

Trading Platform Specific General Terms and Conditions of Business SIX x-clear Ltd

for Clearing of SSX Transactions
xcl-400

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Trading Platform Specific General Terms and Conditions of Business for Clearing of SSX Transactions

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1.0 Scope

These Trading Platform Specific General Terms and Conditions of Business (Swiss Law) (the "**Trading Platform Specific GTCB**") shall form a part of the Contractual Relationship between x-clear and each x-clear Member who has entered into a Contract for Clearing Services (Swiss Law) with x-clear in relation to the SSX Market and shall be read in conjunction with the relevant Contract for Clearing Services (Swiss Law), Pledge Agreements, the Financing Agreement for the financing of the Inter-CCP Collateral, GTCB and Rules and Regulations. These Trading Platform Specific GTCB amend and supplement the GTCB as it applies to the Clearing of SSX Transactions.

2.0 Definitions

In these Trading Platform Specific GTCB, the following words and expressions shall have the following meanings:

"Off-Order-Book Trade Rules" means the rules in these Trading Platform Specific GTCB as well as in the SSX Rules which govern the Clearing of trades which arise outside the order book;

"SSX List of Securities eligible for Clearing" means the list as published on the x-clear website from time to time designating the SSX Products that are subject to Clearing by x-clear at that time;

"SSX" means SIX Swiss Exchange Ltd, a stock exchange incorporated in Switzerland and registered under the company number CH-020.6.000.206-7 whose registered office is Selnaustrasse 30, 8001 Zurich, Switzerland;

"SSX Market" means a market operated by SSX under the SSX Rules that is subject to Clearing by x-clear;

"SSX Member" means a member of SSX or other person approved by SSX who trades on the SSX Market;

"SSX Product" means a Trading Platform Product traded on the SSX Market;

"SSX Rules" means the Trading Platform Rules for the SSX Market as in force from time to time;

"SSX Transaction" means a Trading Platform Transaction on the SSX Market in relation to an SSX Product that is included in the SSX List of Securities eligible for Clearing;

Other capitalised terms shall have the meanings given to them in the GTCB. References to clauses shall be read as references to the clauses of these Trading Platform Specific GTCB, unless otherwise specified.

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3.0 Securities eligible for Clearing

The SSX List of Securities eligible for Clearing shall be maintained by x-clear on the website of SIX Securities Services in a relevant section thereof. x-clear may at its discretion decide which SSX Products are eligible for Clearing and reserves the right in individual cases, at its discretion, to remove a SSX Product from the List of Securities eligible for Clearing whereupon such SSX Product shall no longer be eligible for Clearing by x-clear. For the avoidance of doubt, a SSX Product shall only be removed by x-clear with the consent of SSX and, where applicable, the Co-CCP. The x-clear Members will be informed by e-mail of any such removal.

4.0 Formation of Single Contracts

4.1 Open Offer by x-clear

Subject to chapter 6.0 of the GTCB and chapter 6.0 below, and in an instance where both the SSX Members that are party to a SSX Transaction are either x-clear GCMs, x-clear ICMs or x-clear NCMs, x-clear makes an Open Offer to each x-clear Member (which, in relation to an x-clear NCM, is made to the x-clear GCM acting as principal on its behalf on a back-to-back basis pursuant to the relevant GCM-NCM Agreement) in respect of the SSX Product to which the SSX Transaction relates. At the moment that a SSX Transaction arises, the Open Offer shall be deemed to have been accepted by each x-clear Member (which, in relation to an x-clear NCM, refers to the x-clear GCM acting as principal on its behalf on a back-to-back basis pursuant to the relevant GCM-NCM Agreement) whereupon two Single Contracts shall arise automatically by way of Acceptance between:

- (i) x-clear and the Selling x-clear Member where x-clear will assume the role of buyer of the SSX Product to which the SSX Transaction relates, and
- (ii) x-clear and the Buying x-clear Member where x-clear will assume the role of seller of the SSX Product to which the SSX Transaction relates.

