments will be subject to payment netting, if applicable<sup>7</sup>]]*

**(d) Additional Provisions in relation to Transfer of Positions in the Absence of Default**

[Each of the following will constitute an "Additional Transfer Condition" for the purposes of this Addendum:

*[Client has paid any termination amount calculated under the Clearing Agreement in respect of terminated Client Transactions and which is due and payable or, with the passing of time, will be due and payable from Client to Clearing Member.]*

*[include additional Transfer Conditions, if any]]*

[Each of the following will constitute a "Transfer Condition Default" for the purposes of this Addendum:

*[include any events of default, termination events, potential events of default or other events, if any, that are to constitute Transfer Condition Defaults]]*

"Transfer Condition Limitation" [will][will not] apply.

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<sup>7</sup> For example: "(i) all payments under all credit default swap transactions Cleared by Agreed CCP 1 through Agreed CCP Service X, excluding any amount payable under the related Collateral Agreement; and (ii) all payments under all interest rate swap transactions Cleared by Agreed CCP 2 through Agreed CCP Service Y, including all amounts payable under the related Collateral Agreement [, provided that Section 3(h) of the Addendum shall be applied separately in respect of each of (i) and (ii) such that the payments under each limb shall not constitute Specified Netting Contracts for each other limb]."

[If "Transfer Condition Limitation" applies, each of the following will constitute a "Transfer Condition Limitation" for the purposes of this Addendum:

*[include any events of default, termination events, potential events of default or other events, if any, that are to constitute Transfer Condition Limitations]]*

**(e) Illegality/Impossibility**

"Illegality/Impossibility" [will][will not] apply.

**(f) Additional Excluded Termination Amount**

For the purposes of Section 8(e) of this Addendum, the following will constitute Additional Excluded Termination Amounts:

*[any Cleared Set Termination Amount payable by Clearing Member to Client under the Clearing Agreement which has been secured by any mortgage, pledge, lien, charge, assignment, security interest or arrangement having a similar effect in favour of Client in accordance with the relevant Rule Set]*

*[include Additional Excluded Termination Amounts, if any].*

**(g) Limitation of Liability**

"Limitation of Liability" [will][will not] apply.

**(h) Indemnity**

"Indemnity" [will][will not] apply.

**(i) Disclosure of Information**

"Disclosure of Information" [will][will not] apply.

[If "Disclosure of Information" applies, the following will constitute Additional Confidential Information for the purpose of this Addendum:

*[include Additional Confidential Information, if any]]*

**(j) Increased Costs**

"Increased Costs" [will][will not] apply.

[If "Increased Costs" applies:

**"Increased Costs Amount"** means [●].]

**(k) Termination of Agreed CCP Services**

["Termination of Agreed CCP Services" [will][will not] apply.

If Termination of Agreed CCP Services applies:]

**"Client Termination Notice Period"** means, in respect of a CCP Service Termination Notice, the period from and including the date on which such CCP Service Termination Notice is effectively delivered by Client pursuant to Section 17(a) of this Addendum to and including the date that is *[insert agreed length of notice period]* Business Days after the date on which such CCP Service Termination Notice is effectively delivered pursuant to Section 17(a) of this Addendum.

**"CM Termination Notice Period"** means, in respect of a CCP Service Termination Notice, the period from and including the date on which such CCP Service Termination Notice is effectively delivered by Clearing Member pursuant to Section 17(a) of this Addendum to and including the date that is *[insert agreed length of notice period]* Business Days after the date on which such CCP Service Termination Notice is effectively delivered pursuant to Section 17(a) of this Addendum.

"Conditions on Clearing Member Termination of Agreed CCP Service" [will][will not] apply.

"Conditions on Client Termination of Agreed CCP Service" [will][will not] apply.

(l) **Tax Document**

***Tax Document*** ***Date by which to be delivered***

(i)	_____	_____
(ii)	_____	_____
(iii)	_____	_____

**3. Collateral Elections**

(a) **Collateral Standard Terms**

"Collateral Standard Terms" [will][will not] apply.

(b) **Re-use of Collateral**

(i) Section 10(b) of this Addendum [will apply][will not apply][will apply in respect of Clearing Eligible Trades of the following types: [●]].

