



SUPPLEMENTAL TERMS AND CONDITIONS OF BUSINESS - CLEARING TERMS PURSUANT TO EMIR ("CLEARING TERMS")

INTRODUCTION

This Clearing Terms, including the Annex, supplements and forms part of the Terms and Conditions between MCM and you.

Client Transactions will be governed by, and be subject to, the Term and Conditions as supplemented by this Clearing Terms (the "**Clearing Agreement**"). Transactions between MCM and you which are not Client Transactions (irrespective of whether they are uncleared or cleared transactions) may also be governed by, and be subject to, the Terms and Conditions. The parties agree that this Clearing Terms will apply solely in respect of Client Transactions and that the elections set out in Table A of the Annex (including, without limitation, as to segregation) shall apply to 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 Clearing Terms.

1. INTERPRETATION

1.1 *Definitions:*

- 1.1.1 Capitalised terms not otherwise defined in this Clearing Terms have the meanings specified in the Terms and Conditions.
- 1.1.2 Notwithstanding any provision of the Terms and Conditions to the contrary, in respect of Client Transactions, the defined term "Market" in the Terms and Conditions shall be read to include each Agreed CCP; provided that this Clause 1.1.2 shall not affect the reading of the Terms and Conditions as it relates to transactions other than Client Transactions.

1.2 *Inconsistency:*

- 1.2.1 The provisions of the Terms and Conditions will apply to the Client Transactions unless otherwise specified in this Clearing Terms. To the extent of any inconsistency between the provisions of this Clearing Terms and the other provisions of the Terms and Conditions, this Clearing Terms will prevail for the purposes of the Client Transactions only. To the extent of any inconsistency between the provisions of the Annex and the other provisions of this Clearing Terms, the Annex will prevail.
- 1.2.2 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.

2. REPRESENTATIONS

On the date on which this Clearing Terms or any amendment to it is entered into, any representations, warranties, covenants or undertakings which were given pursuant to the Terms and Conditions on the date of entering into the Terms and Conditions are each hereby deemed repeated or given, as applicable, by you.

3. CLIENT TRANSACTIONS AND PAYMENT NETTING

- 3.1 **Client Transactions:** In relation to a Clearing Eligible Trade, a Client Transaction will arise between MCM and you under this Clearing Terms 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 Clearing Terms and the terms of any other relevant agreement between MCM and you, the terms of each Client Transaction will be identical to those of the related MCM/CCP Transaction, except that (i) each Client Transaction will be governed by, and be subject to, the terms of the Clearing Agreement (including, without limitation, in relation to margin and collateral) and (ii) under each Client Transaction, MCM will take the opposite position to the position it has under the related MCM/CCP Transaction.

3.2 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 yours is Transferred to MCM for credit to the Client Account in accordance with the relevant Rule Set as a result of agreement by MCM, 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 MCM/CCP Transaction between MCM and the relevant Agreed CCP; and
- (ii) a Client Transaction will arise between MCM and you in accordance with Clause 3.1,

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

3.3 Payment Netting: If "Payment Netting" is specified in the 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. MARGIN AND COLLATERAL

4.1 Margin Calls: Without prejudice to the generality of the provisions of the Terms and Conditions relating to MCM's rights to make margin calls on you and the rights and consequences arising upon the occurrence of an Event of Default, MCM may, in its sole and absolute discretion, make a separate margin call on you in relation to each Agreed CCP Service and/or MCM may make aggregated margin calls in relation to two or more Agreed CCP Services. You acknowledges and agrees that MCM may, in its sole and absolute discretion, make two or more margin calls on you on a particular day.

4.2 Excess Margin Posting: If "Excess Margin Posting" is specified in the Annex as applying then you agree that Excess Margin posted by you to MCM shall be posted by MCM to the relevant Agreed CCP in accordance with the Excess Margin Posting Provisions specified in the Annex.