4.2 Open Offer in case of election of a Co-CCP by counterparty

Subject to chapter 6.0 of the GTCB and chapter 6.0 below, and in an instance where one SSX Member that is party to a SSX Transaction is an x-clear GCM, x-clear ICM or x-clear NCM and the counterparty to the same SSX Transaction, being a SSX Member, has elected for a Co-CCP (if any) to act as Central Counterparty (whether by virtue of that SSX Member's agreement with a Co-CCP GCM or otherwise), x-clear makes an Open Offer to the x-clear Member (which, in relation to an x-clear NCM, is made to the x-clear GCM acting as principal on its behalf on a back-to-back basis pursuant to the relevant GCM-NCM Agreement) in respect of the SSX Product to which the SSX Transaction relates. At the moment that a SSX Transaction arises, the Open Offer shall be deemed to have been accepted by the Selling x-clear Member or Buying x-clear Member (as applicable), whereupon:

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- (i) a Single Contract shall arise automatically by way of Acceptance between x-clear and the Selling x-clear Member or Buying x-clear Member (as applicable) where x-clear will assume the role of buyer or seller of the SSX Product to which the SSX Transaction relates, respectively, and
- (ii) an Inter-CCP Contract shall arise between x-clear and the Co-CCP pursuant to and subject to the relevant Link Agreement where x-clear will assume the role of buyer or seller (as applicable) of the SSX Product to which the SSX Transaction relates.

4.3 Reliance on information

x-clear shall be entitled to rely conclusively and without further enquiry on the accuracy and authenticity of any and all information and data regarding any SSX Transaction, Single Contract or Inter-CCP Contract submitted to x-clear by or on behalf of SSX, any provider of Transaction Routing (if any) any Approved Settlement System, any Co-CCP (if any) or the x-clear Member whether or not the x-clear Member or an x-clear NCM has authorised the submission of such information or the details so submitted.

5.0 Off-order-book trades

Subject to the conditions set out below, x-clear will also act as the Central Counterparty in SIX Swiss Exchange Off-Order-Book Trades. The following rules apply:

- a. An Off-Order-Book Trade between two SSX Members will give rise to a bilateral agreement between the two SSX Members in accordance with the SSX Rules.
- b. Where both parties to an Off-Order-Book Trade are either x-clear Members or x-clear NCMs, x-clear will enter into the Off-Order-Book Trade as the Central Counterparty, if the Off-Order-Book Trade can be accepted into Clearing under the SSX Rules and the respective Rules & Regulations of x-clear and if the bilateral agreement referred to in letter a) can and will be cancelled at the moment of x-clear's interposition.
- c. Subject to cases defined in chapter 16.0, x-clear has the right to reject and cancel the Off-Order-Book Trade until the end of the first trading day after Matching (T + 1). If the Off-Order-Book Trade is cancelled, the bilateral agreement between the two x-clear Members will remain in force.
- d. Subject to clause 5.1 and chapter 6.0 of these Trading Platform Specific GTCB (Swiss Law) for Clearing of SSX Transactions, and in an instance where one SSX Member that is party to the Off-Order-Book Trade is an x-clear GCM, x-clear ICM or x-clear NCM and the counterparty to the same Off-Order-Book Trade, being an SSX Member, has elected for a Co-CCP, if any, to act as Central Counterparty, x-clear will enter into the

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Off-Order-Book Trade in respect of that Off-Order-Book Trade as the Central Counterparty, if the Off-Order-Book Trade can be accepted into Clearing under the SSX Rules and the Respective Rules & Regulations of x-clear as well as under the respective provisions of the Co-CCP. x-clear will only enter into the Off-Order-Book Trade if it gets confirmation by the Co-CCP on or before the Business Day following the trade date that an Inter-CCP Contract will arise between x-clear and the Co-CCP pursuant to and subject to the relevant Link Agreement.