(ii) If Section 10(b) of this Addendum does not apply:

(A) [Any client assets attributable to Client which are held by Clearing Member will be subject to such client asset protection regime(s) as may be applicable to the relationship between Clearing Member and Client in relation to the Clearing Agreement and transactions thereunder; and

(B) Client agrees and acknowledges that the provision by Clearing Member to an Agreed CCP of any client assets for the purpose of or in connection with this Addendum may result in such assets falling outside the scope of, or being subject to different levels of protection from, the client asset protection regime(s), if any, referred to in paragraph 3(b)(ii)(A).]<sup>8</sup>

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<sup>8</sup> These paragraphs should be included if title transfer does not apply to all collateral.

(c)

**CSA Elections Table**

CSA Election	<i>[Identity of Agreed CCP]</i>	<i>[Identity of Agreed CCP]</i>	<i>[Identity of Agreed CCP]</i>
	<i>[Identity of Agreed CCP Service]</i>	<i>[Identity of Agreed CCP Service]</i>	<i>[Identity of Agreed CCP Service]</i>
(i) Base Currency:	[●]	[●]	[●]
(ii) Eligible Currency:	[●]	[●]	[●]
(iii) IM Eligible Collateral:	[●]	[●]	[●]
(iv) VM Eligible Collateral:	[●]	[●]	[●]
(v) Additional Collateral Amount:	[●]	[●]	[●]
(vi) Minimum Transfer Amount – Clearing Member:	[●]	[●]	[●]
(vii) Minimum Transfer Amount – Client:	[●]	[●]	[●]
(viii) Rounding:	[Any Delivery Amount or Return Amount will be rounded using the same rounding convention applied by the Agreed CCP in accordance with the relevant Rule Set]	[Any Delivery Amount or Return Amount will be rounded using the same rounding convention applied by the Agreed CCP in accordance with the relevant Rule Set]	[Any Delivery Amount or Return Amount will be rounded using the same rounding convention applied by the Agreed CCP in accordance with the relevant Rule Set]
(ix) Valuation Agent:	[Clearing Member]/[(a) so long as no CM Trigger Event has occurred, Clearing Member and (b) if a CM Trigger Event has occurred, Client]	[Clearing Member]/[(a) so long as no CM Trigger Event has occurred, Clearing Member and (b) if a CM Trigger Event has occurred, Client]	[Clearing Member]/[(a) so long as no CM Trigger Event has occurred, Clearing Member and (b) if a CM Trigger Event has occurred, Client]

(x) General Business Days for purposes of Valuation Dates:	[●]	[●]	[●]
(xi) Interest Rates:	[●]	[●]	[●]
(xii) Day Count Fraction:			
(1) Currency VM Day Count Fraction:	[●]	[●]	[●]
(2) IM Day Count Fraction:	[●]	[●]	[●]
(3) VM Day Count Fraction:	[●]	[●]	[●]
(xiii) Transfer of Interest Amounts:	[●]	[●]	[●]
(xiv) Notification Time:	[●]	[●]	[●]
(xv) Value for the purposes of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii):	[●]	[●]	[●]
(xvi) Valuation Time Matching:	[Will][Will not] apply	[Will][Will not] apply	[Will][Will not] apply
(xvii) CCP Exposure Matching:	[Will] [Will not] apply [provided that where Client is the Valuation Agent CCP Exposure Matching will apply]	[Will] [Will not] apply [provided that where Client is the Valuation Agent CCP Exposure Matching will apply]	[Will] [Will not] apply [provided that where Client is the Valuation Agent CCP Exposure Matching will apply]
(xviii) CCP Valuation Matching:	[Will][Will not] apply [provided that where Client is the Valuation Agent CCP Valuation Matching will apply]	[Will][Will not] apply [provided that where Client is the Valuation Agent CCP Valuation Matching will apply]	[Will][Will not] apply [provided that where Client is the Valuation Agent CCP Valuation Matching will apply]