4.3 Client Money Margin: If:

- 4.3.1 "Client Money Margin" is specified in the Annex as applying;
- 4.3.2 MCM receives cash from you which is subject to the Client Money Rules in accordance with the Terms and Conditions; and
- 4.3.3 an amount of margin is required from you under the Terms and Condition for one or more Client Transactions for which the Rule Set of the applicable Agreed CCP Service does not enable MCM to use cash subject to the Client Money Rules as margin for the corresponding MCM/CCP Transaction(s),

then, to the extent that the margin requirement under Clause 4.3.3 is to be settled in whole or in part with cash, you shall be obliged to transfer to MCM cash in the requisite amount on a title transfer basis. You hereby instructs MCM to transfer such amount of cash from any client money held by MCM for you subject to the Client

Money Rules to MCM which shall transfer from you full ownership of such amount of cash absolutely to MCM and satisfy your transfer obligation hereunder. The Title Transfer Provisions shall apply to the amount so transferred to MCM.

4.4 Non-Cash Security Interest Margin: If:

- 4.4.1 "Non-Cash Security Interest Margin" is specified in the Annex as applying;
- 4.4.2 MCM receives non-cash assets from you which remain in your beneficial ownership ("**Non-Cash Security Interest Assets**") in accordance with the Terms and Conditions; and
- 4.4.3 an amount of margin is required from you under the Terms and Conditions for one or more Client Transactions for which the Rule Set of the applicable Agreed CCP Service does not enable MCM to use Non-Cash Security Interest Assets as margin for the corresponding MCM/CCP Transaction(s),

then, to the extent that the margin requirement under Clause 4.4.3 is to be settled in whole or in part with non-cash assets, you shall be obliged to transfer to MCM non-cash assets in the requisite amount on a title transfer basis. You hereby instruct MCM to transfer the requisite amount of Non-Cash Security Interest Assets to MCM which shall transfer from you all right, title and interest in such Non-Cash Security Interest Assets to MCM and satisfy your transfer obligation hereunder. The Title Transfer Provisions shall apply to the Non-Cash Security Interest Assets so transferred.

In respect of Non-Cash Security Interest Assets by way of securities the right, title and interest of which have been transferred to MCM pursuant to this Clause 4.4 ("**Outright Transfer Securities**") and where the Rule Set of the applicable Agreed CCP Service allows the Agreed CCP to redeliver to MCM securities of a different type and description to the securities which MCM has posted to the Agreed CCP, then notwithstanding any provision of the Title Transfer Provisions requiring MCM to redeliver to you securities of the same type and description as Outright Transfer Securities, MCM may redeliver to you securities of other types and descriptions provided that the aggregate value of redelivered securities is no less than the value of the Outright Transfer Securities.

5. EARLY TERMINATION FOLLOWING DEFAULT

5.1 Termination by MCM and Automatic Termination: Any provisions of the Terms and Conditions that (1) would entitle MCM to withhold any payment or delivery as a result of the occurrence of an Event of Default or any event which may become (with the passage of time, the giving of notice, the making of any determination, or any combination thereof) an Event of Default in respect of you or (2) (A) would entitle MCM to terminate transactions upon the occurrence of an Event of Default or other similar event, howsoever described, or would automatically terminate transactions upon the occurrence of any such event in respect of you, 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.

5.2 MCM Events:

5.2.1 Any provisions of the Terms and Conditions that (1) would entitle you to withhold any payment or delivery as a result of the occurrence of an Event of Default or any event which may become (with the passage of time, the giving of notice, the making of any determination, or any combination thereof) an Event of Default, in respect of MCM or (2) subject to your right to terminate Client Transactions subject to Clause 5.2.2, (A) would entitle you to terminate transactions early upon the occurrence of an Event of Default or other similar event, howsoever described, in respect of MCM or you, as applicable, or would automatically terminate transactions early upon the occurrence of any such event in respect of MCM 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.

