

1.2 Operating Times and Calendars

1.2.1 Opening Days

The Clearing House will publish a circular detailing the days on which SwapClear will be open.

1.2.2 Opening Hours

Unless notified otherwise, the SwapClear clearing system will be operational during the following hours:

06:00 London Time to 19:00 New York Time¹

However, SwapClear Clearing Members should note that Necessary Consents in relation to a Notification submitted during a business day shall be accepted by the Clearing House until 19.01 New York time on the following day. The Clearing House will notify SwapClear Clearing Members in the event that the SwapClear clearing system is scheduled for closure for operational or other reasons (including compression runs).

1.2.3 SwapClear Clearing System Calendars

The SwapClear clearing system uses the *SwapsMonitor Financial Calendar* for its processing. This will require all SwapClear Clearing Members to be licensees of the *SwapsMonitor Financial Calendar*. The calendars, as applicable to the SwapClear clearing system, will be available online for inspection and for file download from the SwapClear Clearing Member reporting system (see Section 1.1.3).

1.3 Registration

1.3.1 Executing Parties and Presentation for Clearing

A SwapClear Transaction may be entered into by and presented for clearing by (or on behalf of) any of the following parties: (a) SwapClear Clearing Members (or the SCM Branch of any such SwapClear Clearing Member); (b) SwapClear Dealers; (c) SwapClear Clearing Clients; (d) FCM SwapClear [Clearing](#) Members; and (e) in respect of Risk Neutralisation, the Clearing House.

The Clearing House receives details of a new eligible SwapClear Transaction using agreed format messages via an Approved Trade Source System. The Approved Trade Source System will send details of a SwapClear Transaction to the Clearing House once it has been bilaterally agreed by two Executing Parties or otherwise executed by or on behalf of two Executing Parties on a Trading Venue, and will confirm which SwapClear Clearing Member(s) has been elected to register the SwapClear Transaction. For the avoidance of

¹ The SwapClear clearing system may, in the Clearing House's absolute discretion, be operational beginning 04:00 London Time.

Calculation Period shall be determined by the Clearing House with reference to the rate(s) specified in the matched format message.

1.8.10 *Day Count Fractions: ISDA 2000*

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Where the SwapClear Contract is submitted under the ISDA 2000 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the principles specified in the SwapClear Transaction submitted to the Clearing House and as set forth in the ISDA 2000 Definitions.

1.8.11 *Day Count Fractions: ISDA 2006*

Day count fractions will be applied to deal legs independently as they are communicated via the matched format message.

Where the SwapClear contract is submitted under the ISDA 2006 Definitions, the Clearing House will calculate Day Count Fractions in accordance with the principles specified in the SwapClear Transaction submitted to the Clearing House and as set forth in the ISDA 2006 Definitions.

1.8.12 *Floating Rate*

~~The~~ Subject to Section 1.8.15 and Section 1.8.16 below, the Floating Rate Options shall have the meanings given to them in the ISDA 2000 Definitions or the ISDA 2006 Definitions, as applicable, provided that where the rate for a Reset Date (i) is unavailable (including where such rate ceases, or will cease, to be provided by its administrators), (ii) is not sufficiently robust, (iii) is not fit for purpose or (iv) has materially changed, in each case as determined by the Clearing House in its sole discretion, the Clearing House will determine an alternative rate at its sole discretion. Each such rate will be provided in regular reports by the Clearing House to members.

(a) *Applying Floating Rate Options*

The Clearing House will determine the rate applicable on a Reset Date in respect of a SwapClear Contract as set out in the paragraph above. Such rate will be applied to the appropriate floating legs and the coupon payments calculated.

The coupon payments will be adjusted to fall on actual business days according to the Calendar(s) and Business Day Convention specified.

(b) *Negative Interest Rate Method*

SCMs should note the provisions of section 3.3 of Part A of the Product Specific Contract Terms and Eligibility Criteria Manual as published on the Clearing House's website regarding the applicability of the Negative Interest Rate Method to a SwapClear Contract. SwapClear Clearing Members may, in the circumstances, wish to

ensure that any trade submitted for registration follows that Negative interest Rate Method.

1.8.13 *Calculation of Inflation Indices*

- (a) The Index level used for calculating the Floating Rate is determined according to the 2008 ISDA Inflation Definitions in respect of the following indices (or successor indices from time to time):
 - (i) non-revised Index of Consumer Prices excluding Tobacco in the European Monetary Union;
 - (ii) non-revised Index of Consumer Prices excluding Tobacco in France;
 - (iii) non-revised Index of Consumer Prices excluding Tobacco in the United Kingdom; and
 - (iv) non-revised Index of Consumer Prices for All Urban Consumer (CPI-U) before seasonal adjustment in the United States.