(xix) Variation Margin Matching:	[Will][Will not] apply	[Will][Will not] apply	[Will][Will not] apply
(xx) Relevant Collateral Value:	[●]	[●]	[●]
(xxi) Instructions for Transfers:			
(1) Client	[●]	[●]	[●]
(2) Clearing Member	[●]	[●]	[●]
(xxii) Demands:			
(1) Client Matched Demands:	[Will][Will not] apply.	[Will][Will not] apply.	[Will][Will not] apply.
(2) Client Discretionary Demands:	[Will][Will not] apply.	[Will][Will not] apply.	[Will][Will not] apply.
(xxiii) Substitution	[Will][Will not] apply.	[Will][Will not] apply.	[Will][Will not] apply.
(xxiv) Demand Conditions the following will constitute Demand Conditions for the purposes of Paragraph 11(i):	(i) [Not Applicable] (ii) [None] (iii) [Include additional Demand Conditions, if any]	(i) [Not Applicable] (ii) [None] (iii) [Include additional Demand Conditions, if any]	(i) [Not Applicable] (ii) [None] (iii) [Include additional Demand Conditions, if any]
(xxv) Collateral Modification Events:	[Will][Will not] apply	[Will][Will not] apply	[Will][Will not] apply

4. **Table A**

<b>Agreed CCP</b>	<b>Agreed CCP Service</b>	<b>Clearing Eligible Trade</b>	<b>Core Provisions</b>	<b>Mandatory CCP Provisions</b>	<b>Type of Client Account</b>
[CME Clearing Europe]	[●]	[●]	[The Core Provisions specified by CME Clearing Europe from time to time as applicable to this Addendum which are available on its website at <a href="http://www.cmeclaringeurope.com">www.cmeclaringeurope.com</a> .]	[The Mandatory CCP Provisions specified by CME Clearing Europe from time to time as applicable to this Addendum which are available on its website at <a href="http://www.cmeclaringeurope.com">www.cmeclaringeurope.com</a> .]	[TBC]
[ICE Clear Europe Limited]	[Energy / F&O clearing]	[●]	[Rules, Procedures, Clearing Membership Agreement, Circulars.]	[Standard Terms Annex for Energy / F&O clearing, after the date of publication of same.]	[TBC]
[ICE Clear Europe Limited]	[CDS clearing]	[●]	[Rules, Procedures, Clearing Membership Agreement, Circulars.]	[Standard Terms Annex for CDS clearing.]	[TBC]
[ICE Clear Europe Limited]	[FX clearing]	[●]	[Rules, Procedures, Clearing Membership Agreement, Circulars.]	[Standard Terms Annex for FX clearing, after the date of publication of same.]	[TBC]
[NASDAQ OMX]	[●]	[●]	[The Core Provisions specified by Nasdaq OMX from time to time as applicable to this Addendum which are available on its website at <a href="http://www.nasdaqomx.com/[●]">www.nasdaqomx.com/[●]</a> ]	[The Mandatory CCP Provisions specified by Nasdaq OMX from time to time as applicable to this Addendum which are available on its website at <a href="http://www.nasdaqomx.com/[●]">www.nasdaqomx.com/[●]</a> ]	[TBC]
[●]	[●]	[●]	[●]	[●]	[Individual Client Account][Omnibus Client Account]

