

SECTION 4

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4. **COLLATERAL**

4.1 **PERFORMANCE BONDS**

Clearing Members must first consult LCH.Clearnet Limited Treasury Operations (“Treasury Operations”) about which bank(s) they intend to use for the provision of a performance bond(s). Treasury Operations will advise on whether the proposed arrangements (bank(s) and size of performance bond) are acceptable or not.

When the arrangements have been agreed, a standard form available from Treasury Operations (Appendix 4A) should be completed by the bank and returned to Treasury Operations.

If a Clearing Member chooses to cover house and client liabilities using performance bonds, separate performance bonds must be provided for each account. Each performance bond must state the type of account it covers.

The Clearing House gives no undertaking that on the default of a Clearing Member it will not call and utilise a performance bond provided to it before utilising any other form of cover the Clearing House may hold.

4.1.1 **Lodgement Procedure**

Day One

- (a) By 16:30 hours the bank delivers the performance bond to Treasury Operations.
- (b) If it is in acceptable form, the performance bond will be entered into the Clearing Member’s cover account.
- (c) If it is unacceptable, Treasury Operations will contact the issuing bank and the Clearing Member (beneficiary) to inform them that the performance bond has been rejected. The performance bond will not be entered into the Clearing Member’s cover account in the banking system.

Day Two

Subject to compliance with (a) and (b) above, the Clearing Member receives value for the performance bond.

4.1.2 **Amendment Procedure**

Amendment letters (see Appendix 4B) must be delivered to Treasury Operations before 16:30 hours on any business day. They can be sent by fax to the following number: **020 7426 7037**.

Banks should submit amendment letters, in duplicate, on their headed paper. Originals must be forwarded to the Clearing House within two business days of the fax transmission. The Clearing House will sign and return one original.

4.1.2.1 **Increase in Value of Performance Bonds**

Any Clearing Member wishing to increase the value of a performance bond must first establish whether the increase is acceptable to Treasury Operations. If it is, the relevant amendment letters have to be completed and submitted to Treasury Operations. Upon receipt of these letters (completed to the satisfaction of the Clearing House) increases in the value of the Clearing Member's performance bond (s) will be put into effect.

4.1.2.2 **Decrease in Value of a Performance Bond**

If the proposed decrease in the value of a performance bond leaves the Clearing Member with sufficient cover for liabilities and the relevant amendment letters are in acceptable form, the decrease in value will become effective. If the proposed decrease leaves the Clearing Member with insufficient cover, the cover balance will be reduced accordingly and the overnight cover calculation will assume the smaller amount. The Clearing House will not sign the amendment letter until the next morning's margin call is complete.

4.1.2.3 **Amendment of Term**

An amendment to the term will become effective when the Clearing House signs the amendment letter.

4.1.3 **Release Procedure**

Day One

- (a) By 16:30 hours the bank should contact Treasury Operations to arrange for the release of the performance bond.
- (b) Under normal circumstances, fourteen calendar days' notice will be required in order to release the performance bond. However, if the performance bond is not being used to cover margins, it may, at the sole discretion of the Clearing House, be released earlier.
- (c) The performance bond will be amended in the Clearing Member's cover account to expire in fourteen calendar days, or at an earlier date if the Clearing House so permits.
- (d) On expiry or cancellation, the performance bond is returned to the bank by the Clearing House.

4.1.4 **Expiry**

Overnight before the Termination Date of the performance bond its value will be deducted from the amount of cover available in the relevant Clearing Member's account.

4.2 **GENERAL INFORMATION**

4.2.1 **LCH.Cleernet Form of Charge**

Clearing Members wishing to lodge securities with the Clearing House must first complete a *Form of Charge*. This document establishes a fixed charge over specified securities transferred into an account with the Clearing House by the Clearing Member. The document is required to be executed in accordance with the instructions which accompany it.

Charge documentation is available from the Clearing House Risk Department and should be returned on completion to that department.

Where a Clearing Member lodges collateral to cover both house and client accounts it must execute two separate charges. Forms relating to lodgements and releases of collateral must indicate the particular account to which they relate. Any collateral lodged with the Clearing House will be applied as cover against the Clearing Member's (house or client) margin liabilities as per the relevant documentation.

Collateral charged in respect of a Clearing Member's client account will not be applied by the Clearing House to his liabilities on a house account (see regulation 5(d)).

Collateral charged in respect of a Clearing Member's house account may be applied by the Clearing House towards the payment of any sum whatsoever due by the Clearing Member to the Clearing House, save that no collateral charged in respect of a Clearing Member's house account shall be applied on or towards payment or satisfaction of any of the Clearing Member's liabilities to the Clearing House on any of the Clearing Member's client accounts.

Where a Clearing Member wishes to pass a client's collateral to the Clearing House, the Clearing Member must, inter alia, ensure that at all times it remains expressly agreed with the client that the Clearing Member may charge the collateral to the Clearing House, on the Clearing House's terms and free of the client's or other owner's interest, to secure the Clearing Member's obligations to the Clearing House. Where a client's collateral is to be passed to the Clearing House, the Clearing Member must ensure that a *Client Consent Form* is completed by the beneficial owner (see Appendix 4E) and forwarded to the Clearing House along with the lodgement of collateral to which it relates. The Clearing House gives no undertaking that, on the default of a Clearing Member, it will not utilise clients' collateral which has been passed to it by a Clearing Member, before utilising any other form of cover the Clearing House may hold.

Clause 7 of the charge prohibits the existence of any other charge or security interest, whether created before or after the Clearing House's interest, without the Clearing House's prior written consent (except a deferred charge in favour of the Clearing Member himself). The Clearing House consents to certain such other charges as follows:

Where a Clearing Member accepts business from a non-clearing broker and charges to the Clearing House, as cover for margin, securities belonging to a client of that broker with the client's express agreement, clause 7(2) of the charge will allow the Clearing Member to have a security interest in the securities

4.2.1 deferred to that of the Clearing House. In addition, by the notification issued
(cont'd) under clause 7(1) of the charge, the Clearing House consents to the non-clearing broker also obtaining or retaining a security interest in the same securities, provided always that:

- (a) The broker's interest is expressly deferred to that of the Clearing House; and
- (b) The broker is an authorised person within the meaning of the Financial Services and Markets Act 2000.

The consent given above allows a security interest only in favour of a broker from whom a Clearing Member accepts business. Where there is a chain of transactions involving other brokers, those other brokers may not hold security interests in reliance on this notification. If such brokers wish to hold security interests in collateral charged to the Clearing House, the Clearing Member should apply to the Clearing House under clause 7(1) (ii) of the Charge for written consent in their particular case.

Clearing Members are warned that the taking of collateral is a complex legal matter. These procedures, and any communication with the Clearing House, whether of an oral or written nature, are not to be taken as containing legal advice. A Clearing Member or broker who contemplates taking an interest in securities belonging to a client should seek independent professional advice on the matter.