- e. The interposition of x-clear as the Central Counterparty will give rise to two Single Contracts, the first between the selling x-clear Member and x-clear and the second between x-clear and the buying x-clear Member. These Single Contracts will not arise retrospectively but at the time of x-clear's interposition. The type of Security, the price and the number of Securities will be identical to the Off-Order-Book Trade and the remaining terms of these contracts will be subject to the GTCB (Swiss Law) and these Trading Platform Specific GTCB for the Clearing of SSX Transactions. chapters 4.0 and 7.0 of these Trading Platform Specific GTCB will apply mutatis mutandis to the transfer of benefits and risks, time of performance, place of performance and pre-emptive rights, dividends and distributions.

6.0 Cancellation of Single Contracts

6.1 Automatic avoidance

A Single Contract shall automatically be void *ab initio* if:

- a. the corresponding SSX Transaction is cancelled, rejected or avoided in accordance with the SSX Rules whether pursuant to a "contra" request or otherwise; or
- b. the SSX Product which is the subject of the corresponding SSX Transaction is not included in the SSX List of Securities eligible for Clearing.

6.2 Avoidance or withdrawal by x-clear

x-clear may, at its discretion,

- (i) elect to avoid any Single Contract (but only on or before the Business Day following the trade date of the SSX Transaction) rendering the Single Contract void *ab initio* and
- (ii) withdraw or suspend its Open Offer either in relation to a specific SSX Product, or the x-clear Member, where:
 - a. the membership of the x-clear Member has been suspended by x-clear;

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- b. in the case of an x-clear Member who is a SSX Member, the x-clear Member's status as a SSX Member has been suspended or terminated by SSX;
- c. in the case of an x-clear GCM who is not a SSX Member, the status as a SSX Member of a relevant x-clear NCM with whom the x-clear GCM has in force a GCM-NCM Agreement has been suspended or terminated by SSX;
- d. the listing of the SSX Product in respect of which Clearing is provided has been suspended by a Listing Authority;
- e. the SSX Transaction corresponding to the Single Contract has been cancelled or avoided for any reason (other than in accordance with circumstances falling within clause 6.1 a. above);
- f. the data submitted to x-clear in relation to the corresponding SSX Transaction by the provider of Transaction Routing is not in a format suitable for the provision of Clearing by x-clear or is not accurate;
- g. the agreement or agreements x-clear has entered into with SSX (in relation to x-clear's provision of Clearing), the Approved Settlement System, the provider of Transaction Routing, or, if applicable, a Link Agreement with a Co-CCP has or have been terminated or is or are otherwise not in force;
- h. the Single Contract between x-clear and the x-clear Member representing that leg of the corresponding SSX Transaction which is opposite to the leg corresponding to the Single Contract which is the subject of x-clear's election to avoid has been cancelled pursuant to these Trading Platform Specific GTCB;
- i. the corresponding Inter-CCP Contract (if applicable) has not been formed in accordance with the Link Agreement or has been cancelled by x-clear or the Co-CCP in accordance with the Link Agreement or otherwise;
- j. the x-clear Member that is a party to the Single Contract is in Default or a declaration of default has been issued by SSX in respect of the SSX Member that is party to the Single Contract or corresponding SSX Transaction;
- k. the Approved Settlement System is not proceeding or has failed to effect Settlement of the Single Contract or corresponding Inter-CCP Contract (if applicable) in accordance with the rules of the Approved Settlement System or otherwise;
- l. x-clear determines at its discretion following information received from another source that incomplete, erroneous or conflicting details have been submitted in relation to such Single Contract, the corresponding

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Inter-CCP Contract (if applicable) or SSX Transaction, including (without limitation) information received from SSX, a Co-CCP, any other x-clear Member or any Governmental Authority;