5.2.2 Upon the occurrence of a MCM Trigger Event, the Client Transactions in the relevant Cleared Transaction Set will, except to the extent otherwise stated in the relevant Rule Set, be dealt with as set out below:

- (a) each Client Transaction in the relevant Cleared Transaction Set will automatically terminate upon the occurrence of a MCM Trigger Event and, following such termination, no further payments or deliveries in respect of such Client Transaction 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 Clause 5.2.2;
- (b) 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 MCM/CCP Transaction Value or the relevant part thereof;
- (c) the applicable Cleared Set Termination Amount will be determined by you on, or as soon as reasonably practicable after, (x) if there were no outstanding Client Transactions immediately prior to the occurrence of a MCM Trigger Event, the date on which the MCM Trigger Event occurred, or (y) if there were outstanding Client Transactions immediately prior to the occurrence of a MCM Trigger Event, the day on which the relevant Client Transactions had all been terminated (in either case, provided that, if MCM gives notice to you requiring you to determine such amount and you do not do so within two Business Days of such notice being effectively delivered, MCM 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 MCM to you and as a negative amount if such unpaid amount is due from you to MCM), (C) an amount (which may be zero) 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, 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 Clauses 5.2.2 (c)(A) to 5.2.2 (c)(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 MCM to you and as a negative amount if such unpaid amount is due from you to MCM);
- (d) if a Cleared Set Termination Amount is a positive number, it will be due from MCM to you and if a Cleared Set Termination Amount is a negative number, the absolute value of the Cleared Set Termination Amount will be due from you to MCM, and in each case will be payable in accordance with this Clearing Terms;
- (e) the applicable Cleared Set Termination Amount will be payable (A) if there were no outstanding Client Transactions immediately prior to the occurrence of a MCM Trigger Event, in the currency in which the Liquidation Amount would be payable under the Terms and Conditions and (B) if there were outstanding Client Transactions immediately prior to the occurrence of a MCM Trigger Event, in the same currency as the termination amount payable by MCM or the relevant Agreed CCP, as applicable, in respect of the related terminated MCM/CCP Transaction(s) in accordance with the relevant Rule Set (and any amount included in Clause 5.2.2(c) not denominated in such currency will be included as the Currency Equivalent Amount thereof);

- (f) the party determining the Cleared Set Termination Amount pursuant to Clause 5.2.2(c) 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 Clause 5.2.2(c);
- (g) the applicable Cleared Set Termination Amount will:
 - (i) if (x) payable by you or (y) payable by MCM and there were no outstanding Client Transactions immediately prior to the occurrence of a MCM Trigger Event, be payable on: (I) if you are determining the amount, the first Business Day after the day on which MCM receives notification of such amount from you pursuant to Clause 5.2.2(f) or (II) if MCM is determining the amount, the first Business Day after the date on which you receives notification of such amount from MCM pursuant to Clause 5.2.2(f), provided in either case, that if such notification pursuant to Clause 5.2.2(f) 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;
 - (ii) if payable by MCM and there were outstanding Client Transactions immediately prior to the occurrence of a MCM Trigger Event, be payable on the first Business Day after the date on which any portion of the termination amount receivable by MCM in respect of all relevant terminated MCM/CCP Transactions is received, subject to the application of Clause 8 and in particular, but without limitation, any pro rata allocation between you and other clients of MCM 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, MCM 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 you) in relation to the relevant Agreed CCP Service and MCM 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;
- (h) any outstanding obligation of MCM or you under the Terms and Conditions to return or transfer Title Transfer Collateral to the extent that the value of such Title Transfer Collateral has been taken into account for the purposes of Clause 5.2.2(c)(C) will not be required to be performed; and
- (i) if, following a MCM Trigger Event, any MCM/CCP Transaction is Transferred from MCM to another clearing member of the Agreed CCP Service through which that MCM/CCP Transaction is Cleared along with all collateral or margin relating to such MCM/CCP Transaction which has been posted to the relevant Agreed CCP, pursuant to the Rule Set of such Agreed CCP Service, then for the purposes of Clause 5.2.2(b), the value of the corresponding Client Transaction shall be zero and for the purposes of Clause 5.2.2(c)(C) the Relevant Collateral Value in respect of that Client Transaction shall be zero. If any MCM/CCP Transaction is so Transferred but along with only a proportion of the collateral or margin relating to such MCM/CCP Transaction, then for the purposes of Clause 5.2.2(b) the value of the corresponding Client Transaction shall be zero but for the purposes of Clause 5.2.2(c)(C) the Relevant Collateral Value in respect of that Client Transaction shall be reduced by the value of the collateral or margin so transferred as at the date it was transferred by the Agreed CCP as determined by MCM.