5. **Other Provisions**

**APPENDIX 1**  
**ENGLISH LAW CSA COLLATERAL TERMS**

**APPENDIX 2**  
**NEW YORK LAW CSA COLLATERAL TERMS**

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## APPENDIX 3

### ADDENDUM TAX PROVISIONS

1. ***Provisions of the Agreement Dealing with Taxes and Other Taxes.*** The provisions of the Agreement relating to Taxes and Other Taxes shall not apply in respect of Client Transactions or CM/CCP Transactions.
2. ***Expectations as to Deductions and Withholdings for Tax.*** As at the date on which this Addendum is entered into:
  - (a) neither Clearing Member nor Client expects (relying on the Client Tax Representations and the CM Tax Representations respectively) to be required by any Applicable Tax Law to make any Tax Deduction from any payment made under any Client Transaction or CM/CCP Transaction; and
  - (b) Clearing Member does not expect to receive any payment from an Agreed CCP under a CM/CCP Transaction from which any Tax Deduction has been made,and each of Clearing Member and Client further agrees that it shall use commercially reasonable efforts to notify the other party promptly of any changes in its expectations as set out in Paragraph 2(a) or 2(b) of this Appendix 3. For the purposes of this Paragraph 2 of this Appendix 3, references to Tax Deductions shall not include deductions or withholdings under FATCA.
3. ***Requirement to Deduct or Withhold for Tax.*** All payments made under Client Transactions shall be made without any Tax Deduction unless required by any Applicable Tax Law. If a party is required to deduct or withhold, then that party ("X") shall:
  - (a) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid pursuant to the terms of this Appendix 3) promptly upon determining that such deduction or withholding is required; and
  - (b) promptly forward to the other party ("Y") an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities.
4. ***Payments by Client to Clearing Member – Gross-Up.*** Subject to Paragraph 5 of this Appendix 3, in the case of each payment made by Client to Clearing Member under a Client Transaction (including under this Addendum):
  - (a) where a corresponding payment is to be made by Clearing Member to an Agreed CCP under a CM/CCP Transaction, Client shall pay to Clearing Member such additional amount as is necessary to ensure that the amount received by Clearing Member is equal to the amount Clearing Member is obligated to pay to such Agreed CCP under such CM/CCP Transaction, after taking into account:
    - (i) any Tax Deduction which Client is required by any Applicable Tax Law to make in relation to the payment under the Client Transaction (including in relation to additional payments made pursuant to the terms of this Appendix 3); and

- (ii) any Tax Deduction which Clearing Member is required by any Applicable Tax Law to make in relation to the corresponding payment to the Agreed CCP under the CM/CCP Transaction; and
- (b) otherwise, Client shall pay to Clearing Member such additional amount as is necessary to ensure that the amount received by Clearing Member, net of any Tax Deduction which Client is required by any Applicable Tax Law to make in relation to the payment under the Client Transaction (including in relation to additional payments made pursuant to the terms of this Appendix 3), is equal to the amount which would have been receivable in the absence of any Tax Deduction.

Client shall (within three Business Days of demand therefor) indemnify Clearing Member (on an after-Tax basis) against any loss, liability or cost which Clearing Member determines will be or has been suffered as a consequence of Clearing Member being required to bring into account for any Tax purposes amounts which have been deducted or withheld in addition to amounts actually received.

**5. *Payments by Client to Clearing Member – Exclusions to Gross-Up.*** Client shall not be required to pay any additional amount under Paragraph 4 of this Appendix 3:

- (a) in respect of any Tax Deduction from any payment made by Client to Clearing Member under a Client Transaction for or on account of any Tax which is not an Indemnifiable Tax, or for or on account of any Indemnifiable Tax to the extent that such Tax Deduction would not be required but for:
  - (i) a Clearing Member Merger;
  - (ii) a Clearing Member FATCA Non-Compliance; or
  - (iii) the failure by Clearing Member to comply with or perform any obligation contained in Section 2(c) of this Addendum or Paragraph 9 of this Appendix 3; or
- (b) in respect of any Tax Deduction from any payment made by Clearing Member to an Agreed CCP under a CM/CCP Transaction, to the extent that such Tax Deduction would not be required but for:
  - (i) a Clearing Member Merger; or
  - (ii) the failure by Clearing Member to comply with or perform any obligation contained in Paragraph 10 of this Appendix 3.

**6. *Payments by Agreed CCP under a CM/CCP Transaction.*** If a payment made by an Agreed CCP to Clearing Member under a CM/CCP Transaction is subject to a Tax Deduction, then the amount of the corresponding payment which Clearing Member shall make to Client under the Client Transaction shall be equal to the amount received by Clearing Member net of such Tax Deduction. For the avoidance of doubt, such corresponding payment by Clearing Member to Client shall be made subject to any further Tax Deduction required to be made in respect of such corresponding payment by any Applicable Tax Law. If Client has complied with its obligations under Section 2(d) of this Addendum and Paragraph 9 of this Appendix 3, Clearing Member shall pay to Client such additional amounts as are necessary to ensure that the amounts paid to Client are equal to the full amounts Client would have received but for:

- (a) any Clearing Member Merger;

- (b) any Clearing Member FATCA Non-Compliance; and
- (c) any failure by Clearing Member to comply with or perform any obligation contained in Paragraph 10 of this Appendix 3.