- m. the Single Contract or corresponding Inter-CCP Contract or SSX Transaction results or appears to result from a communications or information technology error or problem;
- n. the Single Contract or the corresponding Inter-CCP Contract or SSX Transaction is or appears to be tainted by or connected with fraud, illegality, insider dealing, market abuse, money laundering or any other breach of Applicable Laws;
- o. the Single Contract or corresponding Inter-CCP Contract or SSX Transaction is or appears to be a result of or affected by an Event of Force Majeure;
- p. the Single Contract or corresponding Inter-CCP Contract or SSX Transaction is one which any Governmental Authority, a Co-CCP (if applicable), any Approved Settlement System or SSX requires or requests that x-clear treat as void and x-clear considers, at its discretion, that compliance with such a request would be appropriate;
- q. x-clear considers at its discretion that, at the time of formation of the Single Contract, the corresponding Inter-CCP Contract (if applicable) or the corresponding SSX Transaction, the relevant x-clear Member is not in compliance with its obligations relating to the provision of Margin, Default Fund Contributions, Financing Contributions or Additional Financing Contributions; or
- r. the Clearing of the Single Contract or corresponding Inter-CCP Contract (if applicable) is not appropriate in x-clear's reasonable opinion.

For the avoidance of doubt, x-clear shall not incur any liability as a result of losses, damages, injuries, delays, costs or expenses incurred or sustained by the x-clear Member by reason of such avoidance of a Single Contract or withdrawal or suspension of the Open Offer.

6.3 Cancellation of Inter-CCP Contracts

The x-clear Member acknowledges that, in accordance with the Link Agreement (if applicable), the Co-CCP may, in certain circumstances (including, without limitation, events relating to market disorder, impossibility of performance and trade emergency) implement measures to cancel concluded Inter-CCP Contracts to which it is a party, by revoking the registration of such Inter-CCP Contracts or otherwise, whether as a result of its suspension or cancellation of the provision of services offered by it as a Central Counterparty in respect of specific SSX Products or otherwise. If such Co-CCP implements such measures, x-clear shall be entitled to cancel concluded corresponding Single Contracts to which it is a party or suspend

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or cancel Clearing services in respect of the SSX Products subject to those measures.

6.4 Consequences of cancellation

In the event that a Single Contract is cancelled, void or avoided pursuant to clauses 6.1 to 6.3 x-clear and the affected x-clear Member shall immediately be released from any and all rights, liabilities and obligations under the affected Single Contract and all amounts paid pursuant to such Single Contract shall be returned by the Buying x-clear Member to x-clear or by x-clear to the Selling x-clear Member, as the case may be, in each case without interest.

Any further consequences related to the affected Single Contracts are subject to the rules of the respective Trading Platform.

6.5 Notification of cancellation

x-clear shall promptly notify SSX and the affected x-clear Member of the cancellation or avoiding of any Single Contract pursuant to clause 6.1 to 6.3.

7.0 Terms of Single Contracts

7.1 Risks, rights, obligations and Entitlements

Under each Single Contract to which a Buying x-clear Member or a Co-CCP (if applicable and as buyer) is a party the benefits, risks, rights and obligations associated with the SSX Product that is the subject of the Single Contract shall pass to the Buying x-clear Member (or the Co-CCP in the capacity of buyer) at the moment that the Single Contract is formed in accordance with these Trading Platform Specific GTCB. Where, in respect of a SSX Product, there is an entitlement to receive interest, dividends and any other distributions, such rights (referred to as "Entitlements" for the purposes of this clause) shall also form part of the Single Contract, provided that the Single Contract is formed before such Entitlement has expired. Where the Single Contract is formed on or after the expiry of an Entitlement, the Entitlement shall not form part of the Single Contract. Where income earned by the Buying x-clear Member (or the Co-CCP, if applicable and as buyer) accrues to the Selling x-clear Member (or the Co-CCP, if applicable and as seller) as a result of late delivery of the SSX Product, it shall be a term of the Single Contract that the Selling x-clear Member (or the Co-CCP, if applicable and as seller) is subject to an obligation to transfer the value accruing under the Entitlement to the Buying x-clear Member (or the Co-CCP, if applicable and as buyer).

7.2 Settlement

Settlement of a Single Contract shall take place on the Intended Settlement Date or within such period after formation as is agreed between x-clear and

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the Approved Settlement System, all as further described in the Clearing Terms.