5.3 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 Rule Set, be dealt with as set out below:

- 5.3.1 each Client Transaction in the relevant Cleared Transaction Set will automatically terminate at the same time as the related MCM/CCP Transaction and following such termination no further payments or

deliveries in respect of such Client Transaction 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 Clause 5.3;

- 5.3.2 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 MCM/CCP Transaction Value or relevant part thereof;
- 5.3.3 the applicable Cleared Set Termination Amount will be determined by MCM 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 had all been 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 MCM to Client and as a negative amount if such unpaid amount is due from Client to MCM), (3) an amount (which may be zero) 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, 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 Clauses 5.3.3(1) to 5.3.3(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 MCM to you and as a negative amount if such unpaid amount is due from you to MCM);
- 5.3.4 if a Cleared Set Termination Amount is a positive number, it will be due from MCM to you and if a Cleared Set Termination Amount is a negative number, the absolute value of the Cleared Set Termination Amount will be due from you to MCM, and in each case will be payable, in accordance with this Clearing Terms;
- 5.3.5 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 a Liquidation Amount would be payable under the Terms and Conditions 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 MCM or the relevant Agreed CCP, as applicable, in respect of the related terminated MCM/CCP Transaction(s) in accordance with the relevant Rule Set (and any amount included in Clause 5.3.3 not denominated in such currency will be included as the Currency Equivalent Amount thereof);
- 5.3.6 MCM will notify you in writing of the applicable Cleared Set Termination Amount promptly following MCM's determination of such amount pursuant to Clause 5.3.3;
- 5.3.7 the applicable Cleared Set Termination Amount will:
 - (a) if (x) payable by you or (y) payable by MCM 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 MCM in respect of the terminated MCM/CCP Transaction(s) is payable in accordance with the relevant Rule Set and (B) the first Business Day after the date on which you receives notification of such Cleared Set Termination Amount pursuant to Clause 5.3.6, provided that, if such notification pursuant to Clause 5.3.6 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; or

(B) if payable by MCM, be payable, subject to the application of Clause 8, on the first Business Day after the date on which any portion of the termination amount receivable by MCM in respect of all relevant terminated MCM/CCP Transactions is received; and

5.3.8 any outstanding obligation of MCM or you under the Terms and Conditions to return or transfer Title Transfer Collateral to the extent that the value of such Title Transfer Collateral has been taken into account for the purposes of Clause 5.3.3(3) will not be required to be performed.

5.4 Hierarchy of Events:

5.4.1 Subject to Clause 5.4.2, if Client Transactions are capable of being terminated pursuant to more than one of Clause 5.1, Clause 5.2 or Clause 5.3, then the clause in respect of which a party first exercises any right to terminate Client Transactions (or, the clause pursuant to which Client Transactions are otherwise terminated, if earlier) will prevail for the purposes of the relevant Client Transactions.

5.4.2 If each of a MCM Trigger Event and a CCP Default occurs, either Clause 5.2.2 or Clause 5.3, 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, Clause 5.4.1 will apply.

5.4.3 If a Cleared Set Termination Amount is determined pursuant to Clause 5.2 or Clause 5.3 and before such Cleared Set Termination Amount is paid an event occurs that would entitle MCM to terminate all other outstanding transactions under the Clearing Agreement, such Cleared Set Termination Amount will remain payable in accordance with Clause 5.2 or Clause 5.3, as applicable, and will not be taken into account in the determination of the termination amount as a result of such event.

5.4.4 If a Market Action Clause is specified in the Annex then upon the occurrence of a CCP Default the provisions of Clause 5.3 shall apply to the exclusion of the Market Action Clause so specified but only to the extent of and in relation to matters expressly provided for in Clause 5.3. Nothing in this Clause 5.4.4 shall affect or prejudice the application or effectiveness of the Market Action Clause specified in the Annex in any other circumstances.

