

FORM OF CLEARING MEMBER SECURITIES INSTRUCTIONS

These Clearing Member Securities Instructions are dated [] and are entered into as a deed by and between:

- (1) [Clearing Member] of [name and address] ("**Clearing Member**");
- (2) LCH.Clearnet Limited of Aldgate House, 33 Aldgate High Street, London, EC3N 1EA ("**LCH**"); and
- (3) ICE Clear Europe Limited of International House, 1 St. Katharine's Way, London, E1W 1UY ("**ICE Clear**").

WHEREAS

- (A.) LCH currently provides central counterparty and clearing services for the ICE Futures and ICE OTC markets;
- (B.) ICE Clear will become clearing house for ICE Futures' and ICE Inc.'s markets at the Novation Time (as defined below);
- (B.) the parties have entered into a deed of novation (as amended, the "**Deed of Novation**") in order to provide for the novation of certain market contracts from LCH to ICE Clear and other connected matters; and
- (C) in connection with the Deed of Novation, the parties wish to make provision for the transfer of Transferring Securities (as defined below) relating to contracts to be novated from LCH to ICE Clear.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS:

- 1.1 In these Clearing Member Securities Instructions, the following defined terms have the meanings given to them in this section:

"**Cash Collateral Transfer Form**" means a document provided by the Clearing Member in the form set out in the annex to the form of clearing member cash instructions approved by LCH and the Clearing House, including details of certain cash to be transferred into escrow at the Novation Time in connection with the Novation.

"**Clearing Membership Agreement**" means the clearing membership agreement between the Clearing Member and ICE Clear.

"**Encumbrance**" means any claim, charge, mortgage, security, lien, equity, beneficial interest, power of sale, option or other right to purchase, usufruct, hypothecation, retention of title, right of pre-emption or other third party right or security interest of any kind or an agreement to create any of the foregoing.

"**Securities Collateral Transfer Form**" means a document substantially in the form set out in the Annex.

"**Transferring Securities**" means the 'Permitted Cover' (as defined in the ICE Clear Rules) other than cash specified in a Securities Collateral Transfer Form which has been confirmed by LCH to be correct under Clause 2.3, including all rights, interests and titles in, to and under the same.

- 1.2 Defined terms used but not defined herein have the meanings set out in the Deed of Novation. To the extent that these Clearing Member Securities Instructions conflict with the Deed of Novation, these Clearing Member Securities Instructions shall prevail.

2. SECURITIES COLLATERAL TRANSFER FORM

- 2.1 The Clearing Member hereby undertakes that, to the extent it wishes any Transferring Securities to be subject to these Clearing Member Securities Instructions, it shall deliver a duly completed and duly authorised Securities Collateral Transfer Form to LCH and ICE Clear at or before 2:00 p.m. on the Saturday immediately prior to the Novation Time. If no valid Securities Collateral Transfer Form is received by ICE Clear or LCH prior to the time specified in this Clause 2.1, Clause 3 of these Clearing Member Securities Instructions shall be of no effect.
- 2.2 At the time that any Securities Collateral Transfer Form (or document updating or replacing any Securities Collateral Transfer Form) is provided by the Clearing Member to LCH or ICE Clear, the Clearing Member shall be deemed to represent and warrant to both LCH and ICE Clear that:
- (i) the Securities Collateral Transfer Form is accurate and complete in all material respects;
 - (ii) all securities specified in the Securities Collateral Transfer Form represent an amount less than or equal to the amount of expected initial margin, buyer's security and seller's security standing to the credit of the Clearing Member with LCH relating to Novating Contracts to which the Clearing Member is a party as at the Novation Time;
 - (iii) the aggregate of securities specified in Securities Collateral Transfer Forms plus any cash specified in Cash Collateral Transfer Forms does not exceed expected initial margin, buyer's security and seller's security relating to Novating Contracts plus surplus cash cover standing to the credit of the Clearing Member with LCH immediately prior to the Novation Time;
 - (iv) all securities specified in the Securities Collateral Transfer Form are 'Permitted Cover', as defined in the ICE Clear Rules; and
 - (v) the Clearing Member will not give any instruction in relation to any Transferring Cash or Transferring Securities inconsistent with these Clearing Member Securities Instructions or any Collateral Transfer Form.

All such representations and warranties shall be deemed to be repeated at the Novation Time.