Client shall (within three Business Days of demand therefor) indemnify Clearing Member (on an after-Tax basis) against any loss, liability or cost which Clearing Member determines will be or has been suffered as a consequence of Clearing Member being required to bring into account for any Tax purposes amounts which have been deducted or withheld by an Agreed CCP in addition to amounts actually received from the Agreed CCP.

**7. *Liabilities in Respect of Payments under Client Transactions.*** If:

- (a) a party ("X") is required by any Applicable Tax Law to make any Tax Deduction from any payment under a Client Transaction;
- (b) X is not required to pay additional amounts to the other party ("Y") in respect of such Tax Deduction under either Paragraph 4 of this Appendix 3 or Paragraph 6 of this Appendix 3;
- (c) X does not make such Tax Deduction; and
- (d) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y shall (within three Business Days of demand therefor) indemnify X (on an after-Tax basis) against such liability (except to the extent comprising penalties which are solely attributable to the gross negligence or wilful misconduct of X).

**8. *Liabilities in respect of payments by Clearing Member or an Agreed CCP under a CM/CCP Transaction.*** If:

- (a) Clearing Member or an Agreed CCP is required to make any Tax Deduction from any payment under a CM/CCP Transaction;
- (b) in the case of payments by Clearing Member, Client would be required to pay an additional amount under Paragraph 4 of this Appendix 3 or, in the case of payments by an Agreed CCP, Clearing Member would not be required to pay an additional amount under Paragraph 6 of this Appendix 3;
- (c) Clearing Member or the Agreed CCP, as applicable, does not make such Tax Deduction; and
- (d) a liability resulting from such Tax is assessed directly against Clearing Member or is assessed directly against the Agreed CCP and the Agreed CCP, in accordance with its Rule Set, requires Clearing Member to indemnify or otherwise compensate it for any such liability,

then, Client shall (within three Business Days of demand therefor) indemnify Clearing Member (on an after-Tax basis) against any loss, liability or cost which Clearing Member determines will be or has been suffered as a consequence of such liability.

**9. *Information furnished between Clearing Member and Client.*** Each party agrees with the other that it shall deliver to the other party or, in certain cases under Paragraph 9(b) of this Appendix 3, to such other government or taxing authority as the other party reasonably directs:

- (a) any Tax Documents specified in the Addendum Annex; and
- (b) upon reasonable demand by such other party, any Tax Document that may be required or reasonably requested in writing in order to allow such other party to make a payment under a Client Transaction or any applicable Collateral Agreement without any Tax Deduction or with such Tax Deduction at a reduced rate (so long as the completion, execution or submission of such Tax Document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such Tax Document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Addendum Annex or, if none is specified, as soon as reasonably practicable.

**10. *Information furnished to or by Agreed CCP.*** Clearing Member agrees with Client that Clearing Member will:

- (a) deliver to each Agreed CCP:
  - (i) any Tax Document specified in the Rule Set of such Agreed CCP by the date specified in that Rule Set or, if that is not reasonably practicable, as soon as is reasonably practicable; and
  - (ii) as soon as is reasonably practicable following reasonable demand by such Agreed CCP, any Tax Document of Clearing Member that may be required or reasonably requested in writing in order to allow such Agreed CCP to make a payment under a CM/CCP Transaction without any Tax Deduction or with such Tax Deduction at a reduced rate (so long as the completion, execution or submission of such Tax Document would not materially prejudice the legal or commercial position of Clearing Member), with any such Tax Document to be accurate and completed in a manner reasonably satisfactory to such Agreed CCP and to be executed and to be delivered with any reasonably required certification; and
- (b) request as soon as is reasonably practicable from each Agreed CCP any Tax Document that may be required in order to allow Clearing Member to make a payment to such Agreed CCP under a CM/CCP Transaction without any Tax Deduction or with such Tax Deduction at a reduced rate.

**11. *Payment of Other Taxes.*** Client shall:

- (a) pay any Other Tax levied or imposed upon it or in respect of its execution, performance or enforcement of any agreement, contract or transaction in connection with any Client Transaction or CM/CCP Transaction;
- (b) indemnify Clearing Member against any Other Tax levied or imposed upon Clearing Member or in respect of Clearing Member's execution, performance or enforcement of any agreement, contract or transaction in connection with any Client Transaction or CM/CCP Transaction; and

- (c) indemnify Clearing Member against any Other Tax which an Agreed CCP, in accordance with its Rule Set, requires Clearing Member to indemnify or otherwise compensate it for in connection with any CM/CCP Transaction.

