

Clearing Appendix 13

Supplemental default rules for Clearing Transactions recorded on Clearing Client Clearing Accounts

Issued by NASDAQ OMX Clearing AB

SUPPLEMENTAL DEFAULT RULES FOR CLEARING TRANSACTIONS RECORDED ON CLEARING CLIENT CLEARING ACCOUNTS

1 APPLICATION

- 1.1 Where a General Clearing Member or Clearing Member that acts as a Client Representative in respect of a Clearing Client Clearing Account is subject to a Material Default Event, the Clearinghouse shall take the steps set out in this Appendix in respect of the Clearing Transactions registered on such Clearing Client Clearing Account.

2 INTERPRETATION

- 2.1 Capitalized terms herein shall have the meanings assigned to them below and in the Clearing Rules.

Back-up Client Representative In respect of a Clearing Client, a General Clearing Member or Clearing Member that has agreed to act in such capacity on behalf of such Clearing Client of another General Clearing Member or Clearing Member.

Clearing Client Clearing Account Assets In respect of a Clearing Client Clearing Account, all Collateral in the Collateral Custody Account in the name of the Clearing Client pledged to, or otherwise provided to, the Clearinghouse in respect of such Clearing Client Clearing Account.

3 STEPS TO BE TAKEN BY THE CLEARINGHOUSE

- 3.1 Where a Material Default Event has occurred to an Account Holder to which this Appendix applies, the Clearinghouse shall:
- a. take any action permitted or required by applicable law as it shall deem necessary in respect of the Client Clearing Accounts managed by the defaulting Account Holder;
 - b. satisfy itself that the Clearing Client is not in default under its obligations to provide Collateral to the Clearinghouse;
 - c. for each Clearing Client of the defaulting Account Holder:
 - (i) ascertain whether such Clearing Client has appointed a Back-up Client Representative to act as its Client Representative in respect of the Clearing Client Clearing Account;
 - (ii) ascertain whether such Clearing Client consents to having all Clearing Transactions registered on its Clearing Client Clearing Account managed by the defaulting Account Holder be transferred to such Back-up Client Representative pursuant to section 4;
 - (iii) once satisfied as to (i) and (ii), send details of such Clearing Transactions to such Back-up Client Representative and ascertain whether such Back-up Client Representative provides its consent to open a Clearing Client Clearing Account on behalf of such Clearing Client; and
 - (iv) if such Back-up Client Representative provides its consent, ensure that such Back-up Client Representative has entered into such agreements as are required in order for such Back-up Client Representative to operate a Clearing Client Clearing Account on behalf of the Clearing Client.

4 CLEARING CLIENT PORTING

- 4.1 Where the Clearinghouse has determined that the requirements set out in section 3 have been met in respect of a Clearing Client, the Clearinghouse shall, subject to (a) satisfaction of any requirements to post Collateral and/or make payments in respect of

the aggregate of all Daily Cash Settlement instructions since the last Daily Cash Settlement instruction was satisfied in respect of the Clearing Client Clearing Account managed by the defaulting Account Holder; and (b) execution by the Clearing Client of a Clearing Client Agreement with the Back-up Client Representative:

- a. (x) transfer all such Clearing Transactions to the Clearing Client Clearing Account managed by such Back-up Client Representative for and on behalf of the Clearing Client; or (y) terminate and close out such Clearing Transactions at their market value (as determined by the Clearinghouse in its discretion) and enter into new contracts on equivalent terms to such Clearing Transactions and have such new Clearing Transactions registered on the Clearing Client Clearing Account managed by such Back-up Client Representative;
- b. waive any such prior pledge or general pledge provided in the Clearing Rules or any pledge documentation or other security agreement entered into pursuant to the Clearing Client Clearing Account managed by the defaulting Account Holder on behalf of the Clearing Client or any such other Clearing Client Clearing Account;
- c. treat the related Clearing Client Clearing Account Assets in respect of that Clearing Client as being provided in relation to the Clearing Client Clearing Account managed by such Back-up Client Representative for such Clearing Client.

5 CONSENTS AND CONDITIONS

- 5.1 For the purposes of section 3.1c, the relevant Clearing Client and Back-up Client Representative may provide their consent to the Clearinghouse orally or in writing (including by facsimile and email) and such consent, once received by the Clearinghouse, shall be irrevocable. If the Clearinghouse has not received all necessary consents within such time period as it determines in its sole discretion, or any other requirement in section 3.1 not being met, then section 4 shall not apply, and the Clearing House shall instead act in accordance with section 6.

6 ALLOCATION AND RETURN OF CLEARING CLIENT ACCOUNT BALANCE

- 6.1 In relation to a Clearing Client of a defaulting Account Holder whose open Clearing Transactions are not dealt with pursuant to section 4 within 24 hours from calling the default of such defaulting Account Holder or by such later time as the Clearinghouse may determine in its discretion, the Clearinghouse shall:
 - a. have the right to elect, without consulting the defaulting Account Holder or the Clearing Client and at the defaulting Account Holder's or Clearing Client's expense,
 - (i) to take one or more of the measures stated in section 8 of the General Terms of the Clearing Rules which in such case shall be equally applicable to such Clearing Client of a defaulting Account Holder;
 - (ii) following the taking of any such measures, calculate the amount due to the Clearinghouse or from the Clearinghouse in respect of such Clearing Client Clearing Account (including where appropriate any such fees, costs or expenses of the Clearinghouse in taking such action or making such determination); and
 - (iii) (x) where an amount is owed to the Clearinghouse, apply such of the Clearing Client Clearing Account Assets as are required to meet such amount or (y) where an amount is owed by the Clearinghouse, pay such amount to the Clearing Client subject to the execution of appropriate documentation (which may, without limitation, include an indemnity (secured or otherwise) and a release of the Clearinghouse from any liability) between the Clearinghouse and such Clearing Client.

7 TERMINATION OF CLEARING CLIENT AGREEMENT

- 7.1 Where
 - a. the requirements set out in section 3 have been met in respect of a Clearing Client and the Clearinghouse has taken the steps set out in section 4.1 above; or

- b. the Client Representative's membership agreement with the Clearinghouse has been terminated by the Clearinghouse; or
- c. (i) there are no Open Positions registered in the relevant Clearing Accounts; and (ii) there is no amount owing to the Clearinghouse by the Clearing Client;

the Clearing Client may terminate its Clearing Client Agreement with the defaulting Client Representative.

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