In the event an Index is not available to calculate the Index Final, the Clearing House will, in its sole discretion, determine a value for the Index Final.

1.8.14 *Non-deliverable Interest Rate Swaps*

The Clearing House will calculate all coupon payments for SwapClear Contracts that are non-deliverable interest rate swaps, including the Fixed Amount or Floating Amount payable under any such SwapClear Contract, in USD, and all amounts due or payable under such SwapClear Contracts must be paid in USD.

1.8.15 *Pre-Cessation*

- (a) On the Pre-Cessation Effective Date:
 - (i) in relation to a Relevant Benchmark other than Yen LIBOR, EURIBOR, U.S. Dollar LIBOR or Swiss Franc LIBOR, the Relevant Floating Rate Option related to that Relevant Benchmark for each Reset Date occurring on or after the Pre-Cessation Effective Date will, in respect of all SwapClear Contracts referencing such Relevant Floating Rate Option, be deemed to be the corresponding Replacement Floating Rate Option and the rate for such SwapClear Contract shall be determined accordingly;
 - (ii) in relation to Yen LIBOR, JPY-LIBOR-BBA for each Reset Date occurring two or more London Banking Days after the Pre-Cessation Effective Date will, in respect of all SwapClear Contracts referencing JPY-LIBOR-BBA, be deemed to be Adjusted TONA and the rate for such SwapClear Contract shall be determined accordingly;

- (iii) in relation to EURIBOR, EUR-EURIBOR-Reuters for each Reset Date occurring two or more TARGET Settlement Days after the Pre-Cessation Effective Date will, in respect of all SwapClear Contracts referencing EUR-EURIBOR-Reuters, be deemed to be Adjusted EuroSTR and the rate for such SwapClear Contract shall be determined accordingly;
 - (iv) in relation to U.S. Dollar LIBOR, USD-LIBOR-BBA for each Reset Date occurring two or more London Banking Days after the Pre-Cessation Effective Date will, in respect of all SwapClear Contracts referencing USD-LIBOR-BBA, be deemed to be Adjusted SOFR and the rate for such SwapClear Contract shall be determined accordingly; and
 - (v) in relation to Swiss Franc LIBOR, CHF-LIBOR-BBA for each Reset Date occurring two or more London Banking Days after the Pre-Cessation Effective Date will, in respect of all SwapClear Contracts referencing CHF-LIBOR-BBA, be deemed to be Adjusted SARON and the rate for such SwapClear Contract shall be determined accordingly.
- (b) Following a Pre-Cessation Trigger Event Date in relation to a Relevant Benchmark, LCH shall notify all SwapClear Clearing Members in writing via a member circular of the occurrence of a Pre-Cessation Trigger Event in relation to such Relevant Benchmark and such notice shall specify the Pre-Cessation Effective Date in relation to such Relevant Benchmark. The Pre-Cessation Effective Date shall be no later than the later of (i) [five (5)] Business Days following the Pre-Cessation Trigger Event Date, and (ii) the Non-Representative Date.
- (c) Following the Pre-Cessation Effective Date in relation to a Relevant Benchmark LCH shall have the right to make any amendments or modifications to the terms of any SwapClear Contract referencing a Relevant Floating Rate Option related to such Relevant Benchmark that it determines, in its sole and absolute discretion, are necessary to give effect to the Replacement Floating Rate Option (including, but not limited to, the Reset Dates) and it shall promptly notify each SwapClear Clearing Member in writing via a member circular of any such amendment.
- (d) For the avoidance of doubt the foregoing provisions shall be without prejudice to any other provision of the Rulebook or a SwapClear Contract at any time, including without limitation, any provisions or supplements published by the International Swaps and Derivatives Association from time to time and incorporated into the SwapClear Contracts in accordance with the Rulebook in relation to the permanent cessation and/or temporary unavailability of any Relevant Benchmark or Relevant Floating Rate Option. If any such provisions or supplements are so incorporated the foregoing provisions shall continue to apply in relation to a Pre-Cessation Trigger Event.

For the purposes of this Section 1.8.15, the following terms shall have the following meanings:

Adjusted Cash Rate means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Reserve Bank of Australia cash rate (Cash Rate) (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider) as the provider of the term adjusted Cash Rate as of [●] Sydney time on the Reset Date; plus
- (b) the spread relating to BBSW as of the Non-Representative Date for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

Adjusted CORRA means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Canadian Overnight Repo Rate Average (CORRA) (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider), as the provider of term adjusted CORRA as of [●], Toronto time, on the Reset Date; plus
- (b) the spread relating to CDOR as of the Non-Representative Date for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract provided by Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

Adjusted EuroSTR means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Euro Short-Term Rate (EuroSTR) (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider), as the provider of term adjusted EuroSTR as of [●], [London] time, on the Reset Date; plus
- (b) the spread relating to EURIBOR as of the Non-Representative Date for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract provided by

Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

Adjusted HONIA means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Hong Kong Dollar Overnight Index Average (HONIA) rate (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider), as the provider of term adjusted HONIA as of [●], Hong Kong time, on the Reset Date; plus
- (b) the spread relating to HIBOR as of the Non-Representative Date for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract provided by Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

Adjusted SARON means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Swiss Average Rate Overnight (SARON) (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider), as the provider of term adjusted SARON as of [●], [London] time, on the Reset Date; plus
- (b) the spread relating to Swiss Franc LIBOR as of the Non-Representative Date for a period for the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract provided by Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

Adjusted SOFR means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Secured Overnight Financing Rate (SOFR) (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider), as the provider of term adjusted SOFR as of [●], [London] time, on the Reset Date; plus
- (b) the spread relating to U.S. Dollar LIBOR as of the Non-Representative Date for a period for the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that

SwapClear Contract provided by Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

Adjusted SONIA means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Sterling Overnight Index Average (SONIA) (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider), as the provider of term adjusted SONIA as of [●], London time, on the Reset Date; plus
- (b) the spread relating to Sterling LIBOR as of the Non-Representative Date for a period for the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract provided by Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

Adjusted TONA means, in respect of a SwapClear Contract, the rate for a Reset Date (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract will be:

- (a) the term adjusted Tokyo Overnight Average Rate (TONA) (excluding any spread adjustment) for a period of the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract, provided by Bloomberg Index Services Limited (or a successor provider), as the provider of term adjusted TONA as of [●], Tokyo time, on the Reset Date; plus
- (b) the spread relating to Yen LIBOR as of the Non-Representative Date for a period for the Designated Maturity (as defined in the SwapClear Contract Terms) in respect of that SwapClear Contract provided by Bloomberg Index Services Limited (or a successor provider) as the provider of such spread.

BBSW is the Australian Dollar rate for prime bank eligible securities known as the Bank Bill Swap Rate provided by the Australian Securities Exchange, as the administrator of the benchmark, (or a successor administrator).

CDOR is the Canadian Dollar rate for bankers acceptance borrowings known as the Canadian Dollar Offered Rate provided by Refinitiv Benchmark Services (UK) Limited, as the administrator of the benchmark, (or a successor administrator).

EONIA means the Euro OverNight Index Average rate provided by the European Money Markets Institute as administrator of the benchmark (or a successor administrator).

EURIBOR means the Euro wholesale funding rate known as the Euro Interbank Offered Rate provided by the European Money Markets Institute, as the administrator of the benchmark, (or a successor administrator).

HIBOR is the rate of interest offered on Hong Kong Dollar loans by banks in the interbank market known as the Hong Kong Interbank Offered Rate provided by the Treasury Markets Association, as the administrator of the benchmark, (or a successor administrator).

Non-Representative Date means, in relation to a Relevant Benchmark which has been the subject of a Pre-Cessation Trigger Event, the date on which such Relevant Benchmark is not, or will not be, representative as identified by the Relevant Regulator of such Relevant Benchmark in its public statement or publication of information.

Pre-Cessation Effective Date means, in relation to a Relevant Benchmark which has been the subject of a Pre-Cessation Trigger Event, the date specified as such in the notice sent by LCH to SwapClear Clearing Members pursuant to *[insert cross-reference]* in relation to such Relevant Benchmark.

Pre-Cessation Trigger Event means, in relation to a Relevant Benchmark, a public statement or publication of information by the Relevant Regulator in respect of the Relevant Benchmark announcing that the Relevant Benchmark is no longer representative or will not be representative in the future.

Pre-Cessation Trigger Event Date means, in relation to a Relevant Benchmark, the date of the statement or publication which constitutes the Pre-Cessation Trigger Event.

Replacement Floating Rate Option means, with respect to a Relevant Floating Rate Option, the corresponding rate identified in the relevant row of the fourth column of the table set-out in *[insert cross-reference to relevant new Procedure]*.

Relevant Benchmark means each interest rate benchmark identified in the first column of the table set-out in *[insert cross-reference to relevant new Procedure]*.

Relevant Floating Rate Option means each floating rate option identified in the third column of the table set-out in *[insert cross-reference to relevant new Procedure]*, where each such rate is as defined in the SwapClear Eligibility Criteria.

Relevant Regulator means, with respect to a Relevant Benchmark, the regulatory authority responsible for such Relevant Benchmark as identified in the second column of the table set-out in *[insert cross-reference to relevant new Procedure]* or any successor thereto.

Sterling LIBOR means the Sterling wholesale funding rate known as the Sterling London Interbank Offered Rate provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator).