4.2.2 General Information

The Clearing House is, at its sole discretion, entitled to determine what will be acceptable to it as collateral and to determine when a security will cease to be acceptable as collateral.

If any instrument or security, lodged in accordance with any of the following procedures, is in any way found to be unacceptable, it will immediately be given a zero value in the Clearing Member's cover account with the Clearing House. Replacement cover may be required immediately from the Clearing Member.

The Clearing House accepts faxed copies of *Collateral Lodgement Forms*, *Collateral Release Forms* and *Client Consent Forms*. These will be valid for a period of fourteen days, by which time original copies must have been received; If original copies are not received by the Clearing House within fourteen days cover value will not be given on the Clearing Member's account and the collateral may be returned.

The Clearing House will only accept delivery of securities in accordance with these procedures, and will not sell, purchase or encash securities for Clearing Members, except in so far as it is acting under its Default Rules and related General Regulations or in relation to exchange rules.

The Clearing House reserves the right to require a Clearing Member to execute revised versions of the Charge, whenever the Clearing House, at its sole discretion, considers that it would be appropriate, and to issue amended versions of the *Collateral Lodgement*, *Client Consent* and *Collateral Release forms* at any time and thereafter to refuse to accept requests made to it on earlier versions of such forms.

4.2.2 (cont'd) In the event that the Clearing House at any time determines that it is holding excess collateral (as defined below) from a Clearing Member, the Clearing House may notify that Clearing Member of the intention to levy a charge in respect of excess collateral with effect from such date as is notified to the Clearing Member. In the event that the Clearing Member does not remove excess collateral before the date so notified, the Clearing House may, in its discretion, charge the Clearing Member at the rate of 1 basis point until excess collateral is removed by the Clearing Member through use of a *Collateral Release Form*. Payment of this charge shall be collected on a monthly basis through that Clearing Member's PPS sterling account.

For the purposes of this section, "excess collateral" means that collateral identified by the Clearing House as being collateral over and above that which is required by the Clearing House in order to cover the obligations to the Clearing House of that Member. The Clearing House shall have absolute discretion to decide whether and to what extent it is holding excess collateral at any time.

4.2.3 **Communications**

The Clearing House is entitled to act upon documentation instructions or communications appearing to have been issued by, or have come from, a Clearing Member. These will be accepted by the Clearing House as genuine, even if, for example, they are later found:

- (a) to be inaccurate, whether in whole or in part; or
- (b) not to have been given by the Clearing Member or a client or with the authority of the Clearing Member or client.

4.2.4 **Lodgement of collateral as replacement for cash cover for margin**

Clearing Members should note that they must give Treasury Operations no less than two (2) business days notice of their intention to lodge collateral with a value of £50 million sterling or more, and which is reasonably likely to have the effect that cash to a similar value is repayable by the Clearing House to that Member as a result of such lodgement. In the event that a Clearing Member seeks to withdraw such cash cover without giving such notice, the Clearing House will decline to release such cash cover until the end of the required notice period.

4.2.5 **Force Majeure**

The Clearing House will not be liable for any failure, hindrance or delay in the performance (in whole or in part) of any of its obligations to Clearing Members with regard to instruments or securities accepted as collateral where such failure, hindrance or delay arises from causes beyond the control of the Clearing House, such as but not limited to the failure whether partial or total, interruption or suspension of any depository or custodian or other service ("depository") that the Clearing House is using, the termination or suspension of the Clearing House's membership or use of the depository or any variation of the depository's operational timetable, whether or not occasioned by action of the depository operator or other party, or any embargo, unavailability or restriction of bank transfer systems or wires, malfunction or overload of the depository or other emergency. This provision is without prejudice to the *force majeure* provisions of Clearing Members' agreements with the Clearing House.

4.2.6 Regulatory and Supervisory Information

In every case, the Clearing House will be entitled to supply a securities depository with all the information it requires for any purposes relating to a Clearing Member, or to securities received by the Clearing House from a Clearing Member which are or may at any time have been held by the depository. Securities will be lodged and held within such depository or other systems as the Clearing House may select or allow, subject to the conditions of such systems and to any applicable law and subordinate rules relating thereto as well as to the terms of LCH.Clearnet Limited's form of charge and charge documentation and these procedures.

4.2.7 Interest Payments

The Clearing House will remit interest amounts, taking into account any withheld tax, to Clearing Members' PPS banks on the appropriate value date. These are processed using "Tender" sub-accounts designated "I" for house or "L" for segregated client.

4.3 **UK TREASURY BILLS AND STERLING CERTIFICATES OF DEPOSIT**

4.3.1 **General Information**

The Clearing House will only accept outright (free of payment) transfers of T-bills and CDs which have already been lodged within the CREST system and are to be transferred to the Clearing House through that system. The Clearing House will only accept lodgements and allow releases of T-bills and CDs when the CREST system is available.

For CREST Members, these procedures should be read in conjunction with the CREST reference manual.

4.3.2 **Deferred Interest in Securities**

CREST is not required to recognise any person as having an interest in securities other than the CREST member to whose account they are credited.

4.3.3 **Lodgement Procedure**

The procedures for T-bills are the same as those used for CDs, except that Clearing Members must initially contact Treasury Operations, by telephone or in writing, to find out whether a particular CD is acceptable to the Clearing House as collateral:

- (a) The Clearing Member's agent bank inputs delivery instructions into the CREST system to transfer the securities to the Clearing House's CREST account (account no. 5165), "free of payment"
- (b) The Clearing Member must submit a completed *Lodgement Form* and, if required, a completed *Client Consent Form* to Treasury Operations by 15:30 hours
- (c) The Clearing House inputs receipt instructions into the CREST system
- (d) The T-bill/CD is transferred into the Clearing House's account in the CREST system
- (e) The Clearing House may, at its discretion, refuse to accept the lodgement. In this event the Clearing House will endeavour to inform the Member of the reason for refusal, otherwise:
 - (i) value will be given following settlement of the transfer into the Clearing House's account.
 - (ii) The Clearing House will sign the *Lodgement Form* to indicate its acceptance and return the bottom copy of the form to the Clearing Member.

4.3.4 **Release Procedure**

Day One

- (a) The Clearing Member submits a completed *Release Form* to Treasury Operations by 15:30 hours
- (b) If the Clearing House is holding sufficient margin cover with the result that the security requested for release is not required as margin cover, the Clearing House will input appropriate delivery instructions into the CREST system
- (c) If the security for release is being utilised as margin cover, it will only be released on day one, provided that:
 - (i) a release form is received at Treasury Operations by 10:30 hours that day; and
 - (ii) The Clearing House has received confirmation from all PPS banks against which PPS calls may have been made for additional cover (as a result of the withdrawal of the security) that the PPS calls will be met that day;

whereupon the Clearing House will input delivery instructions into the CREST system

- (d) The Clearing House reduces the level of cover held for the Clearing Member's relevant cover account by the amount of the value of the security which is being withdrawn
- (e) The Clearing Member passes acceptance instructions to its own agent bank
- (f) The T-bill/CD is transferred to the Clearing Member's agent bank through the CREST system. The Clearing House will sign the *Release Form* and return the bottom copy to the Clearing Member.