5.4.5 Without prejudice to the terms of the Clearing Agreement, nothing in this Clearing Terms will prevent MCM or you exercising any right to terminate any transactions under the Terms and Conditions which are not Client Transactions.

5.5 Set-off

MCM may at any time and without notice to you, set-off any Available Termination Amount against any amount (whether actual or contingent, present or future) owed by MCM to you under the Clearing Agreement or otherwise. For these purposes, MCM may ascribe a commercially reasonable value to any amount which is contingent or which for any other reason is unascertained.

This Clause 5.5 shall apply to the exclusion of all Disapplied Set-off Provisions in so far as they relate to Client Transactions; *provided that*, nothing in this Clause 5.5 shall prejudice or affect such Disapplied Set-off Provisions in so far as they relate to transactions other than Client Transactions under the Terms and Conditions.

6. PAYMENT ADJUSTMENT

6.1 Without prejudice to Clause 6.2, you will notify MCM as soon as reasonably practicable after becoming aware that (i) you have been, or will be, paid (or have otherwise received, or will otherwise receive credit for) any amount or (ii) you have received, or will receive any asset under the relevant Rule Set from an Agreed CCP in relation to an Agreed CCP Service in connection with one or more Client Transactions and the related MCM/CCP Transactions.

- 6.2 If any amount has been paid, or is payable, to you (or you have otherwise received or will otherwise receive credit for any amount) or if any asset has been received, or shall be received, by you from an Agreed CCP in relation to an Agreed CCP Service under the relevant Rule Set and such amount or asset is attributable to amounts that would otherwise be determined and/or payable under the Clearing Agreement and is not otherwise already taken into account in the determination of amounts payable under the Clearing Agreement, then MCM will make such adjustment to the payment or other terms of the Clearing Agreement (which may include, without limitation, an obligation on you to pay to MCM any amount (i) received by you from an Agreed CCP and/or (ii) corresponding to the value of an asset received by you from an Agreed CCP, that exceeds the amount due to you from MCM in respect of that Agreed CCP Service under the Clearing Agreement) as MCM determines appropriate to account for any Losses that MCM may otherwise incur as a result of such amount being paid, or payable, to you, or you otherwise receiving credit for such amount, or such asset being received, or to be received, by you from the relevant Agreed CCP. Following the receipt of an asset by you in the circumstances referred to in Clause 6.1 above, and when making the necessary adjustments to the payment or other terms of the Clearing Agreement referred to above, MCM shall take into account, for the purposes of such adjustment, the value of the asset so received by you at the time that the Agreed CCP determines that such asset is to be transferred to you in accordance with the relevant Rule Set of that Agreed CCP (irrespective of when such asset is actually received by you).

7. INFORMATION COLLECTION, FATCA AND REPORTING

- 7.1 **Collection of Information:** You shall promptly provide MCM with such information as MCM may reasonably require from time to time, and shall update that information as required by MCM from time to time, to enable MCM or any Affiliate of MCM to comply with any Applicable Law. You shall notify MCM in writing within 30 days of any material change in the validity of, or information contained in, any information that you have previously provided to MCM further to this Clause 7.1.
- 7.2 **Withholding:** MCM may make any FATCA Deduction it is required by FATCA to make, and any payment required in connection with that FATCA Deduction. Notwithstanding any provision of the Terms and Conditions to the contrary, MCM shall not be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate you for the payment for that FATCA Deduction.
- 7.3 **FATCA Reporting:** MCM, its Affiliates and its and their agents and service providers may collect, store and process information obtained from you or otherwise in connection with the Clearing Agreement and the Client Transactions for the purpose of complying with FATCA or other Applicable Law, including disclosures between themselves and to Governmental Authorities. You acknowledge that this may include transfers of information to jurisdictions which do not have strict data protection, data privacy laws or banking secrecy laws. You shall ensure that, before it or anyone on its behalf discloses information relating to any third party to MCM, its Affiliates or its or their agents or service providers in connection with the Clearing Agreement or Client Transactions that third party has been provided with such information and has given such consents or waivers as are necessary to allow MCM, its Affiliates and its or their agents and service providers to collect, store, process and disclose his, her or its information as described in this Clause 7.3.
- 7.4 **Other Reporting:** Without prejudice to any provision of the Terms and Conditions relating to information or data or its disclosure, you consents to the disclosure by MCM, its Affiliates and its and their agents and service providers of any information or data in connection with or relating to you, the Clearing Agreement and/or any Client Transaction (including, without limitation, pricing data) (i) to the extent that the MCM determines it required, permitted or desirable to comply with Applicable Law and (ii) to the extent not permitted by Clause 7.4(i) above, if such disclosure is made to any trade repository registered in accordance with Article 55 of EMIR or recognised in accordance with Article 77 of EMIR or one or more systems or services operated by any such trade repository.

