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Annex dated
Clearing Framework Agreement dated

The accompanying English translation is provided for your convenience only. In the event of any divergence between the English and German texts, constructions, meanings or interpretations, those of the German original shall govern exclusively.

Annex to the Clearing Framework Agreement (“Framework Agreement”) for the Clearing of Derivatives via LCH.Clearnet Limited

Between

Name and address of the Contracting Party
(hereinafter referred to as “Contracting Party”)

and

Name and address of the Bank
(hereinafter referred to as “Bank”)

1. Purpose and Scope of this Annex

In addition to the provision of the Framework Agreement, the following provisions shall apply to LCH.Ltd-Transactions:

2. Definitions

The definitions of the Framework Agreement and the following additional definitions shall apply within the meaning of this Annex:

- „Clearing Rulebook“ means the provisions, terms and conditions of LCH.Ltd (rules and regulations of LCH.Ltd within the meaning of section 1 (4) of the Framework Agreement), as published and amended by LCH.Ltd from time to time. The Clearing Rulebook is governed by English law.
- “LCH.Ltd” means LCH.Clearnet Limited, registered in the Company Register of England under Company No. 00025932, and any of its successors in right.
- “LCH.Ltd-Transaction” means each transaction within the meaning of section 1 paragraph (1) sub-paragraph (b) of the Framework Agreement to be cleared via LCH.Ltd.
- “LCH.Ltd-Contract” means an OTC-contract within the meaning of Art. 1 (3) of the Framework Agreement concluded between the Bank and LCH.Ltd.

3. Conclusion, Amendment or Termination of Transactions

- (1) In the event the Bank has undertaken to clear LCH.Ltd-Transactions, which are not already covered by section 1 paragraph (1) of the Framework Agreement the following shall apply: Simultaneously with the conclusion of the LCH.Ltd-Contract a LCH.Ltd-Transaction with identical terms and reversed positions shall be created between the Bank and the Contracting Party.
- (2) Any amendment or termination of an LCH.Ltd-Contract, including as a consequence of a transfer, netting, trade compression or comparable process, or as a consequence of an amendment of the Clearing Rulebook or other action of LCH.Ltd, shall result in a corresponding amendment or termination of the LCH.Ltd-Transaction which corresponds to the relevant LCH.Ltd-Contract.
- (3) The parties shall exercise any discretion afforded to them in relation to LCH.Ltd-Transactions, in particular concerning the calculations and the election of a particular currency or type of settlement, in accordance with the Clearing Rulebook and discretion exercised by LCH.Ltd in relation to LCH.Ltd-Contracts.
- (4) Where the transfer of LCH.Ltd-Contracts from another clearing member to the Bank or from the Bank to another clearing member also includes claims for the retransfer of collateral, the provisions under section 4 paragraphs (1) and (2) of this Annex concerning the posting of collateral and under section 4 paragraph (3) of this Annex concerning the release of collateral shall apply mutatis mutandis.

- (5) If it is impossible or impracticable for the Bank to maintain the LCH.Ltd-Transaction following its adjustment pursuant to paragraph (2), the Bank may – notwithstanding section 4 paragraph (1) sentence 4 of the Framework Agreement - terminate the LCH.Ltd-Transaction by notifying the Contracting Party, such termination taking effect on the date specified in the notification. Section 1 paragraph (8) sentence 2 of the Framework Agreement shall apply mutatis mutandis.

4. Initial Margin and Variation Margin

- (1) The amount of collateral to be posted for LCH.Ltd-Transactions shall – as a minimum – correspond to the margining requirements applicable between the Bank and LCH.Ltd for LCH.Ltd-Contracts. Any disbursements resulting from assets posted as collateral for LCH.Ltd-Transactions shall be added to the total amount of collateral posted for LCH.Ltd-Transactions where the Clearing Rulebook provides for such addition in relation to LCH.Ltd-Contracts.
- (2) Collateral for LCH.Ltd-Transactions shall be posted exclusively by way of full title transfer and free of any rights and claims of the transferring party or third parties, and has at all times to conform to assets accepted as collateral by LCH.Ltd. The Bank shall be entitled to fully or partially exclude certain assets which are accepted as collateral by LCH.Ltd from being eligible as collateral for LCH.Ltd-Transactions.
- (3) Any release of collateral shall be effected by way of full title transfer of assets which are equivalent to the assets originally posted as collateral. Assets are to be considered to be “equivalent”, where these correspond in type, currency, description, nominal value and amount to the assets posted as collateral – in the case of debt securities, including the total amount of all cash amounts and other assets. Paragraph (1) applies mutatis mutandis to the amount and point in time of the retransfer of collateral.