Day Two

Where alternative cover is required it will be called in cash by PPS.

After 10:00 hours

Where the security has been utilised as margin cover on day one, and providing the morning PPS call has been met, the security will be released as follows:

- (a) The Clearing House inputs appropriate delivery instructions into the CREST system
- (b) The Clearing Member passes acceptance instructions to its own agent bank
- (c) The T-bill/CD is transferred to the Clearing Member's agent bank through the CREST system. The Clearing House will sign the *Release Form* and return the bottom copy to the Clearing Member.

4.4 **UK GILTS**

4.4.1 **General Information**

Gilts will be accepted only into the Clearing House's "Balance Available" account in the CREST system. The 'Delivery-by-Value', 'Long-Term Collateral Certificate' or 'Overnight Collateral Chit' facilities do not satisfy the Clearing House's collateral requirements.

For CREST Members, these procedures should be read in conjunction with the relevant section of the CREST Manual, Procedures and Guidance.

4.4.2 **Lodgement Procedure**

Day One

- (a) The Clearing Member must submit (by 13:00 hours) to Treasury Operations, a completed *Lodgement Form* and, if required, a completed *Client Consent Form*.

The Clearing House may, at its discretion, refuse to accept the lodgement. In this event the Clearing House will endeavour to inform the Clearing Member of the reason for refusal, otherwise:

- (b) The delivering party inputs its instructions to deliver the gilts to the Clearing House's CREST account 5165
- (c) The Clearing House inputs a matching acceptance for the gilt delivery
- (d) The gilt is transferred into the Clearing House's account through the CREST system
- (e) The Clearing House will sign the *Lodgement Form* to indicate its acceptance, returning the bottom copy of the form to the Clearing Member
- (f) Upon completion of delivery, the gilt is available as cover for that night's calculation.

4.4.3 **Release Procedure**

Day One

- (a) The Clearing Member must submit a completed *Release Form* to Treasury Operations by 15:30 hours
- (b) Where the gilts are not being utilised as margin cover, the Clearing House will input appropriate delivery instructions into CREST
- (c) If the security is being utilised, it may be released on day one, provided that:
- (i) a release form is received at Treasury Operations by 10:30 hours that day; and
- (ii) the Clearing House has received confirmation from all PPS banks, against which PPS calls may have been made for additional cover (as a result of the withdrawal of the security), that the PPS calls will be met that day; whereupon the Clearing House will input delivery instructions into CREST.

- 4.4.3 (cont'd)
- (d) The Clearing House reduces the level of cover held for the Clearing Member's relevant cover account by the amount of the value of the security which is being withdrawn
 - (e) The receiving party inputs acceptance instructions into CREST
 - (f) The gilt is transferred into the CREST account nominated for the purpose by the Clearing Member. The Clearing House will sign the *Release Form* and return the bottom copy to the Clearing Member.

Day Two

Where alternative cover is required it will be called in cash by PPS.

After 10:30 hours

Where the security has been utilised on day one, and providing the morning PPS calls have been met, the security will be released as follows:

- (a) The Clearing House inputs appropriate delivery instruction into CREST
- (b) The receiving party inputs acceptance instructions into CREST
- (c) The gilt is transferred into the CREST account nominated for the purpose by the Clearing Member.

4.4.4

Tax Arrangements

The tax treatment of British Government stocks was changed as part of the Budget on 2 July 1997. As from 6 April 1998 all stockholders have the option of receiving their interest payments with or without an income tax deduction.

The Clearing House has nominated its 5165 account held with CREST to receive gross payment of interest.

Beneficial Owners receiving gross interest payments on UK gilts held with the Clearing House as collateral are responsible for understanding and complying with their tax liabilities.

4.5 **US SECURITIES**4.5.1 **General Information**

US Treasury securities must be lodged via “Fed Wire” in the Clearing House’s accounts with Citibank N.A., New York, (“Citibank”).

4.5.2 **Lodgement Procedure****Day One**

- (a) Clearing Members must submit, (by 16:30 hours), a completed *Lodgement Form* in respect of each lodgement and, if required, a completed *Client Consent Form*. Clearing Members may also need to supply a tax form (see section 4.6.5)
- (b) The Clearing House will enter a receipt instruction into the Citibank system
- (c) The Clearing Member or his agent bank should enter “**free of payment**” delivery instructions into the “Fed Wire” system in the case of Treasury securities.

The details of the account are:

Treasury securities

(Via Fed Wire)
Citibank NYC/CUST
ABA 021000089
A/c #090372 - “LCH.Clearnet Limited”

Note: For tax reasons, the Clearing House is required to segregate foreign (i.e. non-US) owners’ securities from US owners’ securities. Therefore the following account must be quoted when delivering securities which are the property of US companies: **#090401** “LCH.Clearnet Limited (U.S. Company Account)”

- (d) The securities are transferred into the Clearing House’s account through the Citibank system
- (e) Unless the Clearing House contacts the Clearing Member to notify that a lodgement has been rejected, value will normally be given overnight on the following business day. However, if settlement has taken place before 17:00 hours, value may be given overnight the same day
- (f) Subject to delivery completion, the Clearing House will sign the *Lodgement Form* to indicate its acceptance, returning the bottom copy of the form to the Clearing Member.

4.5.3 **Release Procedure**

Day One

- (a) The Clearing Member submits a completed *Release Form* to Treasury Operations by 16:30 hours
- (b) Where the security is not utilised as margin cover, the Clearing House will input appropriate delivery instructions into the Citibank system
- (c) If the security is being utilised, it may be released on day one, provided that
 - (i) A *Release Form* is received at Treasury Operations by 10:30 hours that day; and
 - (ii) The Clearing House has received confirmation of additional calls for cover from the PPS banks (as a result of the withdrawal of the security) and that all calls will be met that day;

whereupon the Clearing House will input “free of payment” delivery instructions into the Citibank system

- (d) The Clearing House reduces the level of cover held for the Clearing Member’s relevant cover account by the amount of the value of the security which is being withdrawn
- (e) The Clearing Member passes acceptance instructions to its own agent bank and the Treasury securities will then be transferred to the Clearing Member’s agent bank through the Fed Wire system or
- (f) The Treasury securities are transferred to the Clearing Member’s bank. The Clearing House will sign the *Release Form* and return the bottom copy to the Clearing Member.