8. LIMITED RECOURSE

- 8.1 You agree that performance and payment obligations by MCM to you under or in respect of Client Transactions are limited by and contingent on the actual performance or payment by the relevant Agreed CCP to MCM in relation to the related MCM/CCP Transactions or any related collateral arrangements and MCM will only be obliged to perform its obligations to you under or in respect of Client Transactions to the extent that the Agreed

CCP actually performs its obligations to MCM in relation to the related MCM/CCP Transactions or any related collateral arrangements; provided that amounts that would have been paid by the Agreed CCP to MCM 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 you or Transfer related MCM/CCP Transactions upon the occurrence of a MCM Trigger Event will, for the purposes of this provision and without prejudice to Clause 6.2, be considered to have been paid.

- 8.2 MCM will give notice in writing to you of any deduction, withholding or other reduction from any payment or performance effected under this Clause 8, in each case as soon as reasonably practicable following the relevant event.

9. MISCELLANEOUS

- 9.1 **Accounting:** No provision of this Clearing Terms is intended to address the accounting treatment of the relationships between you, MCM and any Agreed CCP.
- 9.2 **Counterparts:** This Clearing Terms 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.
- 9.3 **Other Provisions:** If any Other Provisions are included in the Annex, they will constitute terms of this Clearing Terms.
- 9.4 **Mandatory CCP Provisions:** MCM and you agree to be bound by and comply with the Mandatory CCP Provisions of each Agreed CCP Service.
- 9.5 **Electronic Notices:** For the purposes of this Clearing Terms, 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.

10. GOVERNING LAW AND JURISDICTION

The governing law, jurisdiction and dispute resolution provisions of the Terms and Conditions will apply to this Clearing Terms.

11. DEFINITIONS

As used in this Clearing Terms:

"Additional Excluded Termination Amounts" means the amounts (if any) specified as such in part 1 of the Annex.

"Admitted for Clearing" means, in respect of a Clearing Eligible Trade, such Clearing Eligible Trade being admitted (whether automatically or otherwise and which process may follow a give-up to the MCM) to an Agreed CCP for clearing in an Agreed CCP Service with the intention that the related MCM/CCP Transaction is recorded in the Client Account at the Agreed CCP Service.

"Affiliate" means, unless otherwise defined in the Terms and Conditions (in which case, notwithstanding Clause 1.2 of this Clearing Terms, the definition of Affiliate in the Terms and Conditions 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 MCM/CCP Transaction Values for all Client Transactions in the relevant Cleared Transaction Set or, if there is just one MCM/CCP Transaction Value in respect of all such Client Transactions, an amount (which may be positive or negative or zero) equal to such MCM/CCP Transaction Value.

"**Agreed CCP**" means (a) any clearing organisation specified as such in Table A and (b) any Trading Agreed CCP.

"**Agreed CCP Service**" means (a) any central counterparty clearing service specified in Table A from time to time and (b) any Trading Agreed CCP Service; *provided that*, any Trading Agreed CCP Service that is subsequently specified in Table A shall cease to be a Trading Agreed CCP Service but will be an Agreed CCP Service by virtue of (a) of this definition.

"**Annex**" means the annex to this Clearing Terms, as may be amended between 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 or any agreement entered into with or between any Governmental Authority or Governmental Authorities.

"**Available Termination Amount**" means any Cleared Set Termination Amount or other termination amount payable by you to MCM under the Clearing Agreement which is not an Excluded Termination Amount at such time.