Clearing Member shall use reasonable efforts to avoid or minimise the imposition of any such Other Tax, provided that such efforts shall not require Clearing Member to incur additional costs or regulatory burdens that Clearing Member considers in its good faith reasonable judgement to be material.

**12. *Right to terminate following Tax Event.*** If a Tax Event occurs, Clearing Member shall have the right to terminate the affected Client Transaction unless Clearing Member and Client agree that:

- (a) Client shall pay to Clearing Member the additional amounts to which Clearing Member would have been entitled had the Tax been an Indemnifiable Tax (if that is not the case) and but for Paragraphs 5(a)(i), 5(a)(ii) and 5(b)(i) of this Appendix 3; or
- (b) Client shall not be entitled to receive the additional amounts to which it would otherwise be entitled under Paragraph 6 of this Appendix 3, as applicable.

If Clearing Member elects to terminate a Client Transaction or Client Transactions under this Paragraph 12 of this Appendix 3, Clearing Member's right to terminate such transaction(s) and the consequences of such termination (including, without limitation, any applicable notice requirements and the provisions relating to the calculation of, and obligation to pay, any amount payable by either party following such early termination) shall be determined in accordance with the Clearing Agreement as if an event of default in respect of Client had occurred under the Clearing Agreement and the relevant Client Transaction or Client Transactions were the only transaction(s) under the Clearing Agreement. Where any Client Transaction is terminated early pursuant to this Paragraph 12 of this Appendix 3: (i) such termination shall be without prejudice to any obligations that arose under the terms of the relevant Client Transaction or Client Transactions on or prior to the date of termination; (ii) in no circumstances will an event of default, termination event or analogous event be deemed to have occurred solely as a result of such early termination; and (iii) in connection with any such termination, Client agrees that Clearing Member may take any action that is necessary under the relevant Rule Sets for the purpose of Transferring the related CM/CCP Transactions from the relevant Client Account to Clearing Member's proprietary account.

**13. *Client's right to transfer its positions.*** Nothing in Paragraph 12 of this Appendix 3 is intended to restrict Client's right, to the extent provided for in any other agreement with Clearing Member, to transfer its positions in the affected Client Transaction(s) to another Clearing Member (the "**Receiving Clearing Member**"). Subject to any provision of any agreement to the contrary, if pursuant to a Clearing Member Merger a Tax Event has occurred and is continuing (and provided that no event of default with respect to Client has occurred and is continuing), Clearing Member shall indemnify and hold Client harmless from and against any booking, ticket, commission or similar fees imposed by Clearing Member or by a Receiving Clearing Member, or similar fees imposed under the rules of an Agreed CCP, in each case incurred by Client as a result of Client's transfer of the balances and positions in Client's account to a receiving Clearing Member.

**14. *Collateral.*** For the purposes of this Appendix 3:

- (a) any interest or other payment made in respect of collateral provided by Client to Clearing Member or by Clearing Member to Client, in each case under a Collateral Agreement in respect of Client Transactions, shall be treated as a payment under such Client Transactions; and

- (b) any interest or other payment made in respect of collateral provided by Clearing Member to an Agreed CCP or by an Agreed CCP to Clearing Member, in each case in respect of a CM/CCP Transaction, shall be treated as a payment under such CM/CCP Transaction.

**15. *Payments under CM/CCP Transactions.*** For the avoidance of doubt, nothing in this Appendix 3 is intended to affect in any way the application of the Rule Set of any Agreed CCP service to payments made to, or received by, an Agreed CCP under a CM/CCP Transaction.

**16. *Equity Swap Transactions.*** In the event that the Client Transactions include any equity swap transaction that is subject to Tax imposed on payments treated as dividends from sources within the United States under section 871(m) of the Internal Revenue Code of 1986 of the United States of America, as amended, as of the date hereof or any successor provision or any current or future regulations or official interpretation thereof, with respect to that transaction, Clearing Member and Client agree to negotiate in good faith to make such modifications to the provisions of this Appendix 3 as may be appropriate.