Day Two

Where alternative cover is required it will be called in cash by PPS.

After 10:30 hours

Where the security has been utilised on day one, and providing the morning PPS call has been met, the security will be released as follows:

- (a) The Clearing House inputs appropriate delivery instructions into the Citibank system
- (b) The Clearing Member passes acceptance instructions to its own agent bank
- (c) Treasury securities will then be transferred to the Clearing Member’s agent bank through the Fed Wire system or
- (d) The Treasury securities are transferred to the Clearing Member’s bank. The Clearing House will sign the *Release Form* and return the bottom copy to the Clearing Member.

4.5.4 Intra Day US Securities

The Clearing House will accept US Securities up to 17:00 hours London time for same day value. Matching instructions must be received by this time.

NB: Cash cannot be released on the back of a matched transaction.

4.5.5 US Withholding Tax

US income tax laws impose a withholding tax on payments of US source interest, including original issue discount, to a foreign person unless an exemption or reduced rate applies. Interest is US source income, if the debtor is a US corporation. Interest on debt obligations issued after July 18 1984 is generally exempt from US withholding tax. In addition, a foreign person who is a resident of a country with which the US has an income tax treaty may be entitled to a reduced withholding tax rate or an exemption from the US withholding tax.

In order to reduce or eliminate US withholding tax, the correct tax documentation must have been provided in respect of each owner. To this end, Clearing Members will be expected to provide one of the forms (noted below) to the Clearing House. A current form will be required for each owner (i.e. the Clearing Member or the person named in the *Client Consent Form*).

The relevant forms will normally be one of :

- (i) 'W-9 (Request for Taxpayer Identification Number and Certification)'. Applies to a US corporation including a foreign branch of a US corporation and is valid indefinitely; or
- (ii) 'W-8BEN (Certificate of Foreign Status)'.

Applies to non-resident alien individuals, foreign corporations, partnerships and estates; valid for three calendar years.

Clearing Members may obtain originals of forms W-8BEN and W-9 from Treasury Operations.

Note: The Clearing House's arrangements with Citibank only allow for securities holdings of US corporations or foreign (i.e. non-US) entities or individuals. Clearing Members who wish to discuss the possibility of lodging securities belonging to owners excluded from this arrangement should contact Treasury Operations.

Unless the Clearing House has already received the appropriate tax form, lodgements into A/c #090401 must be accompanied by form W-9 and lodgements into A/c #090372 normally by form W-8BEN.

<p>The Clearing House's acceptance of US securities does not indicate any responsibility for the adequacy or otherwise of tax documentation. Any queries in relation to these tax forms should be referred to your company accountant or professional advisers.</p>
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Completed tax forms should be returned to Treasury Operations for onward transmission to Citibank, New York.

4.6 **SECURITIES HELD IN THE EUROCLEAR SYSTEM**

4.6.1 **General Information**

For Euroclear participants, these procedures should be read in conjunction with the Euroclear Operations Centre (hereinafter referred to as "EOC") *operating procedures* and the relevant *Euroclear user guide* (Participant user guide - Market Links or S.W.I.F.T., telex & mail user guide).

Note: In these procedures, "S" refers to the settlement day, "S-1" the working day before settlement day, "S+1" the working day after settlement day, etc. Timings may vary when clocks are adjusted from summer to winter time and vice versa.

4.6.2 **Lodgement Procedure**

Procedures will vary depending on the source of delivery. Note that instructions received after the stated times will be treated as though they were received on the following business day.

Securities should be delivered to one of the Clearing House's Securities Clearance Account with Euroclear:

91205

Austrian, Belgian, Canadian, Dutch, French, German, Spanish, Swedish, Finnish, Danish Securities and Eurodollar CDs

91737

Italian Securities (see section 4.6.4.1).

The Clearing House agrees to treat the above Accounts as special accounts specifically opened for the purpose of holding collateral, whether or not exclusively in the context of the Charge, and undertakes not to use the above Accounts for any other purpose.

4.6.2.1 **Book-entry receipts**

- (a) Clearing Member's agent bank sends "free of payment" delivery instructions to EOC to transfer the Securities to one of the Clearing House's accounts

Note that the Clearing House will input the "Trade Date" the same as the "Settlement Date" (S) for matching instructions, unless otherwise indicated on the *Lodgement Form*.

By 16:00 hours (Brussels time) S

- (b) The Clearing Member submits a *Lodgement Form* and, if required, a completed *Client Consent Form* to Treasury Operations
- (c) The Clearing House submits acceptance instructions to EOC

At 17:00 hours (London time) S

- (d) If instructions have matched and settled, value will be given on the following business day S+1

- 4.6.2.1 (cont'd)
- (e) If delivery has not been completed, the Clearing Member will not receive value for cover
 - (f) Unless the Clearing House notifies the Clearing Member that lodgement has been rejected the Clearing House will sign the *Lodgement Form* to indicate its acceptance, returning the bottom copy to the Clearing Member.

Bridge receipts (Clearing Members or their agents who deliver from a Clearstream Luxembourg account)

In this case, delivery instructions must be received by Clearstream Luxembourg, in accordance with their own procedures, for matching results at 18:00 hours Brussels time (MAT).

4.6.2.2 **External receipts from the local market**

External deliveries can be made free of payment from the relevant local market for one of the Clearing House's securities clearance accounts held with Euroclear (see section 4.6.2).

External deliveries to Euroclear should be made in accordance with the EOC *operating procedures*, the relevant *Euroclear user guide* and the delivering agent/bank's own procedures.

By 15:30 hours (Brussels Time) S-1

- (a) The Clearing Member submits a *Lodgement Form* and, if required, a completed *Client Consent Form* to Treasury Operations
- (b) The Clearing House inputs acceptance instructions to EOC to receive from the local market

At 17:00 hours (London time) S

- (c) If instructions have matched and settled, value will be given on the following business day S+1
- (d) If delivery has not been completed, the Clearing Member will not receive value for cover.

Unless the Clearing House notifies the Clearing Member that the lodgement has been rejected the Clearing House will sign the *Lodgement Form* to indicate its acceptance, returning the bottom copy to the Clearing Member.

4.6.3 **Release Procedure**

All instruments accepted in the Euroclear system and accepted by the Clearing House as margin cover may be released through internal book-entry transfer within the Euroclear system and with counterparties in Clearstream Luxembourg. Procedures will vary depending on the destination of the delivery. Note that instructions received after the stated times will be treated as though they were received on the following business day.

In respect of each day's releases, Clearing Members must submit a signed *Release Form* to the Clearing House. A release of securities will only be allowed if they are not being used to secure liabilities (i.e. where there is sufficient excess cover to permit such a release). Timings will therefore vary depending on whether or not securities are surplus to cover requirements.