7.3 **Contract Terms**

The Contract Terms constitute the whole agreement between x-clear and the x-clear Member with respect to a Single Contract and supersede any previous arrangement, understanding or agreement between them relating to the subject matter of a Single Contract. The x-clear Member represents and warrants to x-clear that, in entering into each Single Contract, it does not rely on any statement, representation, assurance or warranty of x-clear or any other Person other than as expressly set out in the Contract Terms. The x-clear Member agrees that the only rights and remedies available to it arising out of or in connection with a Single Contract or their subject matter shall be solely in contract (and not in tort or otherwise), in accordance with the Contract Terms. Nothing in this clause shall limit or exclude any liability which by law cannot be excluded.

8.0 **Permissible Collateral**

8.1 **Provision of Permissible Collateral**

As security for its liabilities in respect of Outstanding Contracts, each x-clear Member is required to provide Permissible Collateral by way of:

- a. Initial Margin and Variation Margin, and shall meet Margin calls if x-clear considers the Permissible Collateral provided by the x-clear Member to be insufficient; and
- b. Default Fund Contributions,

and such provision of Permissible Collateral shall be provided in accordance with and subject to the Pledge Agreements.

8.2 **Margin**

Margin shall be provided by the x-clear Member on a consolidated basis taking into account all the Outstanding Contracts of that member on all Trading Platforms or equivalent positions on all other Exchanges and MTFs in respect of which x-clear provides Clearing. The nature, type, scope and parameters of Permissible Collateral, Initial Margin and Variation Margin are set out in and subject to the requirements of the Clearing Terms.

8.3 **Margin Calls**

In the event that the Permissible Collateral provided as cover for Margin is determined by x-clear to be insufficient, either as a result of the decline in the value of the Permissible Collateral or an increase in the liability in respect of the Outstanding Contracts with x-clear or an x-clear Member fails to meet its obligations under this chapter 8.0, whether in whole or in part, x-clear shall,

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in accordance with the provisions of the Pledge Agreements, be entitled to make Margin calls and require the x-clear Member to provide additional Permissible Collateral as determined in an amount and type by x-clear. Margin calls must be satisfied within 60 minutes of notification to the x-clear Member. x-clear shall be entitled to make Margin calls at any time.

8.4 Consequences of insufficient Margin

If a Margin call is not satisfied in accordance with these Trading Platform Specific GTCB, x-clear is entitled to:

- a. suspend the membership of the x-clear Member in accordance with chapter 3.0 of the GTCB;
- b. treat the x-clear Member as being in Default in accordance with chapter 18.0 of the GTCB; and
- c. realise some or all of the Permissible Collateral provided by the x-clear Member, and set off the Permissible Collateral (as x-clear values such Permissible Collateral at its discretion) or proceeds of such realisation of Permissible Collateral against any and all outstanding obligations of the x-clear Member.

8.5 Amendments regarding Permissible Collateral

x-clear may at its discretion and at any time review and amend the Securities or assets accepted as Permissible Collateral by amendment to the Clearing Terms, provided that any such amendment is in accordance with chapter 3 of the Contract for Clearing Services (Swiss Law). x-clear shall also be entitled at any time to require the x-clear Member to substitute individual Securities with other Securities. If a particular Security is no longer accepted by x-clear as Permissible Collateral, x-clear shall grant the x-clear Member a period of two Business Days to provide substitute Securities or cash. x-clear shall periodically or otherwise and at its discretion (and as described in the Clearing Terms) perform a valuation (including applying Haircuts) of the Permissible Collateral provided by an x-clear Member, and shall be entitled to adjust such values at any time with immediate effect in respect of Outstanding Contracts outstanding at the time the adjustment is announced and in respect of Single Contracts concluded after such adjustment.

9.0 Default Fund

9.1 Default Fund Contribution

Each x-clear Member shall, in addition to the provision of Permissible Collateral provided as Margin, be obliged to make a Default Fund Contribution to the relevant Default Fund pursuant to the Pledge Agreement for Default Funds.

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9.2 Pledge

Default Fund Contribution requirements and the constituents of Permissible Collateral relevant to such requirements shall be defined in the Clearing Terms. An x-clear Member shall open Default Fund Collateral Accounts (as defined in clause 11.5) in its name at SIX SIS for the Permissible Collateral required to be provided by way of Default Fund Contributions and such accounts shall be pledged to x-clear pursuant to the Pledge Agreement for Default Funds.