"**Business Day**" has the meaning given to it in Part 0 of the 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 MCM to terminate, or results in automatic termination of, MCM/CCP Transactions.

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

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

"**Clearing Eligible Trade**" means, with respect to an Agreed CCP and an Agreed CCP Service, a transaction of any type which is capable of being Cleared by MCM on your behalf using such Agreed CCP Service and which is not of an Excluded Transaction Type in respect of such Agreed CCP Service.

"**Client Account**" means (a) with respect to an Agreed CCP Service other than a Trading Agreed CCP Service, an account of the type specified as such in respect of such Agreed CCP Service in Table A and (b) with respect to a Trading Agreed CCP Service, an account of the type specified as the Trading Type of Client Default Election in the Module Annex. References in this Clearing Terms to transactions being credited to or recorded in the Client Account are to such transactions being so credited or recorded for your account.

"**Client Transaction**" means, with respect to a MCM/CCP Transaction, the related transaction that arises between MCM and you pursuant to Clause 3, as may be modified from time to time in accordance with the Terms and Conditions.

"**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.

"**Disapplied Set-off Provisions**" means the provisions specified as such in Part 0 of the Annex.

"**EMIR**" means Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012.

"**Excess Margin**" has the meaning (if any) given to it in Part 3 of the Annex.

"**Excess Margin Posting Provisions**" means the provisions (if any) specified as such in Part 3 of the Annex.

"**Excluded Termination Amount**" means, at any time: (a) any Cleared Set Termination Amount payable by you to MCM under the Clearing Agreement the rights of MCM 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).

"**Excluded Transaction Type**" means, with respect to an Agreed CCP Service, any type of transaction specified as an Excluded Transaction Type in respect of such Agreed CCP Service in Table A.

"**FATCA**" means (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a); or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with any Governmental Authority.

"**FATCA Deduction**" means a deduction or withholding from a payment under the Clearing Agreement required by or otherwise in accordance with FATCA.

"**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.

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

"**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 Provisions**" " 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.

"**Market Action Clause**" has the meaning given to it in Part 0 of the Annex.

"**MCM/CCP Transaction**" means a transaction between MCM and an Agreed CCP that arises when the terms of a Clearing Eligible Trade are Cleared through the relevant Agreed CCP Service, as may be modified in accordance with the relevant Rule Set or Applicable Law.

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

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

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

"Other Provisions" means the provisions (if any) specified as such in Part 8 of the Annex.

"Payment Notification Cut-Off Time" has the meaning given to it in Part 0 of the Annex.

"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 Terms and Conditions) 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 Clearing Agreement and has not been returned at the time of such termination or otherwise applied or reduced in accordance with the terms of the Clearing 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,

("Title Transfer Collateral").

The Relevant Collateral Value will constitute a positive amount if the relevant Title Transfer Collateral has been transferred by you to MCM 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 Clearing Agreement and a negative amount if the relevant Title Transfer Collateral has been transferred by MCM to you 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 Clearing Agreement.

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

"**Table A**" means the table set out in part 8 of the 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.

"**Terms and Conditions**" means the contractual arrangement between MCM and you, as specified in part 0 of the Annex and as may be amended as between the parties from time to time.

"**Title Transfer Collateral**" has the meaning given to it in the definition of "Relevant Collateral Value".

"**Title Transfer Provisions**" means the provisions (if any) specified as such in Part 6 of the Annex.

"**Trading Agreed CCP**" means, in relation to a Trading Agreed CCP Service, the clearing organisation that offers that Trading Agreed CCP Service.

"**Trading Agreed CCP Service**" means a central counterparty clearing service which meets both of the following requirements:

- (a) it is not a central counterparty clearing service that is specified as an "Agreed CC Service" in Table A; and
- (b) the parties have entered into a transaction (the "**New Service Transaction**") which is intended to be a Client Transaction and MCM will clear the corresponding MCM/CCP Transaction (assuming the New Service Transaction were a Client Transaction) through that central counterparty clearing service.

A central counterparty clearing service that meets both of the foregoing requirements will become a Trading Agreed CCP Service from and including the date that the parties enter into the relevant New Service Transaction.