4.6.3.1 **Book-entry deliveries from The Clearing House to Euroclear and Clearstream Luxembourg accounts**

Day One

Daylight delivery

- (a) The Clearing Member submits a completed *Release Form* to Treasury Operations by 15:30 hours (London Time) S
- (b) Providing the security is not being utilised as margin cover it will be released from the Clearing Member's account. The Clearing House will sign the *Release Form* and return the bottom copy to the Clearing Member.
- (c) If the security is being utilised as margin cover, a completed *Release Form* must be received by Treasury Operations no later than 10:30 hours S (London Time). A PPS call will be issued for the required cover value. Once the call is confirmed, the Clearing House will send appropriate delivery instructions to EOC. The security will be delivered in accordance with instructions.

Non-Daylight delivery

- (a) The Clearing Member submits a completed *Release Form* to Treasury Operations by 15:30 hours (London Time) hours, S-1 if the security is excess to margin cover
- (b) If the security is being utilised as margin cover a PPS call will be issued for the required cover value. The Clearing Member must notify Treasury Operations of their intention by 10:30 hours (London Time)
- (c) Once the call is confirmed the Clearing House will send appropriate delivery instructions to EOC
- (d) The Clearing Member passes acceptance instructions to EOC
- (e) The Clearing House reduces the level of cover held for the Clearing Member's relevant cover account by the value of the security being withdrawn
- (f) If the security is not being utilised as margin cover it is removed from the Clearing Member's account upon final settlement. The Clearing House will sign the *Release Form* and return the bottom copy to the Clearing Member.

Day Two

The security will be delivered in accordance with instructions.

4.6.3.2 **External Deliveries**

These deliveries take one day longer than book-entry deliveries to Euroclear or Clearstream Luxembourg accounts and therefore the Clearing House may remove securities that are about to mature from Clearing Members' accounts prior to the normal expiry date.

Deliveries of physical certificates out of the Euroclear system are not possible.

4.6.4 **Withholding Taxes**

EOC offers a recovery service for overseas taxes on Government Bonds. The Clearing House will assist in the recovery process and remit to Clearing Members any recovery in withholding tax credited to the Clearing House's account by EOC.

In certain cases EOC/the Clearing House will withhold tax on a coupon if the correct documentation is not lodged with either EOC/LCH the Clearing House at the time when a coupon is due.

4.6.4.1 **Italian Securities held within the Clearing House's Euroclear Gross account 91737**

This account is operated by the Clearing House in accordance with "Euroclear Procedures to Obtain Exemption from Italian Withholding Tax on Italian Domestic Debt Securities".

Beneficial owners are entitled to exemption at source from Italian Withholding Tax on Italian securities if they are:

- (a) resident in a country that has entered into a double taxation agreement with Italy (except Black list countries/countries that do not have a tax treaty with Italy); or
- (b) a corporation resident in Italy; or
- (c) a supranational organisation recognised by Italian Law.

Beneficial owners are required to supply duly completed and executed official forms as proof of eligibility to exemption, and where applicable supply additional documentation, before a delivery can be made into this account.

Official forms are available on request from Treasury Operations Department.

Original forms are to be received by the Clearing House before Italian securities can be accepted within the gross account 91737.

The effective date depends on the type and terms of the security:

- Coupon Debt securities (BTPs, CCTs and CTOs)

The new regime applies to the interest on these securities that starts to run on or after 1 January 1997, regardless of the issue date.

- Zero coupon debt securities with a maturity of less than one year (BOTs)

The regime applies to all securities issued on or after 1 January 1997.

Clearing Members should consult their own tax advisers before lodging Collateral to the Clearing House or submitting any tax documentation.

4.7 **TRIPARTY SERVICE IN THE EUROCLEAR SYSTEM**

4.7.1 **General Information**

In order to lodge securities at the Clearing House using an ICSD Triparty arrangement, Clearing members, the ICSD and the Clearing House must have completed and signed the relevant documentation. Please contact Treasury Operations on +44 (0)207 426 7095 for more information.

Clearing members may execute a 'Triparty' trade denominated in Euro, Sterling or United States Dollars to cover initial margin requirements at the Clearing House.

Clearing members must be incorporated within the UK to use the Triparty arrangement.

Under the triparty arrangement beneficial ownership for all securities must belong to the clearing member.

LCH.Clearnet Limited recommends members prioritise LCH.Clearnet trades avoiding any cash calls. Cash calls in relation to deficits will be made on a separate buffer account within LCH.Clearnet Limited, this account will be set up for automatic repayment and will be interest bearing.

Please see the attached website showing acceptable collateral for the Triparty arrangement:

http://www.lchclearnet.com/risk_management/ltd/collateral_management.asp

Note: In these procedures, "S" refers to the settlement day, "S-1" the working day before settlement day.

4.7.2 **Lodgement Procedure for Euroclear Triparty Service**

By 15:00 hours S-1

- (a) The Clearing Member submits a *Member Triparty Lodgement Form* to Treasury Operations (Appendix 4F).
- (b) The Clearing House will send instructions to be matched in Euroclear.

By 16:00 hours S-1

- (c) Trade must be matched in Euroclear by the Clearing House and the Clearing Member.
- (d) The Clearing House will assume settlement provided that the trade has matched. The nominal value will then be entered into Clearing Members cover account next day value to cover next day margin requirements.

By 08:00 hours S

- (e) The Clearing House will check that securities have been received into the collateral takers account and identify any deficits.

4.7.2
(cont'd)

- (f) Any deficits will be called via PPS in the currency of the trade. It should be noted that when a deficit has been covered at Euroclear the cash called via PPS will not be returned intra-day.

4.7.3

Overnight Decrease

By 10:30 hours S-1 (If securities are being utilised against margin requirement)

- (a) The Clearing Member submits a *Member Triparty Amendment Form* to Treasury Operations (Appendix 4G).
- (b) A call will be issued via PPS to replace the securities previously being used as margin cover. Once the call has been confirmed, the Clearing House will send instructions to be matched in Euroclear for overnight settlement.

By 15:00 hours S-1 (If securities are not being utilised against margin requirement)

- (c) The Clearing Member submits a *Member Triparty Amendment Form* to Treasury Operations (Appendix 4G).
- (d) Provided that the securities are not being utilised as margin cover, they will be removed from the Clearing Member's cover account. Instructions to be matched in Euroclear for overnight settlement.

4.7.4

Overnight Increase

By 15:00 hours S-1

- (a) The Clearing Member submits a *Member Triparty Lodgement Form* to Treasury Operations (Appendix 4G).
- (b) The Clearing House will send instructions to be matched in Euroclear.

By 16:00 hours S-1

- (c) Trade must be matched in Euroclear by the Clearing House and the Clearing Member.
- (d) The Clearing House will assume settlement provided that the trade has matched. The increased nominal value will then be adjusted in the Clearing Members cover account next day value to cover next day margin requirements.