5. Special obligations of the parties

- (1) The bank shall be obligated to execute a “Security Deed”, substantially in the form attached hereto as **Appendix 1**,
- (2) The “Security Deed” shall apply with the following provisos:
 - A “Clearing Default” shall exist where the Bank has become a Defaulter in accordance with Rule 4 of the LCH.Ltd Default Rules.
 - The term “Associated LCH.Ltd-Transaction” shall cover the relevant LCH.Ltd-Contract.
- (3) The Contracting Party Contracting Party herewith confirms for the benefit of LCH.Ltd (contract for the benefit of a third party), that it accepts the Clearing House Prescribed Language – as defined in the Clearing Rulebook (including the exclusion of liability) – as being binding upon itself. The Clearing House Prescribed

Language is subject to English law. The version of the Clearing House Prescribed Language applicable as of the date of this Annex is attached hereto as **Appendix 2** and is incorporated into this Annex subject to any amendments that may be made to it from time to time in accordance with this paragraph (3). LCH.Ltd may at any time unilaterally amend the content of the Clearing House Prescribed Language (including the exclusion of liability). The Contracting Party agrees in advance to such amendments to the Clearing House Prescribed Language (including the exclusion of liability) which do not constitute a further impairment of its rights. In all other cases the Bank shall have the rights provided under section 4 paragraph (1) of the Framework Agreement in the event the Contracting Party does not consent to the amendments without undue delay.

(4) Section 7 paragraph (3) of the Framework Agreement shall apply with the proviso that the obligation to cooperate set out therein applies to all measures required for the clearing of LCH.Ltd-Contracts, including where these are governed by English law.

6. Right of the Bank to amend the Contractual Relationship or Transactions

- (1) Where, as consequence of circumstances for which the Bank bears no responsibility and notwithstanding Section 3 paragraph 2 of this Annex, the details of an LCH.Ltd-Transaction differ from the corresponding LCH.Ltd-Contract, the Bank shall – applying due discretion and to the extent this is reasonable – be entitled to make amendments to the LCH.Ltd-Transactions in order to adjust the relevant LCH.Ltd-Transaction to match the LCH.Ltd-Contract. The prior consent of the Contracting Party is not required where such amendments - taking into account the interests of the Bank - are reasonable for the Contracting Party, and in particular do not materially and adversely affect the legal and financial position of the Contracting Party.
- (2) Section 3 paragraph (5) of this Annex applies mutatis mutandis if it is impossible or impracticable for the Bank to make adjustments to the LCH.Ltd-Transaction or to maintain the LCH.Ltd-Transaction following its adjustment pursuant to paragraph (1).

7. Special agreements

for convenience only

Signature(s) on behalf of the Bank	
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Signature(s) on behalf of the Contracting Party	
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Security Deed (in English)

for convenience only

Clearing House Prescribed Language (SwapClear Procedures)

The Contracting Party confirms in accordance with section 5 (3) of the Annex for the benefit of LCH.Clearnet Limited as a third party (contract for the benefit of a third party) that it accepts as binding the Clearing House Prescribed Language (including the exclusion of liability in favour of LCH.Clearnet Limited) as set out in the Clearing Rulebook.

The Contracting Party acknowledges that the exclusion of liability as well as the Clearing Rulebook are governed by English law. In case of doubt, the scope of the exclusion of liability is to be interpreted in accordance with English law.

The Clearing House Prescribed Language as acknowledged by the Contracting Party reads as follows as of (Date) _____

Original text in English:

for convenience only