9.3 Payment terms

If at any time the total amount provided by way of a Default Fund Contribution is insufficient to meet the amount required by x-clear as a result of

- (i) a decline in the value of the pledged Securities or
- (ii) an increase in the x-clear Member's liability to make a Default Fund Contribution,

the relevant x-clear Member shall be obliged to provide additional Permissible Collateral to meet its Default Fund Contribution obligations which shall, in the case of (i), be provided within 60 minutes of notification from x-clear, and in the case of (ii), be met within two Business Days of receipt of notification from x-clear, all in accordance with the Clearing Terms.

9.4 Realisation terms

x-clear shall be entitled to realise the Permissible Collateral provided as a Default Fund Contributions and booked to the x-clear Member's Default Fund Collateral Accounts in the event of a drawdown on the Default Funds and to use the proceeds of any realisation as specified in the Pledge Agreement for the Default Funds.

9.5 Proceeds of Close-out Netting or Late Contribution

In the event that:

- a. Default Fund Contributions of non-Defaulting x-clear Members have been realised pursuant to the Pledge Agreement for Default Funds and excess amounts remain after proceeds arising from the process of Close-out Netting (as defined in clause 18.5 d. of the GTCB) have been applied to meet liabilities associated with the Defaulting x-clear Member's Outstanding Contracts; or
- b. a Defaulting x-clear Member makes a Default Fund Contribution after the Default Fund Contributions of other x-clear Members have been realised but only in cases where such Default Fund Contribution by the Defaulting x-clear Member is made pursuant to obligations arising prior to such realisation (hereinafter referred to as a "**Late Contribution**"),

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then (subject to x-clear first using any such Late Contribution to meet the losses and liabilities attributable to the Defaulting x-clear Member), x-clear shall compensate the non-Defaulting x-clear Members whose Default Fund Contributions have been realised from such proceeds of Close-out Netting or Late Contribution *pro rata* up to the maximum amount realised and not exceeding the total of the Default Fund Contributions made by all x-clear Members at the time of the realisation.

10.0 Provisions common to Permissible Collateral and Contributions

10.1 Representations and warranties by x-clear Member

The x-clear Member will act as principal and not as agent when providing Margin, making Default Fund Contributions and providing Financing Contributions or Additional Financing Contributions. x-clear will take no account of any right or interest which any Person other than the x-clear Member has or may have in connection with any Margin, a Default Fund Contribution, Financing Contributions or Additional Financing Contributions. The x-clear Member represents and warrants to x-clear on each date on which the x-clear Member provides to x-clear Margin, Default Fund Contribution, Financing Contribution or Additional Financing Contribution and on a continuing basis whilst such Margin, Financing Contribution, Additional Financing Contribution or Default Fund Contribution remains held by or on behalf of x-clear, that:

- a. the x-clear Member is the sole legal and beneficial owner of all Securities or cash used for the Permissible Collateral, Financing Contribution or Additional Financing Contribution;
- b. no such Securities or cash used for the Financing Contributions, Additional Financing Contribution or Permissible Collateral is subject to any trust, agreement, arrangement or Encumbrance whatsoever; and
- c. the use or application of Securities for the purposes of providing Permissible Collateral, Financing Contributions or Additional Financing Contributions pursuant to the Contractual Relationship is not in breach of any of the x-clear Member's contractual obligations towards any third party (including towards any x-clear NCM) or of Applicable Laws.

10.2 Representations and warranties by x-clear

x-clear represents and warrants to the x-clear Member that any Securities provided as Margin, Financing Contributions or Additional Financing Contributions or Default Fund Contributions and returned to the x-clear Member are not subject to any trust, agreement, arrangement or Encumbrances created or granted by x-clear and that the return of such securities or Securities to the x-clear Member is not in breach of any contractual obligation of x-clear towards any third party or of any Applicable Laws.