By 08:00 hours S

- (e) The Clearing House will check that securities have been received into the collateral takers account and identify any deficits.
- (f) Any deficits will be called via PPS in the currency of the trade. It should be noted that when a deficit has been covered at Euroclear the cash called via PPS will not be returned intra-day.

4.7.5 **Closing Procedure**

By 10:30 hours S-1 (If securities are being utilised against margin requirement)

- (a) The Clearing Member submits a *Member Triparty Closing Form* to Treasury Operations (Appendix 4H).
- (b) A call will be issued via PPS to replace the securities previously being used as margin cover. Once the call has been confirmed, the Clearing House will send instructions to be matched in Euroclear for overnight settlement.

By 15:00 hours S-1 (If securities are not being utilised against margin requirement)

- (c) The Clearing Member submits a *Member Triparty Closing Form* to Treasury Operations (Appendix 4H).
- (d) Provided that the securities are not being utilised as margin cover, they will be removed from the Clearing Member's cover account. Instructions to be matched in Euroclear for overnight settlement.

Forms to be faxed to Treasury Operations on fax number +44 (0)207 426 7037.

All times shown denote London Time.

-----000-----

APPENDIX 4A

Performance Bond Form

Date.....

From :

.....

On behalf of:

.....

Account:

To: LCH.Clearnet Limited
Aldgate House
33 Aldgate High Street
London EC3N 1EA

Attention: LCH.Clearnet Limited Treasury Operations

Dear Sirs

1. At the request of [.....] ("Clearing Member") and in consideration of LCH.Clearnet Limited ("the Clearing House") continuing the membership of the Clearing Member on such basis as the Clearing House may determine we hereby undertake to pay to the Clearing House on the Clearing House's written demand or demands from time to time without set-off or counterclaim or deduction such sum or sums (not exceeding in aggregate the amount and in the currency specified in the proviso below) as the Clearing House may certify in such demand as being any one or more of:
 - 1.1 a sum owed to the Clearing House by the Clearing Member and unpaid and/or the amount of any loss, damage, expense or cost suffered or incurred by the Clearing House of whatsoever nature as a result of the failure by the Clearing Member to pay any amounts due to the Clearing House, or
 - 1.2 the Clearing House's estimate of the amount likely to become due following any default by the Clearing Member, or
 - 1.3 the balance finally established by the Clearing House as being due from the Clearing Member to the Clearing House and which is in excess of any principal amount already paid to the Clearing House by us together with (but without prejudice to our obligation to make prompt payment) interest at the Specified Rate from the date of receipt by us of demand until the date of payment.
2. Any demand of the nature set out in paragraph 1.2 above must state that it is an estimate and incorporate an undertaking to repay to us the excess (if any) of the amount paid by us over the amount of the liability of the Clearing Member when finally established together with interest at the Specified Rate on such excess from receipt thereof by the Clearing House until repayment to us.

APPENDIX 4A (cont'd)

- 3. Any such demands as aforesaid shall be conclusive evidence as between the Clearing House and us of our liability to the Clearing House for the amount stated therein, PROVIDED ALWAYS that:-
 - 3.1 Our maximum aggregate liability in respect of all demands hereunder shall not exceed [currency.....] [amount.....] exclusive of interest due in respect of late payment by us.
 - 3.2 This undertaking shall remain in force until the Termination Date, which shall be the earlier of:
 - 3.2.1 * [.....] or
 - 3.2.2 14.00 hours in London immediately following the expiry of 14 clear days' notice by us to the Clearing House in writing to that effect. We agree that any such notice to the Clearing House, marked for the attention of LCH.Clearnet Limited Treasury Operations, will be delivered by us to the Clearing House during its normal business hours for the conduct of such business at the Clearing House's address stated above (or at such address notified to us by the Clearing House in writing).
 - 3.3 After the Termination Date we shall not be liable except that in respect of a Clearing Member in relation to which a demand shall have been received by us (not being expressly described as a final demand) prior to the Termination Date the Clearing House shall be entitled to make further demands (but not so as to cause our maximum aggregate liability hereunder to be exceeded) not later than 3 months from the Termination Date.
 - 3.4 Any demand must be received by us during our normal business hours for the conduct of such business and at [insert address.....]] (or such other address in London as we may from time to time notify you for the purpose and which you accept in writing) prior to the Termination Date or the expiry of the 3 month period mentioned in paragraph 3.3, where applicable.
- 4. For avoidance of doubt our liability hereunder shall not be affected by any time or indulgence given to or compounding with the Clearing Member or any illegality or invalidity in relation to the purported obligations to the Clearing House of the Clearing Member or by any changes from time to time in relation to any rules or regulations from time to time affecting the Clearing House's relations with the Clearing Member or by any act matter or thing which but for this provision might have operated to exonerate us as a surety.
- 5. The expression "Specified Rate" shall mean:-
 - 5.1 in relation to an amount expressed in Sterling, the Base Rate for the time being of HSBC Bank Plc, and
 - 5.2 in relation to an amount expressed in another currency, the day to day Bid Rate quoted by HSBC Bank Plc at or about 11.00 hours in London for overnight deposits of such currency in the London Interbank Market.
- 6. This undertaking shall be governed by and construed in accordance with English Law.

Full Name.....

Signed..... Position.....

* Insert 14.00 hours in London on specific termination date, if required. If no date is stated, the guarantee will remain in force until determined at 14.00 hours in London immediately after the expiry of 14 clear days' notice by us to the Clearing House in writing to that effect in accordance with paragraph 3.3 above

APPENDIX 4B

GUARANTEE (“PERFORMANCE BOND”) AMENDMENT FORM

[Bank’s Headed Paper]

Date:

To: LCH.Clearnet Limited
Aldgate House
33 Aldgate High Street
London EC3N 1EA

Re: Guarantee No: []
Date of Issue: []
Amount: []
On behalf of: [Insert the Clearing Member’s Name]
Account: [State “House” or “Client”]

In consideration of your continuing the membership of [] (the “Clearing Member”) on such basis as you may determine, we hereby agree to amendments to the terms of the above mentioned guarantee (the “Performance Bond”) as set out in this letter.

- * Our maximum aggregate liability in respect of all demands under the Performance Bond, previously stated in the Performance Bond as [], shall be [increased] [decreased] to [], exclusive of interest due in respect of late payment by us.
- * The period of our undertaking under the Performance Bond previously stated in the Performance Bond to terminate on [] shall be extended and such undertaking shall remain in force until [] unless otherwise terminated by notice as provided in the Performance Bond.
- * The period of our undertaking under the Performance Bond previously stated in the Performance Bond to remain in force until 14 days’ notice by us shall terminate on the earlier of [] or upon 14 days notice by us as provided in the Performance Bond.
- * The period of our undertaking under the Performance Bond previously stated in the Performance Bond to terminate on [] shall continue until the expiry of 14 days’ notice by us to you in writing to the effect that the Performance Bond shall expire upon the date specified in such notice.