"**Trading Mandatory CCP Provisions**" means, in relation to a Trading Agreed CCP Service, each provision, if any, specified by the relevant Trading Agreed CCP in respect of that Trading Agreed CCP Service as mandatory for inclusion in the terms of transactions between clearing members of that Trading 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 you) and, in either case, those of such provisions which 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 Trading Agreed CCP against such clients or liabilities of such clients to that Trading Agreed CCP and which may be (i) published from time to time by the relevant Trading 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 Trading Agreed CCP.

"**Trading Type of Client Default Election**" has the meaning given to it in Part 7 of the Annex.

"**Trading Type of Client Account Default Election**" has the meaning given to it in Part 7 of the Annex.

"**Transfer**" means, in respect of a MCM/CCP Transaction, to transfer MCM's rights, obligations and interest in or under such transaction, including by way of assignment, novation or termination and replacement, and "**Transferred**" will be construed accordingly.

ANNEX

1. Definitions

"**Additional Excluded Termination Amounts**" means : Not Applicable

"**Business Day**" has the meaning given to it in the Terms and Conditions.

"**Disapplied Set-off Provisions**" means Clause 14 Part II (m) and clause 33 of the Terms and Conditions.

"**Market Action Clause**" means clause 2(f) of the Terms and Conditions.

"**Payment Notification Cut-Off Time**" means the time or times (as they may relate to different currencies) notified to you by us from time to time.

"**Terms and Conditions**" means MCM Standard Terms and Conditions which you have accepted prior to conducting business with MCM, as amended and supplemented from time to time.

2. Payment Netting

"**Payment Netting**" will apply.

If "**Payment Netting**" applies, the following will constitute "Specified Netting Contracts" for the purpose of this Clearing Terms in respect of the specified transactions or groups of transactions: All Client Transactions

3. Excess Margin Posting

"**Excess Margin Posting**" will not apply.

If "**Excess Margin Posting**" applies then:

4. Client Money Margin

"Client Money Margin" will apply.

5. Non-Cash Security Interest Margin

"Non-Cash Security Interest Margin" will apply.

6. Title Transfer Provisions

"Title Transfer Provisions" means the provisions as set out in clause 10 (b) of the Terms and Conditions.

7. Trading Default Elections

"Trading Type of Client Default Election" means Omnibus Account.

"Trading Type of Client Account Default Election" means Gross Omnibus.

8. Other Provisions

Not applicable

Table A

"Agreed CCP"	"Agreed CCP Service"	Mandatory CCP Provisions	"Excluded Transaction Type"	Type of Client	Type of Client Account and Custodian Details (if applicable)
Eurex Clearing AG	Eurex Clearing AG's Clearing of transactions pursuant to the Individual Clearing Model Provisions under Client Clearing Documentation (as such term is defined in Eurex Clearing AG's clearing conditions and all other rules of Eurex Clearing AG with regard to this Agreed CCP Service (the " Clearing Conditions ")), such Agreed CCP Service being the " ICM-CCD ").	The Mandatory CCP Provisions specified by Eurex Clearing AG from time to time which are available on its website at www.eurexclearing.com	Any Transaction Types not selected for clearing in the ICM Participation Agreement between you and us (Transaction Type and ICM Participation Agreement shall have the meanings given to them in the Clearing Conditions).	<i>Individual Client Account</i>	Not Applicable
ICE Clear Europe Limited	The clearing of transactions by ICE Clear Europe pursuant to ICE Clear Europe Clearing Rules.	The applicable Customer-CM CDS Transactions Standard Terms, Customer-CM F&O Standard Terms and Customer-CM FX Transactions Standard Terms	As agreed between the parties from time to time	Gross Omnibus Account	Gross Omnibus Account
The Trading Agreed CCP relating to the relevant Trading Agreed CCP Service	Each Trading Agreed CCP Service	The Trading Mandatory CCP Provisions relating to the relevant Trading Agreed CCP Service	As agreed between the parties from time to time	The Trading Type of Client Default Election	The Trading Type of Client Account Default Election