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10.3 **Liabilities of x-clear Member**

The x-clear Member shall be liable to x-clear for any fees, costs, losses, damages, expenses, delays or liabilities incurred or suffered by x-clear as a result of x-clear possessing, holding, perfecting the title to or otherwise being associated with, or dealing with, any Securities or monies provided to it by the x-clear Member by way of Margins, Default Fund Contributions, Financing Contributions or Additional Financing Contributions.

11.0 **x-clear Collateral Accounts**

11.1 **Accounts and custody accounts**

Accounts and custody accounts for the deposit of collateral shall be maintained by the x-clear Member at the Account Operator as further described in the Clearing Terms.

12.0 **Order of realisation of collateral**

In the event of Default of an x-clear Member, x-clear shall be entitled to realise the Permissible Collateral provided as Margins and Default Fund Contributions in the following order:

1. Permissible Collateral provided by the Defaulting x-clear Member to satisfy its Margin obligations and equivalent obligations in respect of trades executed on all Trading Platforms in respect of which x-clear provides Clearing;
2. Default Fund Contributions of the Defaulting x-clear Member to the relevant Default Fund (pursuant to the Pledge Agreement for the Default Funds);
3. per calendar year, a maximum of 50 per cent of available provisions set aside by x-clear;
4. Default Fund Contributions made by non-Defaulting x-clear Members to the relevant Default Fund (pursuant to the Pledge Agreement for the Default Funds);
5. additional collateral (whether or not Permissible Collateral) arising from replenishment of the relevant Default Fund (pursuant to the Pledge Agreement for the Default Funds); and
6. the remainder of x-clear's provision and its capital and reserves,

all in accordance with the Clearing Terms.

The x-clear Member acknowledges and agrees that the purpose of this chapter 12.0 and, *inter alia*, the provision of Margin and Default Fund Contributions is to address and prevent the incidence of systemic risk that

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may arise in relation to Clearing, the SSX Market and other markets or trading platforms operated by SSX or other markets or trading platforms (including the Trading Platforms as defined in the GTCB).

13.0 Financing Contributions and Additional Financing Contributions

13.1 Financing Contribution Accounts

Per each x-clear Member Financing Contribution Accounts for the depositing of Financing Contribution and Additional Financing Contribution shall be maintained by the Account Operator in the name of x-clear as further described in the Clearing Terms.

13.2 Financing Agreement for the financing of the Inter-CCP Collateral

Each x-clear Member shall, in addition to providing Margin and making Default Fund Contributions, provide Financing Contributions and Additional Financing Contributions to x-clear for the financing of the Inter-CCP Collateral. Such Financing Contributions or Additional Financing Contributions shall be provided in accordance with and subject to the Financing Agreement for the financing of the Inter-CCP Collateral.

14.0 Settlement

14.1 Provision of transaction details

SSX will send relevant details in relation to SSX Transactions involving an x-clear Member to x-clear for Clearing, netting and the preparation of settlement instructions.

14.2 Confirmation and places of Settlement

x-clear will confirm the SSX Transaction and the associated Clearing, netting and settlement instruction details to the x-clear Members or the Co-CCP (if applicable) who are counterparties to the Single Contracts, or the Inter-CCP Contract, respectively, arising from the relevant SSX Transaction. Settlement of the Single Contracts or the Inter-CCP Contract, if applicable, will be effected in the relevant central securities depository or other Approved Settlement System, all in accordance with the Clearing Terms.

14.3 Approved Settlement System

The x-clear Member and the Co-CCP (if applicable) shall settle Outstanding Contracts through their participation (whether or not through settlement agents) in the Approved Settlement System and shall have appropriate settlement arrangements in place to enable Settlement of Outstanding Contracts to take place in accordance with these Trading Platform Specific GTCB and the Clearing Terms.

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The x-clear Member and the Co-CCP (if applicable) shall, either themselves or through settlement agents, in accordance with the rules of the Approved Settlement System, maintain at least one custody account to hold SSX Products and a cash memorandum account at a bank accepted by the Approved Settlement System for the purposes of Settlement.

The x-clear Member and the Co-CCP (if applicable) or their settlement agents (if any) shall comply with the rules, requirements and obligations applicable to them pursuant to the rules of the Approved Settlement System.

14.4 **No liability of x-clear**

No liability shall attach to x-clear if the standards as defined in the Clearing Terms and the Rules and Regulations for communication, authentication and data security are not met by a relevant Approved Settlement System, settlement agent or settlement bank.

14.5 **Holding of sufficient SSX Products or cash**

The x-clear Member shall ensure that there is a sufficient quantity of SSX Products or sufficient cash, as the case may be, available to enable Settlement of Outstanding Contracts to take place on the Intended Settlement Date. If the x-clear Member does not hold a sufficient quantity of SSX Products or sufficient cash, as the case may be, to enable Settlement of Outstanding Contracts to take place on the Intended Settlement Date, the provisions in chapter 15.0 of these Trading Platform Specific GTCB and clause 18.5 of the GTCB in respect of an x-clear Member's non-performance and Default shall apply.

14.6 **Power of attorney to x-clear NCM**

If the x-clear GCM wishes an x-clear NCM (in respect of which the x-clear GCM has executed a GCM-NCM Agreement) to receive delivery of the SSX Product or payment, as the case may be, as agent of the x-clear GCM, the x-clear GCM shall grant a legally valid and binding power of attorney to the x-clear NCM in favour of such x-clear NCM. The x-clear GCM shall notify x-clear of this power of attorney in writing, including a copy of such power of attorney with such notification.

14.7 **Settlement agent**

An x-clear Member may only use a settlement agent for the purposes of Settlement if required or permitted by the rules of the Approved Settlement System.

14.8 **Settlement netting**

x-clear will carry out settlement netting in accordance with the rules of the relevant Approved Settlement System and the Clearing Terms.

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15.0 Late Settlement

15.1 Buy-in

Where the Selling x-clear Member fails to deliver the SSX Product on the Intended Settlement Date such that Settlement of the relevant Outstanding Contract does not occur on that date, x-clear shall be entitled to perform a buy-in in accordance with the following procedures as further defined in the Clearing Terms:

- a. x-clear will start the buy-in process by submitting a buy-in notice to the Selling x-clear Member;
- b. on completion of the buy-in, x-clear will advise the Selling x-clear Member on the same day by facsimile or electronic means, providing details of the buy-in that has been effected to settle the relevant Outstanding Contract. The Selling x-clear Member shall be liable to x-clear for any difference between the price of the SSX Product under the relevant Outstanding Contract and the price paid in connection with a buy-in;
- c. x-clear is entitled to charge the Selling x-clear Member any costs incurred by x-clear (including, without limitation, expenses, commissions and other charges) or passed on to x-clear by third parties in connection with the performance of a buy-in; and
- d. without prejudice to the generality of para. c. x-clear will charge an administration fee per buy-in notice.

15.2 Consequences of buy-in

The payment obligations of the x-clear Member, arising from the buy-in effected by x-clear, shall be due and payable immediately upon notification of the same by x-clear. If the x-clear Member fails to satisfy such payment obligation, x-clear may at its discretion treat such failure as an Event of Default as defined in chapter 18.0 of the GTCB.

15.3 Exclusive governance by Contractual Relationship

The Contractual Relationship shall exclusively govern late Settlement, including any processes (such as buy-in) carried out as part of late Settlement, including, but not limited to, any costs associated with such settlement. The SSX Rules shall not apply to any of the aforesaid matters.

16.0 Market disorder and bad deliveries

If SSX determines in accordance with the SSX Rules that an excessive position or unwarranted speculation or any other undesirable situation or practice is developing or has developed which is affecting or capable of affecting the SSX Market, x-clear may at its discretion take such action as is

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requested of it by SSX in respect of one or more Outstanding Contracts in an x-clear Member's name as may be provided for by the SSX Rules or as may be agreed between SSX and x-clear.

17.0 Trading days

The trading days relevant for the SSX Market are set out in the Rules and Regulations.

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