- 2.3 LCH will confirm to ICE Clear and the Clearing Member whether or not the Securities identified in any Securities Collateral Transfer Form provided by the Clearing Member are available to LCH as described in Clause 2.2(ii). If the Securities identified in the Securities Collateral Transfer Form are not so available, neither these Clearing Member Securities Instructions nor the relevant Securities Collateral Transfer Form shall be valid unless the Securities Collateral Transfer Form is replaced with a valid Securities Collateral Transfer Form that is confirmed as acceptable by LCH prior to the time specified in Clause 2.1 or such later time as LCH and ICE Clear agree.

3. TRANSFERRING SECURITIES

- 3.1 At the Novation Time, notwithstanding any entry on any computer, clearing, trading or banking system to the contrary, the Transferring Securities shall become surplus cover under

the LCH Regulations and the charge in relation to the Transferring Securities in favour of LCH shall terminate. As a result, the amount of 'cover' (as defined under the LCH Regulations) standing to the credit of the Clearing Member with LCH shall be reduced by the amount of the Transferring Securities and the amount of 'Permitted Cover' (as defined in the ICE Clear Rules) standing to the credit of the Clearing Member with ICE Clear shall be correspondingly increased. The transfer of Transferring Securities to the account of ICE Clear at the Novation Time will be subject to all the requirements of clause 4 of the Clearing Membership Agreement and relevant provisions of the ICE Clear Rules.

- 3.2 The Clearing Member hereby irrevocably directs (and LCH irrevocably agrees) to transfer the Transferring Securities to ICE Clear as soon as reasonably practicable after the Novation Time. The parties acknowledge that, as from the Novation Time, LCH will hold all of its rights, titles and interests in, to and under all securities in which it has any right, title or interest that are fungible with any Transferring Securities on trust for ICE Clear and itself, in the case of ICE Clear to be beneficially entitled in respect of a number and value of securities up to that of the Transferring Securities (and transferring securities of any other clearing members that have given similar directions) and in the case of LCH to be entitled to the balance, whether beneficially or as secured party for other clearing members or their clients in accordance with the LCH Regulations. The parties acknowledge LCH and ICE Clear's agreement that LCH transfer the Transferring Securities from its custody to or to the account of ICE Clear as soon as practicable after the Novation Time.
- 3.3 The transfer of Transferring Securities to the account of ICE Clear at the Novation Time pursuant to this Clause 3 will be subject to all the requirements of clause 4 of the Clearing Membership Agreement and relevant provisions of the ICE Clear Rules. The Clearing Member agrees that LCH, in addition to ICE Clear, shall hereby be entitled to take the benefit of all of its representations and warranties under clause 4 of the Clearing Membership Agreement in relation to the transfer of Transferring Securities to ICE Clear at the Novation Time. As a result, the Transferring Securities shall be held by LCH as from the Novation Time free of all and any Encumbrances (other than any interest of LCH hereunder or pursuant to any agreement between it and ICE Clear). For the avoidance of doubt, the Clearing Member represents, warrants and agrees in favour of both LCH and ICE Clear that none of its customers or clients has any interest whatsoever in any Transferring Securities, irrespective of whether any of its right, title or interest in, to or under the Transferring Securities were charged to LCH immediately prior to the Novation Time or of any third party right that may have existed before that time.
- 3.4 Notwithstanding anything to the contrary in these Clearing Member Securities Instructions, if the Clearing Member is declared a "defaulter" by LCH for purposes of the LCH Regulations or by ICE Clear for the purposes of the ICE Clear Rules before the Novation Time, these Clearing Member Securities Instructions shall be of no effect.

4. MISCELLANEOUS

Clauses 6, 7, 9 (except 9.3, to the extent that it refers to a trust) of the Deed of Novation shall apply to these Clearing Member Securities Instructions in the same way as such provisions apply in relation to the Deed of Novation, *mutatis mutandis*.

Executed as a deed by [CLEARING MEMBER] acting by:

By: _____	(Signature)
_____	(Print Name) Director

By: _____	(Signature)
_____	(Print Name) Director/Secretary

Executed as a deed by ICE CLEAR EUROPE LIMITED acting by:

By: _____	(Signature)
_____	(Print Name) Director
By: _____	(Signature)
_____	(Print Name) Director/Secretary

Executed as a deed by LCH.CLEARNET LIMITED acting by:

By: _____	(Signature)
_____	(Print Name) Director
By: _____	(Signature)
_____	(Print Name) Director/Secretary