The amendments agreed between us and set out in this letter shall come into effect upon the date of your signing and returning the attached copy letter to us. This letter amends, supplements and shall be construed as part of the Performance Bond. Subject to the amendments set out in this letter, the Performance Bond shall remain in full force and effect.

This letter shall be governed by and construed in accordance with English law.

(*) One or more of these paragraphs to be included as applicable.

Signed:

APPENDIX 4B (cont'd)

GUARANTEE (“PERFORMANCE BOND”) AMENDMENT FORM

[Bank’s Headed Paper]

Date:

To: LCH.Clearnet Limited
Aldgate House
33 Aldgate High Street
London EC3N 1EA

Re: Guarantee No: []
Date of Issue: []
Amount: []
On behalf of: [Insert the Clearing Member’s Name]
Account: [State “House” or “Client”]

In consideration of your continuing the membership of [] (the “Clearing Member”) on such basis as you may determine, we hereby agree to amendments to the terms of the above mentioned guarantee (the “Performance Bond”) as set out in this letter.

- * Our maximum aggregate liability in respect of all demands under the Performance Bond, previously stated in the Performance Bond as [], shall be [increased] [decreased] to [], exclusive of interest due in respect of late payment by us.
* The period of our undertaking under the Performance Bond previously stated in the Performance Bond to terminate on [] shall be extended and such undertaking shall remain in force until [] unless otherwise terminated by notice as provided in the Performance Bond.
* The period of our undertaking under the Performance Bond previously stated in the Performance Bond to remain in force until 14 days’ notice by us shall terminate on the earlier of [] or upon 14 days notice by us as provided in the Performance Bond.
* The period of our undertaking under the Performance Bond previously stated in the Performance Bond to terminate on [] shall continue until the expiry of 14 days’ notice by us to you in writing to the effect that the Performance Bond shall expire upon the date specified in such notice.

The amendments agreed between us and set out in this letter shall come into effect upon the date of your signing and returning the attached copy letter to us. This letter amends, supplements and shall be construed as part of the Performance Bond. Subject to the amendments set out in this letter, the Performance Bond shall remain in full force and effect.

This letter shall be governed by and construed in accordance with English law.

(* One or more of these paragraphs to be included as applicable.

Signed:

ON DUPLICATE

We have read the above letter and agree to its terms.


For and on behalf of LCH.Clearnet Limited

Signature:

Name/Position:


Date:

APPENDIX 4C

		COLLATERAL LODGEMENT FORM			
To: LCH Clearnet Limited ("the Clearing House")		Version 8: January 2004			
From: Clearing Member (full name):		LCH Clearnet Limited Ref No:			
House/Client Account*	Mnemonic:	* Please delete as appropriate			
We hereby request you to include the securities described below in The Schedule of "Specified Securities" under the terms of the "Charge securing own obligations" which we executed in your favour on (Date of Charge).					
We are/a client is* entitled to the entire beneficial interest in these securities. (If a client is entitled to the entire beneficial interest, a Client Consent Form must be completed by the client and submitted to the Clearing House.)					
We acknowledge that these securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or elsewhere) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator, and the Clearing House has no responsibility for the performance of any such custodian, system operator and in particular we consent to the securities being held in the Euroclear clearance system subject to the fungibility regime organised by the Belgian Royal Decree No. 62 of 10 November 1967 promoting the circulation of securities as amended from time to time.					
Security Code Number	Settlement Date	Trade Date	Amount/Nominal Value	Description of Security (Issue - Coupon - Maturity)	
Delivery from: Depository(Agent): (for US Securities, Broker Code) Account Holder Account Number Delivery to (please indicate):					
Depository	Euroclear	Euroclear (ITL tax exempt)	RES/Co	Citibank (US owners)	Citibank (non-US owners)
Clearing House Account No	91205	91737	5165	090401	090372
Signatories for and on behalf of the Clearing Member:		1. (Signature) (Print Name) (Position)	
2. (Signature)	 (Print Name) (Position)		
Date:					
To: THE ABOVE-NAMED CLEARING MEMBER We accept the above-mentioned securities for inclusion in The Schedule of "Specified Securities" charged to us under your above-mentioned charge. For and on behalf of LCH Clearnet Limited: Date: Time: (Authorised Signatory):					

Registered in England No. 25832 Registered Office: Aldgate House, 33 Aldgate High Street, London EC3N 1EA
 Recognised as a Clearing House under the Financial Services and Markets Act 2000.

APPENDIX 4D


	LCH.CLEARNET	COLLATERAL RELEASE FORM		
Version 7: January 2006				
To: LCH Clearnet Limited ("the Clearing House")				
From: Clearing Member (full name):				
House/Client Account*	Mnemonic:	* Please delete as appropriate		
We hereby request you to delete the securities described below in The Schedule of "Specified Securities" under the terms of the "Charge securing own obligations" which we executed in your favour on (Date of Charge).				
Security Code Number (e.g. ISIN)	Delivery Date	Trade Date	Amount/Nominal Value (Issue - Coupon - Maturity)	Description of Security
The Clearing House Ref No: (from lodgement form)				
Delivery to: Depository/Agent				
(for US Securities, Broker Code)				
Account Holder				
Account Number				
Signatories for and on behalf of the Clearing Member:		1.
		(Signature)	(Print Name)	(Position)
		2.
		(Signature)	(Print Name)	(Position)
		Date:		
To: THE ABOVE-NAMED CLEARING MEMBER				
The deletion of the above-mentioned securities from The Schedule of "Specified Securities" charged to us under your above-mentioned charge is agreed.				
For and on behalf of LCH Clearnet Limited: Date: Time:				
(Authorised Signatory):				

Registered in England No. 25932 Registered Office: Aldgate House, 33 Aldgate High Street, London EC3N 1EA
Recognised as a Clearing House under the Financial Services and Markets Act 2000.

LCHCRF v7-01/06(2.0)

LCH.CLEARNET LIMITED COPY

APPENDIX 4E



CLIENT CONSENT FORM

LCH Clearnet Limited Ref No: _____

Version 10: January 2006 (last amended January 2006)

CLEARING MEMBER

Name:

House/Client Account:

*Please delete as appropriate

SECURITIES

Securities Description:

Amount/Nominal Value:

Clearing House Ref No: (from Lodgement Form):

NB. If you require any explanation as to the legal effect of this form and/or the terms of any security which the Clearing Member may, from time to time, have granted in favour of the Clearing House to secure its obligations to the Clearing House, or which the Clearing House or the Clearing Member may from time to time have granted to the operator of any depository, securities clearing or settlement system to secure obligations due to such operator, you should seek independent legal advice.