Swiss Franc LIBOR is the Swiss Franc wholesale funding rate known as the Swiss Franc London Interbank Offered Rate provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator).

U.S. Dollar LIBOR means the U.S. Dollar wholesale funding rate known as the U.S. Dollar London Interbank Offered Rate provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator).

Yen LIBOR is the Yen wholesale funding rate known as the Yen London Interbank Offered Rate provided by ICE Benchmark Administration Limited, as the administrator of the benchmark, (or a successor administrator).

1.8.16 Pre-Cessation Benchmarks

<u>Relevant Benchmark</u>	<u>Relevant Regulator</u>	<u>Relevant Floating Rate Option</u>	<u>Replacement Floating Rate Option</u>
<u>U.S. Dollar LIBOR</u>	<u>The U.K. Financial Conduct Authority</u>	<u>USD-LIBOR-BBA</u>	<u>Adjusted SOFR</u>
<u>EURIBOR</u>	<u>The Belgian Financial Services and Markets Authority</u>	<u>EUR-EURIBOR-Reuters</u>	<u>Adjusted EuroSTR</u>
<u>EONIA</u>	<u>The Belgian Financial Services and Markets Authority</u>	<u>EUR-EONIA-OIS-Compound</u>	<u>The ECB Recommended Rate (as defined in supplement number 60 to the 2006 ISDA Definitions published 1st October, 2019)</u>
<u>Sterling LIBOR</u>	<u>The U.K. Financial Conduct Authority</u>	<u>GBP-LIBOR-BBA</u>	<u>Adjusted SONIA</u>
<u>Yen LIBOR</u>	<u>The U.K. Financial Conduct Authority</u>	<u>JPY-LIBOR-BBA</u>	<u>Adjusted TONA</u>
<u>Swiss Franc LIBOR</u>	<u>The U.K. Financial Conduct Authority</u>	<u>CHF-LIBOR-BBA</u>	<u>Adjusted SARON</u>
<u>BBSW</u>	<u>Australian Securities and Investment Commission</u>	<u>AUD-BBR-BBSW</u>	<u>Adjusted Cash Rate</u>
<u>CDOR</u>	<u>Canadian Office of the Superintendent of Financial Institutions</u>	<u>CAD-BA-CDOR</u>	<u>Adjusted CORRA</u>
<u>HIBOR</u>	<u>The Hong Kong Monetary Authority and/or the Hong Kong Association of Banks</u>	<u>HKD-HIBOR-HKAB</u>	<u>Adjusted HONIA</u>

SCHEDULE 2
CONFIDENTIALITY, NON-DISCLOSURE AND PARTICIPATION IN THE
DEFAULT MANAGEMENT GROUP

1. Definitions

- 1.1 **"Confidential Material"** means data (including but not limited to portfolio data) and documents, which are not in the public domain and which are disclosed to the SCM, its associated companies and advisers, or to which the SCM, its associated companies and advisers obtains or otherwise has access as a result of participation in the Rates Service DMP, (which, for the avoidance of doubt, does not include any information, data or documents provided to the Clearing House by the SCM).
- 1.2 **"DMG Member"** means an individual appointed by a Nominating SCM.
- 1.3 **"Nominating SCM"** means a SwapClear Clearing Member who, through their obligations under the Rates Service DMP, makes available a representative to serve on the DMG.
- 1.4 **"Permitted Purpose"** means proper fulfilment by the SCM of its duties under the Rates Service DMP and includes, after the completion of the Auction, the use by the SCM, its associated companies and advisers (to be determined by it at its discretion) of any data or documents related to portfolios successfully won through the Auction for the purposes of its own ongoing portfolio management and to enable it to comply with ongoing legal or regulatory requirements.
- 1.5 References denoting the masculine (including "his" and "he") shall be construed as the feminine if the DMG Member is female.
- 1.6 All other terms have the meaning ascribed to them in the Default Rules (including the Rates Service DMP Annex).

Confidentiality and Non-Disclosure: General Obligations of the SCM

2. Confidentiality

- 2.1 The SCM agrees that, in consideration of being given Confidential Material, it will keep all such Confidential Material in the strictest confidence, adhere to the provisions of this Agreement in respect thereof and, subject to Section 2.3, will not disclose it to any person without the prior written permission of the Managing Director, Risk of the Clearing House or a Director of Risk Management of the Clearing House, providing always that the SCM shall be relieved of such an obligation of confidentiality in respect of any Confidential Material if:
- 2.1.1 it comes into the public domain other than through a breach by the SCM of this Agreement; or
- 2.1.2 the SCM is expressly obliged to do so by order of a court of competent jurisdiction upon the application of a third party, or as a result of any request to disclose such part or parts of the Confidential Material in connection with any inquiry or other request by a regulatory authority or self-regulatory authority asserting jurisdiction over the SCM.