To the above-named Clearing Member ("the Clearing Member") and to LCH.Clearnet Limited ("the Clearing House")

We authorise the granting by the Clearing Member on our behalf, to the Clearing House, as collateral for the Clearing Member's obligations to the Clearing House, a security interest ("the Clearing House security interest") in the above-mentioned securities ("the securities"), ranking prior to any security interest from time to time granted by us to the Clearing Member or any other person.

We confirm that, save for the security interest in favour of the Clearing House and any security from time to time permitted by the Clearing House in favour of the Clearing Member or any other person, we are entitled to the entire beneficial interest in the securities, and that the securities are not subject to any trust, sale agreement or security.

We acknowledge and consent that:

- if there occurs a default by the Clearing Member in its obligations to the Clearing House or some other material event in relation to the Clearing Member (each "the Clearing Member's default"), the Clearing House may sell or otherwise dispose of the securities and apply the proceeds in or towards satisfaction of the Clearing Member's obligations to the Clearing House;
- all transactions between the Clearing Member and the Clearing House are effected by the Clearing Member and the Clearing House as principals, and no account will be taken by the Clearing House of any commercial interest we have in any transaction;
- the Clearing Member's obligations to the Clearing House which are secured by the Clearing House security interest in the securities are not directly related to our obligations to the Clearing Member (or any other person) and may in part reflect obligations to the Clearing Member or persons with which the Clearing Member is affiliated;
- on the Clearing Member's default, the Clearing House may well enforce its Clearing House security interest in the securities before resorting to any guarantee or letter of credit provided to the Clearing House in relation to the Clearing Member's obligations to the Clearing House and irrespective of whether or not we have satisfied our obligations to the Clearing Member (or any other person);
- the Clearing House may remit to the Clearing Member (and not to us) any interest or other accrual on the securities; and
- the securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or else where) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator, and the Clearing House has no responsibility for the performance of any such custodian, system or operator and in particular we consent to the securities being held in the Euroclear clearance system subject to the fungibility regime organised by the Belgian Royal Decree No. 62 of 10 November 1967 promoting the circulation of securities as amended from time to time.

We shall not seek directly or indirectly to prevent the Clearing House from protecting or enforcing the Clearing House security interest in the securities.

The agreement here recorded is governed by, and this document is to be construed in accordance with, English law.


NOTE: When executed by a corporate entity the signatories for such entity must sign on this page and on page 2.
When executed by an individual such individual and the witness to his/her signature must also sign on this page and on page 2.

Signatory:

Signatory:

LCHCCF v10-0106(0 8)

APPENDIX 4E (cont'd)



CLIENT CONSENT FORM

LCH Clearnet Limited Ref No: _____
Version 10: January 2006 (last amended January 2006)

SECURITY DETAILS

Securities Description: _____

A. EXECUTION BY CORPORATE ENTITIES

The signature of _____ representatives authorised to execute on behalf of, and to bind the Company is required. Where it is not possible for both signatories to sign at the same time, Section C - Witness - below must be completed when the second signatory executes this document.

<p>1. Signature of director (or equivalent officer in the case of a non-UK Company): _____</p> <p>Date: _____</p> <p>Position held by Signatory: _____</p> <p>Print Name of Signatory: _____</p> <p>For: _____ (Client)</p> <p>Registered Address of Client: _____</p> <p>Registered Number of official identification: _____</p>	<p>2. Signature of director or secretary (or equivalent officer in the case of a non-UK Company): _____</p> <p>Date: _____</p> <p>Position held by Signatory: _____</p> <p>Print Name of Signatory: _____</p>
---	---

B. EXECUTION BY INDIVIDUALS

Signature: _____ Full Postal Address: _____

Print Name: _____

Date: _____

C. WITNESS

This section must be completed by an independent witness (not being an employee of the Client or Clearing Member) - if execution of this document is by an individual or where representatives of a corporate identity have not signed at the same time, if executed by representatives of a corporate entity.

Signature of Witness: _____

Print Name: _____

Occupation/Position: _____

Full Postal Address: _____

LCHOCF v10-0106(0 8)

APPENDIX 4F



MEMBER TRIPARTY LODGEMENT FORM

Version 1: July 2007

To LCH.Clearnet Limited ("the Clearing House")

LCH.Clearnet Limited Ref No: 00001ATS

From: Clearing Member (full name):

House/Client* Mnemonic: *Please delete as appropriate

We are entitled to the entire beneficial interest in these securities.

We acknowledge that these securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or elsewhere) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator, and the Clearing House has no responsibility for the performance of any such custodian, system or operator and in particular we consent to the securities being held in the Euroclear clearance system subject to fungibility regime organised by the Belgian Royal Decree No.62 of 10 November 1967 promoting the circulation of securities as amended from time to time.

Execution Date	Currency	Nominal Amount	Collateral Giver Account Number	Collateral Taker Account Number

Signatories for and on behalf of
The Clearing Member:

1.
(Signature) (Print Name) (Position)

2.
(Signature) (Print Name) (Position)

Date:

APPENDIX 4G



MEMBER TRIPARTY AMENDMENT FORM

Version 1: May 2007

To LCH.Clearnet Limited ("the Clearing House")

From: Clearing Member (full name):

House/Client* Mnemonic: *Please delete as appropriate

We are entitled to the entire beneficial interest in these securities.

We acknowledge that these securities may be held by any custodian in any depository, securities clearing or settlement system (in the United Kingdom or elsewhere) which may for the time being be customarily used in connection with securities of similar kinds on a fungible basis and subject to the rules of the relative system and the terms and conditions of its operator, and the Clearing House has no responsibility for the performance of any such custodian, system or operator and in particular we consent to the securities being held in the Euroclear clearance system subject to fungibility regime organised by the Belgian Royal Decree No.62 of 10 November 1967 promoting the circulation of securities as amended from time to time.

Execution Date	Lodgement Number	Increase / Decrease	Amount of Increase / Decrease	Currency	New Nominal Amount	Collateral Giver Account Number	Collateral Taker Account Number

Signatories for and on behalf of The Clearing Member:

1.
 (Signature) (Print Name) (Position)

2.
 (Signature) (Print Name) (Position)

Date:

APPENDIX 4H



MEMBER TRIPARTY CLOSING FORM

Version 1: May 2007

To LCH.Clearnet Limited ("the Clearing House")

From: Clearing Member (full name):

House/Client* Mnemonic: *Please delete as appropriate

Lodgement Number	Closing Date & Execution Date	Currency	Nominal Amount	Collateral Giver Account Number	Collateral Taker Account Number

Signatories for and on behalf of The Clearing Member:

1.
 (Signature) (Print Name) (Position)

2.
 (Signature) (Print Name) (Position)

Date: