



## EXECUTION VERSION

### **NYPC CROSS-MARGINING AGREEMENT**

This NYPC Cross-Margining Agreement (this “Agreement”) is entered into this 4<sup>th</sup> day of March, 2011 by Fixed Income Clearing Corporation (“FICC”), a New York corporation, and New York Portfolio Clearing, LLC (“NYPC”), a Delaware limited liability corporation (FICC and NYPC, each a “Party” and together, the “Parties”).

#### RECITALS

A. FICC is a clearing agency registered with the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and acts as a clearing organization for trading in the over-the-counter markets for U.S. Government securities, securities of U.S. federal Agencies and U.S. Government-sponsored enterprises, financing products and certain mortgage-backed securities (“FICC Contracts”).

B. NYPC is registered as a derivatives clearing organization with the Commodity Futures Trading Commission (the “CFTC”) pursuant to the Commodity Exchange Act, as amended (the “CEA”), and acts as a clearing organization for futures contracts and, as soon as reasonably practicable after the Effective Date, options on futures contracts, including U.S. dollar-denominated interest rate and fixed income futures contracts and options on futures contracts (“NYPC Contracts,” and together with FICC Contracts, “Eligible Products”).

C. FICC and NYPC desire to establish a cross-margining arrangement whereby (i) entities that are Clearing Members of both FICC and NYPC (“Joint Clearing Members”) and (ii) Clearing Members of one such Clearing Organization that have an Affiliate that is a Clearing Member of the other such Clearing Organization (a “Cross-Margining Affiliate”) may elect to have proprietary positions in Eligible Products at NYPC and positions in Eligible Products at FICC margined based upon the net risk presented by such positions in Eligible Products.

D. In order to facilitate such cross-margining arrangement, FICC and NYPC desire to establish procedures whereby NYPC will guarantee certain obligations of a Cross-Margining Participant to FICC, and FICC will guarantee certain obligations of a Cross-Margining Participant to NYPC, with reimbursement of amounts paid under such guaranties to be collateralized by the positions and margin of such Cross-Margining Participant held by the guarantor.

#### AGREEMENTS

In consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

1. Definitions. In addition to the terms defined herein, certain other terms used in this Agreement shall be defined as follows:

(a) “Additional FICC Resources” means, with respect to a Clearing Member of FICC that is a Defaulting Member (or an Affiliate of a Defaulting Member), the amount, if any, by which FICC reduced its Margin requirements in respect of such Clearing Member pursuant to the terms of an Other Cross-Margining Agreement.

(b) “Administrator” has the meaning set forth in Section 3(b).

(c) “Affiliate” means, when used in respect of a Clearing Member of one Clearing Organization, a Clearing Member of the other Clearing Organization that directly or indirectly controls, is controlled by, or under common control with such particular Clearing Member. Ownership of more than 50% of the common stock of the relevant entity will conclusively be deemed to be control of that entity for purposes of this definition.

(d) “Agency” means a United States government agency or instrumentality or a U.S. government-sponsored corporation.

(e) “Aggregate Margin Reduction” means the sum of the Clearing Organizations’ Margin Reductions.

(f) “Available Assets” means, when used in respect of the liquidation of a Clearing Member of FICC: (i) the Clearing Member’s Margin deposits; (ii) mark-to-market payments, other collateral, credit support, and proceeds of the foregoing paid by or payable to such Clearing Member and deposited with or held by or on behalf of FICC; and (iii) Additional FICC Resources. “Available Assets” means, when used in respect of the liquidation of a Clearing Member of NYPC: (i) the sum of (1) the Margin deposited by such Clearing Member for its Proprietary Account(s) at NYPC, and (2) excess margin, variation margin, option premia, other collateral, credit support and proceeds thereof related to such Clearing Member’s Proprietary Account(s) paid by or payable to such Clearing Member and deposited with or held by or on behalf of NYPC; minus (ii) any deficiency in the Segregated Funds Account. Notwithstanding the foregoing, “Available Assets” shall not include funds or property in the Segregated Funds Account to the extent that such funds or property may not lawfully be applied by such Clearing Organization without violating any law or regulation by which such Clearing Organization is legally bound.

(g) “Beneficiary” has the meaning set forth in Section 7(j).

(h) “Business Day” means each day on which trading in Eligible Products is conducted and on which FICC and NYPC both conduct money settlements, provided, however, that if trading in Eligible Products occurs on a bank holiday when money settlements cannot be made, such day shall be a Business Day for purposes of certain provisions of this Agreement but not for others as the context requires and as may be agreed upon from time to time by the Parties.

(i) “CEA” has the meaning set forth in the recitals.

(j) “CFTC” has the meaning set forth in the recitals.

(k) “Clearing Member” means, with respect to FICC, any member of the netting system of the Government Securities Division of FICC and/or a clearing member of the Mortgage-Backed Securities Division of FICC (upon implementation of central counterparty services by the Mortgage-Backed Securities Division), and with respect to NYPC, any clearing member of NYPC, in each case deemed eligible for cross-margining by FICC and NYPC, respectively. Notwithstanding the foregoing, the following types of Clearing Members shall not be deemed eligible for cross-margining: (i) a Bank Netting Member (as such term is defined in FICC Rules) unless it can demonstrate to the satisfaction of the Clearing Organizations that, in doing so, it is in compliance with regulatory requirements applicable to it; (ii) an Inter-Dealer Netting Member (as such term is defined in FICC Rules); and (iii) a Sponsored Member (as such term is defined in FICC Rules).

(l) “Clearing Member Agreement” means the Agreement, set forth as Appendix A or Appendix B to this Agreement (as applicable), between the Clearing Organizations and a Clearing Member (and its Cross-Margining Affiliate, if applicable) that elects to participate in the cross-margining arrangement established pursuant to this Agreement and the Rules.

(m) “Clearing Member Cross-Margining Account” means, as applicable, a Cross-Margining Account that is carried by FICC for a FICC Clearing Member and/or carried by NYPC for an NYPC Clearing Member, provided such NYPC account contains solely trades and positions of the Proprietary Accounts of such Clearing Member.

(n) “Clearing Organization” means either FICC or NYPC and “Clearing Organizations” means both FICC and NYPC.

(o) “CME” has the meaning set forth in Section 16.

(p) “Confidential Information” has the meaning set forth in Section 10(a).

(q) “Constituent Margin Ratio” means, as to either FICC or NYPC, the ratio of that Clearing Organization’s Stand-Alone Margin Requirement to the sum of the Clearing Organizations’ Stand-Alone Margin Requirements.

(r) “Constituent Margin Requirement” means, with respect to a Clearing Organization, the product of the Constituent Margin Ratio and the Cross-Margin Requirement.

(s) “Cross-Guaranty Agreement” means that certain Netting Contract and Limited Cross-Guaranty by and among The Depository Trust Company, Emerging Markets Clearing Corporation, Fixed Income Clearing Corporation, National Securities Clearing Corporation and The Options Clearing Corporation dated as of January 1, 2003, as it may be amended or restated from time to time.

(t) “Cross-Margin Gain” means, with respect to a Clearing Organization, the amount of any net gain realized in the liquidation of Eligible Positions held by such Clearing Organization, reduced by any costs, fees and expenses incurred by the Clearing Organization in connection with the liquidation, transfer or management of such Eligible Positions, but without regard to any Available Assets.

(u) “Cross-Margin Loss” means, with respect to a Clearing Organization, the amount of any net loss incurred in the liquidation of Eligible Positions held by such Clearing Organization, increased by any costs, fees and expenses incurred by the Clearing Organization in connection with the liquidation, transfer or management of such Eligible Positions, but without regard to any Available Assets.

(v) “Cross-Margin Requirement” means, with respect to a Cross-Margining Participant, the amount of Margin required by the Clearing Organizations with respect to one or more Sets of Cross-Margin Accounts, as provided in Section 4 and pursuant to the methodology agreed by the Clearing Organizations.

(w) “Cross-Margining Affiliate” has the meaning set forth in the recitals.

(x) “Cross-Margining Participant” means a Clearing Member that has become a participant in the cross-margining arrangement between FICC and NYPC established pursuant to this Agreement. The term “Cross-Margining Participant” shall, where the context requires, refer collectively to a Cross-Margining Participant and its Cross-Margining Affiliate, if any.

(y) “Cross-Margining Securities Account” means a custody account established by the Administrator to hold Margin in the form of securities deposited by Cross-Margining Participants in respect of Clearing Member Cross-Margining Accounts.

(z) “Default Event” has the meaning set forth in Section 7(a).

(aa) “Defaulting Member” has the meaning set forth in Section 7(a).

(bb) “Effective Date” has the meaning set forth in Section 21(i).

(cc) “Eligible Positions” means positions in NYPC Contracts and positions in FICC Contracts in a Set of Clearing Member Cross-Margining Accounts.

(dd) “Eligible Products” has the meaning set forth in the recitals.

(ee) “Exchange Act” has the meaning set forth in the recitals.

(ff) “FICC” has the meaning set forth in the preamble.

(gg) “FICC Clearing Fund” means the clearing fund established pursuant to the Rules of FICC.

(hh) “FICC Contracts” has the meaning set forth in the recitals.

(ii) “FICC’s Debtor” has the meaning set forth in Section 9(a).

(jj) “Guaranty” means the obligation of FICC to NYPC, or of NYPC to FICC, as in effect at a particular time with respect to a particular Cross-Margining Participant as set forth in Sections 8 and 9 of this Agreement. The term “Guarantees” refers to both the

Guaranty of NYPC to FICC and the Guaranty of FICC to NYPC, including, without limitation, the obligation to make the Payment Obligation as well as the Adjustment Payment.

- (kk) “Guarantor” has the meaning set forth in Section 7(j).
- (ll) “Indebtedness to FICC” has the meaning set forth in Section 9(a).
- (mm) “Indebtedness to NYPC” has the meaning set forth in Section 8(a).
- (nn) “Indemnified Party” has the meaning set forth in Section 12(a).
- (oo) “Indemnitor” has the meaning set forth in Section 12(a).
- (pp) “Joint Clearing Member” has the meaning set forth in the recitals.
- (qq) “Limited Purpose Participant” has the meaning set forth in Section 14(c).
- (rr) “LPP Agreement” has the meaning set forth in Section 14(c).
- (ss) “Losses” has the meaning set forth in Section 12(b).
- (tt) “Margin” means, with respect to a Cross-Margining Participant, original margin and option premia held in or for the proprietary account of such Cross-Margining Participant at NYPC, FICC Clearing Fund deposits, NYPC Guaranty Fund deposits, and other margin collateral, whether in the form of cash, securities, letters of credit or other assets of such Cross-Margining Participant, required or held by or for the account of a Clearing Organization to secure the obligations of such Cross-Margining Participant, if any, to FICC or NYPC under this Agreement, the Clearing Member Agreement and the Rules, and all proceeds of the foregoing.
- (uu) “Margin Reduction” means the sum of the Clearing Organizations’ Stand-Alone Margin Requirements minus the Cross-Margin Requirement.
- (vv) “Market” has the meaning set forth in Section 14(c).
- (ww) “Maximum Transfer Payment” means, with respect to a Clearing Organization, an amount equal to (i) the Aggregate Margin Reduction, multiplied by (ii) the other Clearing Organization’s Constituent Margin Ratio.
- (xx) “Net Gain” means, with respect to a Clearing Organization, as applicable, (x) the sum of such Clearing Organization’s Cross-Margin Gain and such Clearing Organization’s Available Assets, or (y) if a positive number, such Clearing Organization’s Available Assets less such Clearing Organization’s Cross-Margin Loss.
- (yy) “Net Loss” means, with respect to a Clearing Organization, the positive difference, if any, between such Clearing Organization’s Cross-Margin Loss (expressed as a positive number) and such Clearing Organization’s Available Assets.

- (zz) “NYPC” has the meaning set forth in the preamble.
- (aaa) “NYPC Contracts” has the meaning set forth in the recitals.
- (bbb) “NYPC’s Debtor” has the meaning set forth in Section 8(a).
- (ccc) “NYPC Guaranty Fund” means the guaranty fund established pursuant to the Rules of NYPC.
- (ddd) “NYSE Guaranty” has the meaning given that term in the NYPC Rules.
- (eee) “Operating Agreement” means that certain Amended and Restated Limited Liability Company Agreement of NYPC, dated as of September 4, 2009, as it may be further amended or restated from time to time.
- (fff) “Original Margin” means Margin deposited with or held by a Clearing Organization in accordance with Section 5 of this Agreement to secure certain obligations of a Cross-Margining Participant to such Clearing Organization.
- (ggg) “Other Cross-Margining Agreement” means an agreement between FICC and a clearinghouse, other than NYPC or a OTC instruments clearinghouse, providing for cross-margining, portfolio margining or other forms of risk offsets between FICC Contracts and products cleared by such clearinghouse, but does not include, for the avoidance of doubt, the Cross-Guaranty Agreement. As used herein, “OTC instruments” means bilaterally negotiated agreements that are not listed on a board of trade (as such term is defined in the CEA).
- (hhh) “Party” and “Parties” have the meaning set forth in the preamble.
- (iii) “Payment Obligation” means the amount, if any, determined in accordance with Section 7, payable by one Clearing Organization to the other Clearing Organization.
- (jjj) “Proprietary Account” has the meaning given that term in CFTC Regulation 1.3(y).
- (kkk) “Reimbursement Obligation” has the meaning set forth in Section 7(j).
- (lll) “Rules” means, as applicable, the Rules of FICC (“FICC Rules”) or the Rules of NYPC (“NYPC Rules”), as they may be in effect from time to time.
- (mmm) “Segregated Funds Account” means: (i) when used in respect of NYPC the account or accounts established by NYPC to hold positions, funds, securities or other property for the accounts of Clearing Members that are not Proprietary Accounts; and (ii) when used in respect of a Clearing Member, the account established by such Clearing Member on the books of NYPC to hold positions, funds, securities or other property for the accounts of the Clearing Member that are not Proprietary Accounts.

(nnn) “Set of Clearing Member Cross-Margining Accounts” means: (i) with respect to a Cross-Margining Participant that is a Joint Clearing Member, its Clearing Member Cross-Margining Accounts carried at each Clearing Organization; and (ii) with respect to a Cross-Margining Participant and its Cross-Margining Affiliate, the Clearing Member Cross-Margining Accounts of the Cross-Margining Participant and its Cross-Margining Affiliate carried at each Clearing Organization.

(ooo) “Settlement Account” means a bank account established by the Administrator to hold cash Margin deposited by Cross-Margining Participants in respect of Clearing Member Cross-Margining Accounts.

(ppp) “Stand-Alone Margin Requirement” means, as to each Clearing Organization, the Original Margin requirement that such Clearing Organization would calculate with respect to Eligible Positions of a Cross-Margining Participant as if calculated by such Clearing Organization without regard to this Agreement or an Other Cross-Margining Agreement.

2. Participation. FICC and NYPC shall each determine which of its Clearing Members is eligible to become a Cross-Margining Participant; provided that in order to become a Cross-Margining Participant, a Clearing Member must be a Joint Clearing Member or be an Affiliate of a Clearing Member of the other Clearing Organization that such other Clearing Organization has determined to be eligible to be a Cross-Margining Participant. A Joint Clearing Member shall become a Cross-Margining Participant upon acceptance by FICC and NYPC of an agreement in the form of Appendix A hereto. A Clearing Member of FICC or NYPC and its Affiliate shall become Cross-Margining Participants and Cross-Margining Affiliates of one another upon acceptance by FICC and NYPC of an agreement in the form of Appendix B hereto. Either FICC or NYPC may require a Cross-Margining Participant to provide an opinion of counsel as to the enforceability of the provisions of such agreement and the Rules with respect to such Cross-Margining Participant and its Cross-Margining Affiliate, if any. FICC shall notify NYPC, and NYPC shall notify FICC, upon acceptance of a Clearing Member as a Cross-Margining Participant, and the Clearing Organizations shall mutually agree on a start date for the Cross-Margining Participant.

3. Establishment of Clearing Member Cross-Margining Accounts.

(a) A Cross-Margining Participant may designate a Set of Clearing Member Cross-Margining Accounts. Each Set of Clearing Member Cross-Margining Accounts, and all Eligible Positions and Margin contained therein or deposited in respect thereof, shall be subject to this Agreement and the Clearing Member Agreement.

(b) FICC will act as the administrator (the “Administrator”) with respect to each Set of Clearing Member Cross-Margining Accounts.

4. Calculation of Cross-Margin Requirements.

(a) On each Business Day on and after the Effective Date, and with respect to each Cross-Margining Participant and Set of Clearing Member Cross-Margining Accounts, the Administrator will determine the Cross-Margin Requirement, if any, in respect of such



(b) The Administrator shall cause FICC Contracts to be cross-margined pursuant to this Agreement in priority to any Other Cross-Margining Agreement. The Cross-Margin Requirement with respect to a Cross-Margining Participant may not be decreased without the consent of both Clearing Organizations.

(c) Either Clearing Organization may in its discretion require a Cross-Margining Participant to deposit Margin, at any time and in any amount, in addition to such Cross-Margining Participant's Stand-Alone Margin Requirement at such Clearing Organization, based upon the financial condition of such Cross-Margining Participant, the positions carried by such Cross-Margining Participant, unusual market conditions, changes in market prices or other special circumstances.

(d) Absent gross negligence or willful misconduct, neither Clearing Organization shall have liability to the other Clearing Organization or to any other person based solely upon the fact that information given or calculated by such Clearing Organization pursuant to this Section 4 was inaccurate or inadequate.

(e) Although it is contemplated that the Cross-Margin Requirement may be less than the sum of the Stand-Alone Requirements, nothing in this Agreement shall be construed as requiring such result. Any calculation of a Cross-Margin Requirement shall not result in any guarantee to a Cross-Margining Participant that such calculation will yield the lowest possible Cross-Margin Requirement.

5. Forms of Margin; Holding Margin.

(a) Original Margin calls in respect of a Set of Clearing Member Cross-Margining Accounts shall be satisfied by the deposit of cash or securities or a combination thereof. Securities deposited as Margin shall meet all of the requirements of each of FICC and NYPC, shall be valued at the lowest value that would be given to them by FICC and NYPC, and shall be subject to the largest haircut that would be applied to them by FICC and NYPC.

(b) Margin deposited in the form of cash by a Cross-Margining Participant in respect of a Set of Clearing Member Cross-Margining Accounts shall be deposited in the Settlement Account and shall be held there until transferred to one or both of the Clearing Organizations, applied in accordance with this Agreement or returned to the Cross-Margining Participant; provided, however, that such funds may be invested overnight by the Administrator subject to such arrangements as may be mutually agreed between the Clearing Organizations. Margin deposited in the form of securities by a Cross-Margining Participant in respect of a Set of Clearing Member Cross-Margining Accounts shall be deposited in the

Cross-Margining Securities Account and shall be held there until transferred to one or both of the Clearing Organizations in accordance with the provisions of paragraph (c).

(c) At the time or times determined by the Clearing Organizations following the settlement time for an Original Margin call, the Administrator shall be required to transfer (i) from the Settlement Account or the Cross-Margining Securities Account, and (ii) to a Clearing Organization the net amount of such Clearing Organization's Constituent Margin Requirement due to such Clearing Organization in respect of all Clearing Member Cross-Margining Accounts carried at such Clearing Organization.

6. Daily Procedures for Exchange of Portfolio Cross-Margining Data.

(a) FICC and NYPC shall establish procedures, including time frames, to exchange on each Business Day such information as may reasonably be required in order to establish the positions in each Set of Clearing Member Cross-Margining Accounts and to calculate the Cross-Margin Requirement for each Cross-Margining Participant. Each Clearing Organization shall furnish to the other such additional information as the other Clearing Organization may reasonably request in relation to this Agreement.

(b) FICC and NYPC agree that each will notify the other Clearing Organization promptly if an event occurs that reflects, in the sole discretion of the notifying Clearing Organization, a material problem with respect to a Cross-Margining Participant. Examples of such an event shall include, but shall not be limited to, the events requiring notice pursuant to Section 19 of this Agreement.

7. Suspension and Liquidation of Cross-Margining Participant.

(a) Either FICC or NYPC may at any time exercise any rights under its Rules to terminate, suspend or otherwise cease to act for or limit the activities of a Cross-Margining Participant (a "Defaulting Member") and, subject to the provisions of the next sentence, to liquidate the positions and Margin of such Cross-Margining Participant. Upon such event (the "Default Event"), the terminating or suspending Clearing Organization shall immediately by telephone or in person, and thereafter in writing, notify the other Clearing Organization of such suspension and each Clearing Organization shall, unless otherwise jointly agreed, promptly liquidate or otherwise close out the Eligible Positions in each Clearing Member Cross-Margining Account carried for the Defaulting Member at that Clearing Organization except to the extent that the Clearing Organizations agree, consistent with their respective Rules, to delay liquidation of some or all of such Eligible Positions. The Clearing Organizations shall use reasonable efforts to coordinate the transfer or liquidation of such Eligible Positions so that all "legs" of any "spread" or hedged position can be closed out simultaneously with a view to minimizing any losses arising therefrom. Any funds received by a Clearing Organization upon liquidation of positions in the Set of Clearing Member Cross-Margining Accounts of a Cross-Margining Participant pursuant to this Section shall be applied in accordance with the following paragraphs of this Section.

(b) If neither Clearing Organization has a Cross-Margin Loss, no payment will be due to either Clearing Organization in respect of the Guarantees between FICC and NYPC referred to in Sections 8 and 9 below.

(c) If either Clearing Organization has a Net Loss (solely for purposes of this paragraph (c), the “worse-off party”) and the other has a Net Gain (solely for purposes of this paragraph (c), the “better-off party”) that is equal to or exceeds the absolute value of the worse-off party’s Net Loss, then the better-off party shall pay to the worse-off party an amount equal to the absolute value of such Net Loss.

(d) If either Clearing Organization has a Net Loss (solely for the purposes of this paragraph (d), the “worse-off party”) and the other Clearing Organization has a Net Gain (solely for the purposes of this paragraph (d), the “better-off party”) that is less than or equal to the absolute value of the worse-off party’s Net Loss, then the better-off party shall pay to the worse-off party an amount equal to such Net Gain. Thereafter, if such payment does not extinguish the Net Loss of the worse-off party, the better-off party shall pay the worse-off party an amount equal to the lesser of: (x) the amount necessary to ensure that the Net Loss of each Clearing Organization, after giving effect to such payment, is in proportion to the Constituent Margin Ratio; or (y) the better-off party’s Maximum Transfer Payment, less the amount of the better-off party’s Net Gain (but not less than zero).

(e) If either Clearing Organization has a Net Loss, and the other has the same Net Loss, a smaller Net Loss, or no Net Loss, then:

(i) in the event that the Net Loss of the Clearing Organizations is in proportion to the Constituent Margin Ratio, then no payment will be due to either Clearing Organization; and

(ii) in the event that the Net Loss of the Clearing Organizations is not in proportion to the Constituent Margin Ratio, then the Clearing Organization that has a Net Loss which is less than its proportionate share of the total Net Losses incurred by the Clearing Organizations (solely for the purposes of this paragraph (e), the “better-off party”) shall pay the other Clearing Organization an amount equal to the lesser of: (x) the better-off party’s Maximum Transfer Payment; or (y) the amount necessary to ensure that the Clearing Organizations’ respective Net Losses are, after giving effect to such payment, allocated between them in proportion to the Constituent Margin Ratio.

(f) Notwithstanding anything to the contrary in this Agreement, in the event that FICC has a Cross-Margin Gain remaining after the determinations required to be made by paragraph (b) or a Net Gain remaining after the determinations and payments (if any) required to be made pursuant to paragraphs (c) and (d), FICC shall promptly pay to NYPC the amount of any deficiency in the Segregated Funds Account of the Defaulting Member (or, if applicable, such Defaulting Member’s Cross-Margining Affiliate), but in no event more than the amount of such remaining Cross-Margin Gain or Net Gain (as applicable). NYPC shall promptly provide a written statement to FICC which sets forth such calculations in reasonable detail.

(g) In the event that NYPC and FICC each has a Net Loss in respect of a Defaulting Member but FICC receives a payment under the Cross-Guaranty Agreement in respect of such Defaulting Member, FICC shall promptly notify NYPC of the fact thereof and pay to NYPC its pro rata share of such payment, where such pro rata share is determined by comparing the ratio of NYPC's Net Loss to the sum of the Clearing Organizations' Net Losses. The provisions of this paragraph (g) shall not apply to any Default Event occurring on or after the date on which NYPC becomes a party to the Cross-Guaranty Agreement.

(h) FICC and NYPC shall each determine as soon as practicable the Cross-Margin Gain or Cross-Margin Loss and the Net Gain or Net Loss of that Clearing Organization. FICC shall notify NYPC, and NYPC shall notify FICC, of the amount of its own Cross-Margin Gain or Cross-Margin Loss and Net Gain or Net Loss and, in such detail as may reasonably be requested, the means by which such calculations were made. If FICC is obligated to make a payment of the Payment Obligation to NYPC, or NYPC is obligated to make a payment of the Payment Obligation to FICC, in respect of a Guaranty, the Clearing Organization obligated to make such payment shall do so promptly and in no event later than the third Business Day following the calculation by both Clearing Organizations of their Cross-Margin Gain or Cross-Margin Loss or their Net Gain or Net Loss, as applicable. All payments required to be made under this paragraph (h) shall be made in immediately available funds.

(i) If at any time within 90 calendar days following the date on which a payment is made under paragraph (h), either Clearing Organization determines that any amount paid to or received from the other Clearing Organization pursuant to this Section 7 in respect of a Guaranty was incorrect either because of errors in calculation at the time or because new information relevant to the determination of such amount was discovered after the determination of such amount, the Clearing Organization that discovered the error or new information shall notify the other Clearing Organization. In such event, the Clearing Organizations shall: (i) cooperate with one another to recalculate the appropriate amount of any Guaranty payments to be made promptly and in no event later than ten Business Days from the date on which the Clearing Organization that discovered the error or new information notified the other Clearing Organization, and (ii) make any necessary payments to one another to correct the error within three Business Days following agreement on such recalculation by both Clearing Organizations. Such payments shall be made in immediately available funds.

(j) In the event that either Clearing Organization (the "Guarantor") becomes obligated to make a Guaranty payment to the other Clearing Organization (the "Beneficiary") in respect of the obligation of a Defaulting Member or its Cross-Margining Affiliate, if applicable, to the Beneficiary, the Defaulting Member and such Affiliate shall thereupon immediately be obligated, whether or not the Guarantor has then made the Guaranty payment to the Beneficiary, to reimburse the Guarantor for the amount of the Guaranty payment as determined by the Guarantor, and the Guarantor shall be subrogated to all of the rights of the Beneficiary against the Defaulting Member or its Cross-Margining Affiliate. Guarantor shall notify the Defaulting Member and its Cross-Margining Affiliate, if applicable, of the amount of such obligation (the "Reimbursement Obligation"), but such notification shall not be a condition to the rights of the Clearing Organizations hereunder and the Reimbursement Obligation shall be due immediately upon the determination of the amount thereof. In the event that the final amount of the Guaranty Payment is greater or less than the amount

originally determined, the Reimbursement Obligation shall be adjusted accordingly and payment of the difference shall be made between the Guarantor and the Defaulting Member or its Cross-Margining Affiliate, as appropriate. It is understood and agreed that any payment or obligation to make a payment between the Guarantor or its Cross-Margining Participant and the Beneficiary with respect to the Guaranty, and any payment or obligation to make payment between the Defaulting Member or its Cross-Margining Affiliate and the Guarantor, is a “margin payment” or “settlement payment” or an obligation to make a “margin payment” or “settlement payment” as defined in the Bankruptcy Code, as the case may be. In the event that the Guarantor had a Net Gain in respect of the Defaulting Member or its Cross-Margining Affiliate, the Reimbursement Obligation of the Defaulting Member or its Cross-Margining Affiliate shall be netted and set off against such Net Gain, and any remaining Net Gain shall be returned to the Defaulting Member or its representative or otherwise disposed of in accordance with the Cross-Guaranty Agreement and Rules of the Guarantor.

(k) Each Clearing Organization hereby grants the other Clearing Organization a first priority security interest in and lien on such Clearing Organization’s contractual rights with respect to the positions, Margin, and any proceeds thereof held in or for each Clearing Member Cross-Margining Account at such Clearing Organization to secure its obligations under this Section 7 and, as applicable, Sections 8 and 9 of this Agreement, and FICC hereby grants NYPC a first priority security interest in and lien on payments received by FICC under the Cross-Guaranty Agreement to the extent a portion of such payments is owed to NYPC as provided in paragraph (g) to secure its payment obligations thereunder, and each Clearing Organization shall have all of the rights of a secured creditor under the New York Uniform Commercial Code. Before the occurrence of a Default Event with respect to a Cross-Margining Participant, each Clearing Organization may use the Margin deposited by a Cross-Margining Participant to the extent permitted under its Rules and under the terms of this Agreement. From and after the time a Cross-Margining Participant becomes a Defaulting Member, each Clearing Organization shall, after first applying such Margin as is necessary to satisfy the obligations of the Defaulting Member to such Clearing Organization under the Clearing Member Agreement, deposit any remaining Margin and any proceeds thereof into an account at a depository institution that is reasonably acceptable to the Clearing Organizations, which account shall be owned by the Clearing Organizations as joint tenants, pending the determination by the Clearing Organizations of Net Gain, Net Loss, Cross-Margin Gain and/or Cross-Margin Loss pursuant to this Section 7. Any such remaining Margin and proceeds shall be applied in accordance with this Section 7 and, as applicable, Sections 8 and 9 of this Agreement.

8. Guaranty of FICC to NYPC.

(a) FICC hereby unconditionally guaranties the prompt payment when due (whether at maturity, by declaration, by demand or otherwise), and at any and all times thereafter, of all indebtedness and other obligations of every kind and nature of each Cross-Margining Participant or its Cross-Margining Affiliate (hereafter referred to, in either case, as “NYPC’s Debtor”) to NYPC, direct or indirect, absolute or contingent, due or to become due, whether now or hereafter existing, arising from or related to Eligible Positions or the liquidation thereof (all such indebtedness and other obligations, the “Indebtedness to NYPC”), but limited to the amounts determined in accordance with Section 7 of this Agreement. FICC

further agrees to pay any and all reasonable costs and expenses (including counsel fees and expenses) incurred by NYPC in enforcing its rights against FICC under this Section 8.

(b) The creation or existence from time to time of Indebtedness to NYPC (whether or not such Indebtedness may be in excess of the amounts determined in accordance with Section 7 of this Agreement to which the right of recovery under this Guaranty is limited) is hereby authorized without notice to FICC and shall in no way affect or impair this Guaranty.

(c) The liability of FICC under this Guaranty shall be unconditional and irrespective of (i) any lack of enforceability of any Indebtedness to NYPC or any guaranty thereof, (ii) any change of the time, manner or place of payment, or any other term, of any Indebtedness to NYPC or any guaranty thereof, (iii) any taking, exchange, subordination, release or non-perfection of any collateral securing payment of any Indebtedness to NYPC; (iv) the acceptance of additional parties or the release of anyone primarily or secondarily liable on the Indebtedness to NYPC; (v) any law, rule, regulation or order of any jurisdiction or any governmental, regulatory or administrative authority of any kind, whether now or hereafter in effect, affecting any term of any Indebtedness to NYPC or any guaranty or security therefor or NYPC's rights with respect thereto; and (vi) any other circumstance which might otherwise constitute a defense available to, or a discharge of, NYPC's Debtor or a guarantor. FICC waives promptness, diligence, and notices with respect to any Indebtedness to NYPC and this Guaranty and any requirement that NYPC exhaust any right or take any action against NYPC's Debtor or any other person or entity or with respect to any guaranty or collateral security therefor and any duty on NYPC's part to disclose to FICC any matter, fact or thing related to the business, operations or conditions (financial or otherwise) of NYPC's Debtor or its affiliates or its property, whether now or hereafter known by NYPC. FICC acknowledges that this Guaranty is a guaranty of payment not collection and that FICC has made and will continue to make its own investigations with respect to all matters regarding NYPC's Debtor.

(d) In the event that FICC makes any payment to NYPC under this Guaranty, and to the extent such payment is not returned to FICC in whole or in part pursuant to Section 7(j) of this Agreement, FICC shall be subrogated to the rights of NYPC against the Cross-Margining Participant or its Cross-Margining Affiliate in respect of whose Indebtedness to NYPC such payment was made and to the rights of NYPC against any other guarantor or other third party with respect to such Indebtedness to NYPC.

(e) All of NYPC's rights and remedies provided for herein or otherwise available to NYPC at law or otherwise shall be cumulative to the extent permitted by law.

#### 9. Guaranty of NYPC to FICC.

(a) NYPC hereby unconditionally guaranties the prompt payment when due (whether at maturity, by declaration, by demand or otherwise), and at any and all times thereafter, of all indebtedness and other obligations of every kind and nature of each Cross-Margining Participant or its Cross-Margining Affiliate (hereafter referred to, in either case, as "FICC's Debtor") to FICC, direct or indirect, absolute or contingent, due or to become due, whether now or hereafter existing, arising from or related to Eligible Positions or the liquidation thereof (all such indebtedness and other obligations, the "Indebtedness to FICC"),

but limited to the amounts determined in accordance with Section 7 of this Agreement. NYPC further agrees to pay any and all reasonable costs and expenses (including counsel fees and expenses) incurred by FICC in enforcing its rights against NYPC under this Section 9.

(b) The creation or existence from time to time of Indebtedness to FICC (whether or not such Indebtedness may be in excess of the amounts determined in accordance with Section 7 of this Agreement to which the right of recovery under this Guaranty is limited) is hereby authorized without notice to NYPC and shall in no way affect or impair this Guaranty.

(c) The liability of NYPC under this Guaranty shall be unconditional and irrespective of (i) any lack of enforceability of any Indebtedness to FICC or any guaranty thereof, (ii) any change of the time, manner or place of payment, or any other term, of any Indebtedness to FICC or any guaranty thereof, (iii) any taking, exchange, subordination, release or non-perfection of any collateral securing payment of any Indebtedness to FICC; (iv) the acceptance of additional parties or the release of anyone primarily or secondarily liable on the Indebtedness to FICC; (v) any law, rule, regulation or order of any jurisdiction or any governmental, regulatory or administrative authority of any kind, whether now or hereafter in effect, affecting any term of any Indebtedness to FICC or any guaranty or security therefor or FICC's rights with respect thereto; and (vi) any other circumstance which might otherwise constitute a defense available to, or a discharge of, FICC's Debtor or a guarantor. NYPC waives promptness, diligence, and notices with respect to any Indebtedness to FICC and this Guaranty and any requirement that FICC exhaust any right or take any action against FICC's Debtor or any other person or entity or with respect to any guaranty or collateral security therefor and any duty on FICC's part to disclose to NYPC any matter, fact or thing related to the business, operations or conditions (financial or otherwise) of FICC's Debtor or its affiliates or its property, whether now or hereafter known by NYPC. NYPC acknowledges that this Guaranty is a guaranty of payment not collection and that NYPC has made and will continue to make its own investigations with respect to all matters regarding FICC's Debtor.

(d) In the event that NYPC makes any payment to FICC under this Guaranty, and to the extent such payment is not returned to NYPC in whole or in part pursuant to Section 7(j) of this Agreement, NYPC shall be subrogated to the rights of FICC against the Cross-Margining Participant or its Cross-Margining Affiliate in respect of whose Indebtedness to FICC such payment was made and to the rights of FICC against any other guarantor or other third party with respect to such Indebtedness to FICC.

(e) All of FICC's rights and remedies provided for herein or otherwise available to FICC at law or otherwise shall be cumulative to the extent permitted by law.

#### 10. Confidentiality.

(a) Except as expressly authorized in this Agreement, each Clearing Organization shall maintain in confidence any and all information obtained by it in connection with this Agreement, the transactions or activities contemplated herein with respect to the other Clearing Organization, and the positions, transactions and financial condition of any Clearing Member of such other Clearing Organization ("Confidential Information"). The foregoing

shall not apply to (i) information which is or becomes generally known to the public other than through an action or failure to act by such Clearing Organization in violation of this Section 10, or (ii) disclosure of Confidential Information to a third party to whom such information was previously known or who has agreed to maintain the confidentiality of such information in accordance with the provisions of this Section 10. This Section 10 shall not prohibit a Clearing Organization from furnishing Confidential Information to the CFTC, the SEC or any other regulator or supervisory authority with oversight authority over a Clearing Organization or any of its Clearing Members, to a “registered entity” within the meaning of the CEA or the Exchange Act or a “self-regulatory organization” within the meaning of CFTC regulations or the Exchange Act pursuant to a surveillance agreement or similar arrangement to which such Clearing Organization is a party, or to a foreign government or regulatory body.

(b) In the event that either Clearing Organization is required by subpoena, or by any other order of court, law or regulation to disclose any Confidential Information in the possession of such Clearing Organization, it is agreed that the Clearing Organization which is subject to such requirement shall provide the other Clearing Organization with prompt notice of such requirement so that the other Clearing Organization may seek an appropriate protective order and/or waive compliance with the provisions of this Section with respect to such required disclosure. In the event that the other Clearing Organization determines to seek a protective order, the Clearing Organization subject to the requirement shall cooperate to the extent reasonably requested by the other Clearing Organization. It is further agreed that if in the absence of protective order or the receipt of a waiver hereunder, the Clearing Organization subject to the requirement is nonetheless, in the opinion of its counsel, compelled to disclose such Confidential Information to any tribunal or regulatory agency or else stand liable for contempt or suffer other censure or penalty, such Clearing Organization may produce such Confidential Information without liability under this Section 10.

(c) The provisions of this Section 10 shall survive the termination of this Agreement.

(d) Each Clearing Organization acknowledges and agrees that the violation of its obligations under this Section 10 would cause irreparable harm to the other Clearing Organization, which harm may not be compensable solely by monetary damages, and that, therefore, in the event of an actual or threatened breach by a Clearing Organization of this Section 10, the other Clearing Organization shall be entitled to immediate injunctive and other equitable relief, without the necessity of proving monetary damages or posting bond or other security. Any such equitable relief granted shall be without prejudice to any other rights and remedies as a Clearing Organization may have under this Agreement.

11. FDICIA. This Agreement, together with the FICC Rules, the NYPC Rules, the Clearing Member Agreement and any other agreements between FICC, NYPC and a Cross-Margining Participant or any Affiliate thereof is, for purposes of Title IV, Subtitle A of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. §§ 4401-4407), a “netting contract” and all payments made or to be made hereunder, including payments made in accordance with this Agreement in connection with the liquidation of a Cross-Margining Participant are “covered contractual payment obligations” or “covered contractual payment entitlements,” as the case may be, as well as “covered clearing obligations”; and for purposes of



the U.S. Bankruptcy Code and the Federal Deposit Insurance Act is a “master netting agreement” with respect to some or all of “swap agreements,” “commodity contracts,” “forward contracts,” and “securities contracts.”

12. Indemnification.

(a) Each Clearing Organization (the “Indemnitor”), unless otherwise specified in this Agreement, shall indemnify, defend and hold harmless the other Clearing Organization, its affiliates and its and their stockholders or members, directors, officers, employees and agents (each, an “Indemnified Party”) against any Losses (as defined below) incurred by an Indemnified Party as the result, or arising from allegations of, any act or failure to act by the Indemnitor in connection with this Agreement or the cross-margining procedures contemplated under this Agreement if such act or failure to act constitutes either (x) gross negligence or willful misconduct on the part of the Indemnitor; or (y) a breach of this Agreement, any obligation undertaken in connection with this Agreement, any Rule of the Indemnitor (except to the extent that such Rule is inconsistent with the provisions of this Agreement), or any law or governmental regulation applicable to the Indemnitor.

(b) As used in this Section 12, the term “Losses” means any and all losses, damages and expenses whatsoever (whether direct or arising from claims of third parties) including, without limitation, liabilities, judgments, damages, costs of investigation, reasonable attorneys fees and other expenses and amounts paid in settlement (pursuant to consent of the Indemnitor, which consent shall not be unreasonably withheld) in connection with any action, suit, litigation, claim or proceeding to which an Indemnified Party is made a party defendant, or is threatened to be made such a party.

(c) Promptly after receipt by an Indemnified Party of notice of the commencement of any action or the assertion of any claim against such Indemnified Party, such Indemnified Party shall, if a claim in respect thereof is to be made against the Indemnitor, notify the Indemnitor in writing of the commencement of such action or assertion of such claim; but the omission so to notify the Indemnitor will not relieve the Indemnitor from any liability which it may have to any Indemnified Party except to the extent that the Indemnitor has been materially and adversely affected by the lack of prompt notice and shall in any event not relieve the Indemnitor of any liability which it may have to an Indemnified Party otherwise than under this Section 12. In case any such action is brought against any Indemnified Party, and such party promptly notifies the Indemnitor of the commencement thereof, the Indemnitor will be entitled to participate in, and to the extent that it may wish, to assume and control the defense thereof, with counsel chosen by it, and, after notice from the Indemnitor to such Indemnified Party of its election so to assume the defense thereof, the Indemnitor will not be liable to such Indemnified Party under this Section 12 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation, but the Indemnified Party may, at its own expense, participate in such defense by counsel chosen by it without, however, impairing the Indemnitor’s control of the defense. In any action in which the named parties include the Indemnitor and one or more indemnified parties, the Indemnitor shall have the right to assume control of any legal defenses that are available to it and any of the indemnified parties. Notwithstanding the foregoing, in any action in which the named parties include both the

Indemnitor and an Indemnified Party and in which the Indemnified Party shall have been advised by its counsel that there may be legal defenses available to the Indemnified Party that are different from or additional to those available to the Indemnitor, the Indemnitor shall not have the right to assume such different or additional legal defenses. The Indemnitor may not negotiate a compromise or settlement of any such action or claim without the consent of the indemnified parties, which consent shall not be unreasonably withheld or delayed.

13. Rules of the Clearing Organizations.

(a) FICC and NYPC each shall propose and use all reasonable efforts to obtain any regulatory approvals necessary to adopt and maintain in effect such provisions in its Rules as are reasonably necessary to implement the provisions of this Agreement.

(b) FICC and NYPC shall give each other reasonable prior notice of the intended effectiveness of any rule or rule amendment (other than an emergency rule or rule amendment, as to which notice shall be given promptly) adopted by such Clearing Organization if such rule or rule amendment relates in any way to such Clearing Organization's Margin requirements, the NYPC Guaranty Fund or FICC Clearing Fund (as applicable), rights of assessment against its Clearing Members, or similar matters.

14. Limited Purpose Participants.

(a) A Limited Purpose Participant shall have the ability to have access, through NYPC, to the cross-margining arrangement that is the subject of this Agreement.

(b) Except as otherwise provided in the LPP Agreement:

(i) Trades that are within the scope of the LPP Agreement and that would otherwise be cleared by such Limited Purpose Participant shall instead be submitted to NYPC, which shall act as central counterparty and derivatives clearing organization in respect thereof and shall include such trades in the cross-margining arrangement that is the subject of this Agreement;

(ii) Members of the Limited Purpose Participant shall be bound by the NYPC Rules as fully as if they were Clearing Members of NYPC, and NYPC shall have all of its rights, under its Rules and otherwise, in the event that a member of the Limited Purpose Participant is a Defaulting Member;

(iii) A Limited Purpose Participant shall make a contribution to the NYPC Guaranty Fund in form and substance similar to and in an amount that is no less than the amount of the NYSE Guaranty;

(iv) NYPC shall not be required to accept trades in any product that is not eligible for clearing pursuant to this Agreement; and

(v) Clearing fees shall be allocated between NYPC and the Limited Purpose Participant as may be agreed by NYPC and the Limited Purpose Participant, taking into account the cost of services (including capital

(c) As used in this Section 14:

(i) “Limited Purpose Participant” means a clearinghouse or clearing organization, other than NYPC or FICC, that (i) does not limit its provision of clearing services on a vertical basis to a single Market or limited number of Markets and operates pursuant to a business model that requires such clearinghouse or clearing organization to provide clearing services to any qualified Market, (ii) agrees to participate using the uniform risk methodology and risk management policies, systems and procedures that have been adopted by NYPC and FICC for implementation and administration of the cross-margining arrangement that is the subject of this Agreement, and (iii) is party to an LPP Agreement.

(ii) “LPP Agreement” means an agreement between NYPC and a Limited Purpose Participant which provides, inter alia, that the Limited Purpose Participant shall be deemed to be a Clearing Member for purposes of the NYPC Rules, except to the extent otherwise provided in such agreement, in this Agreement, or in NYPC Rule 801.

(iii) “Market” means a “trading facility” or “organized exchange,” as such terms are defined in the CEA as in effect on April 16, 2010; provided, that the term “trading facility” shall for this purpose include the entities otherwise excluded by Section 1a(34)(B) of the CEA as in effect on such date.

15. Representations and Warranties. Each Clearing Organization represents and warrants to the other as of the date hereof and as of the Effective Date as follows:

(a) Good Standing. It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has the power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged and is duly qualified and authorized to do business as a foreign corporation or company and is in good standing under the laws of each jurisdiction in which failure to so qualify could have a material adverse effect on its financial condition, business or operations.

(b) Corporate Power and Authority. It has all requisite corporate (or, in the case of NYPC, limited liability company) power and authority to enter into this Agreement and the agreements referenced in this Agreement, as applicable, and full power and authority to take all actions required of it pursuant to such agreements. This Agreement and the applicable agreements referenced in this Agreement will constitute, when executed and delivered, valid and binding obligations of such Clearing Organization, and the execution, delivery and performance of all of its obligations under this Agreement and the applicable agreements referenced in this Agreement have been duly authorized by all necessary corporate action on the part of such Clearing Organization.

(c) No Violation. Except for provisions as to which waivers have been obtained, the execution and delivery of this Agreement and the applicable agreements referenced in this Agreement by the Clearing Organization and the performance of its obligations under this Agreement and the applicable agreements referenced in this Agreement: (i) do not result in a violation or breach of, do not conflict with or constitute a default under, and will not accelerate or permit the acceleration of performance required by, any of the terms and provisions of its organizational documents, rules or other governing documents, any note, debt instrument, or any other agreement to which it is a party or to which any of its assets or properties is subject, and will not be an event which after notice or lapse of time or both will result in any such violation, breach, conflict, default or acceleration; and (ii) do not result in a violation or breach of any law, judgment, decree, order, rule or regulation of any governmental authority or court, whether federal, state or local, at law or in equity, applicable to it or any of its assets or properties.

(d) Authorizations and Consents. All authorizations, permits, approvals or consents required to be obtained from, and all notifications and filings required to be made with, all governmental authorities and regulatory bodies and third parties to permit such Clearing Organization to place into effect this Agreement and the applicable agreements referenced in this Agreement and to perform its obligations under this Agreement and under the applicable agreements referenced in this Agreement have been obtained.

16. Covenants of FICC. FICC covenants and agrees that, during the term of this Agreement: (a) NYPC Contracts shall have priority for Margin offset purposes over any Other Cross-Margining Agreement; (b) it will not enter into an Other Cross-Margining Agreement if such agreement would adversely affect the priority of NYPC and FICC under this Agreement with respect to Available Assets; and (c) it will not, without the prior written consent of NYPC amend the Cross-Margining Agreement dated January 2, 2004, between FICC and Chicago Mercantile Exchange Inc. ("CME"), as amended by Amendment No. 1 dated October 11, 2005, Amendment No. 2 dated February 5, 2007, and Amendment No. 3 dated \_\_\_\_\_, 2011 if such further amendment would adversely affect NYPC's right to cross-margin positions in Eligible Products prior to any cross-margining of CME positions with FICC Contracts or adversely affect the priority of NYPC and FICC under this Agreement with respect to Available Assets.

17. Termination.

(a) Operating Agreement. This Agreement shall automatically terminate upon the termination of the Operating Agreement in accordance with the terms thereof.

(b) Material Breach. At any time during the term of this Agreement, either Party may terminate this Agreement, immediately, upon written notice to the other Party, if the other Party materially breaches any of its obligations under this Agreement and fails to remedy such material breach within thirty (30) days of receipt of written notice thereof. Notwithstanding the foregoing, this Agreement may not be terminated under this paragraph (b): (i) by NYPC on the basis of a material breach by FICC, if either the NYSE Member or a majority of the NYSE Directors failed to approve any action by NYPC or inaction by NYPC that has been recommended in writing to the NYPC Board, in accordance

with customary NYPC Board procedures, by an Executive Officer of NYPC and such failure substantially contributed to the cause of the material breach by FICC, or (ii) by FICC on the basis of a material breach by NYPC, if either the DTCC Member or a majority of the DTCC Directors failed to approve any action by NYPC or inaction by NYPC that has been recommended in writing to the NYPC Board, in accordance with customary NYPC Board procedures, by an Executive Officer of NYPC and such failure substantially contributed to the cause of the material breach by NYPC; provided, that a written recommendation in accordance with customary NYPC Board procedures shall not be required in respect of clause (i) or (ii) where the recommendation of such Executive Officer is in response to an Emergency (as such term is defined in the Rules of NYPC). Capitalized terms used but not defined in this paragraph (b) have the meanings assigned thereto in the Operating Agreement.

(c) Loss of Registration. NYPC may terminate this Agreement immediately upon notice to FICC in the event that FICC fails to maintain in effect its registration with the SEC as a securities clearing agency. FICC may terminate this Agreement immediately upon notice to NYPC in the event NYPC fails to maintain in effect its registration with the CFTC as a derivatives clearing organization.

(d) Insolvency. At any time during the term of this Agreement, either Party may terminate this Agreement upon thirty (30) days prior written notice if: (i) the other Party (A) voluntarily commences any proceeding or files any petition under the bankruptcy laws of the United States, (B) becomes subject to any involuntary bankruptcy or insolvency proceedings under the laws of the United States, which proceedings are not dismissed within thirty (30) days, (C) makes an assignment of all or substantially all of its assets for the benefit of its creditors, or (D) appoints a receiver, trustee, custodian or liquidator for a substantial portion of its property, assets or business; or (ii) the other Party passes a resolution for its winding up or dissolution or a court of competent jurisdiction makes an order for such other Party's winding up or dissolution.

(e) Survival of Obligations. The obligations of the Clearing Organizations arising under Sections 7, 8 and 9 of this Agreement shall survive the termination of this Agreement.

18. Forbearance of Authority to Reject Transactions. The Administrator shall not, without the express consent of NYPC, exercise any authority contained in its Rules to reject a transaction effected in any Set of Clearing Member Cross-Margining Accounts (whether a purchasing or selling transaction) that was reported to the Administrator in a report of matched trades); provided, that any such report shall contain all of the data, and is submitted in the form and manner customarily required, by the Administrator for transactions of such type.

19. Information Sharing.

(a) The Clearing Organizations hereby agree to provide one another with the following information regarding their respective Cross-Margining Participants:

(i) If either Clearing Organization applies any special surveillance procedures to a Cross-Margining Participant, such Clearing Organization shall notify the other Clearing Organization of that fact.

(ii) If either Clearing Organization requires more frequent reporting of financial information by a Cross-Margining Participant, that Clearing Organization shall notify the other Clearing Organization of that fact and the period of reporting.

(iii) If either Clearing Organization increases the capital requirement for any Cross-Margining Participant, that Clearing Organization shall notify the other Clearing Organization of that fact, the amount of the additional capital required and the deadline for meeting the requirement.

(iv) If either Clearing Organization imposes additional margin requirements with respect to a particular Cross-Margining Participant, or issues a special intra-day call for Margin in respect of any account of a Cross-Margining Participant, that Clearing Organization shall notify the other Clearing Organization of that fact and the amount of the additional margin required.

(v) Each Clearing Organization shall, upon request by the other Clearing Organization, furnish to such other Clearing Organization the following information with respect to each account carried by the Cross-Margining Participant with the Clearing Organization from whom the information is requested: (A) Margin required and on deposit in respect of such account, and (B) the dollar amount of any current settlement obligations owed to or by the Cross-Margining Participant that have been determined for such account in respect of variation margin, premiums, option exercises and any other settlements.

(vi) Each Clearing Organization shall notify the other Clearing Organization of any disciplinary action (other than an appeal from an administrative fine) taken by its governing board, or committee or subcommittee thereof, against a Cross-Margining Participant involving non-compliance with financial or financial reporting requirements, or violation of the Rules.

(vii) Each Clearing Organization shall notify the other Clearing Organization in the event that the notifying Clearing Organization learns of any major processing difficulties (including, but not limited to, back-office computer problems) or operational errors of a Cross-Margining Participant.

(viii) Each Clearing Organization shall notify the other Clearing Organization in the event that a Cross-Margining Participant defaults in any settlement obligation.

In the case of any notice given pursuant to clauses (i), (ii), (iii), (iv), (vii), or (viii) above, the Clearing Organization giving such notice shall also notify the other Clearing Organization when the condition giving rise to such notice is terminated.

(b) The Clearing Organizations hereby agree to inform one another, upon request, of the total size of, and aggregate amount of required contributions to, such Clearing Organization's Clearing Fund or Guaranty Fund, as applicable.

(c) Any notice required to be given pursuant to this Section 19 shall be given by telephone or facsimile promptly upon the occurrence of the event giving rise to the requirement of notification, and any such notice given by telephone shall be promptly confirmed in writing. Each such notice shall be directed as follows:

If to FICC:

Murray Pozmanter  
Managing Director, Fixed Income Clearance and Settlement  
Telephone: (212) 855-7522  
Facsimile: (212) 269-0162

and to:

Nikki Poulos  
Managing Director and General Counsel  
Telephone: (212) 855-7633  
Facsimile: (212) 855-3215

If to NYPC:

Walter Lukken  
Chief Executive Officer  
Telephone: (212) 855-5210  
Facsimile: (212) 855-5225

and to:

Laura Klimpel  
Chief Compliance Officer & Counsel  
Telephone: (212) 855-5230  
Facsimile: (212) 855-5225

In case of the absence or unavailability of any officer named above, telephone calls shall be directed to another individual who has been designated in writing by the Clearing Organizations as authorized to receive such telephone calls. Prior to the Effective Date of this Agreement, each Clearing Organization shall provide the other with the name and telephone number of any other individual designated by such Clearing Organization pursuant to the preceding sentence.

(d) In the event that notice is given by either Clearing Organization pursuant to this Section 19, such Clearing Organization shall furnish to the other Clearing Organization upon request such additional information or documents relating to the circumstances leading to the notice as may reasonably be requested by the Clearing Organization receiving the notice.

20. Liability

(a) TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, EXCEPT AS EXPRESSLY PROVIDED IN PARAGRAPH (b), NEITHER PARTY HERETO SHALL BE LIABLE TO ANY OTHER HEREUNDER FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES, OR FOR LOSS OF PROFITS, GOODWILL OR CONTRACTS, OR FOR THE PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, WHETHER ARISING FROM NEGLIGENCE, BREACH OF CONTRACT OR OTHERWISE, AND WHETHER OR NOT ANY PARTY HERETO SHALL HAVE BEEN ADVISED OF OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF SUCH DAMAGES.

(b) Notwithstanding the foregoing, the limitations set forth in this Section 20 will not apply to a Clearing Organization's breach of its obligations under Section 10.

21. General Provisions.

(a) Further Assurances. Each Party agrees, without additional consideration, to execute and deliver such instruments and take such other actions as shall be reasonably required or as shall be reasonably requested by the other party in order to carry out the transactions, agreements and covenants contemplated by this Agreement.

(b) Amendment, Modification and Waiver. Except as expressly provided for herein, this Agreement, including the main body of this Agreement and all exhibits hereto, may be modified, supplemented or otherwise amended only by an instrument in writing signed on behalf of a duly authorized representative of each Party and in compliance with all applicable laws; *provided, however*, that such signature shall not include a signature by electronic device. A Party may temporarily waive or modify any condition intended to be for its benefit provided such waiver shall be in writing signed by the Party to be charged. The failure of a Party to exercise or enforce any right conferred upon it by this Agreement shall not be deemed to be a waiver of any such right or operate so as to bar the exercise or enforcement thereof at any time or times thereafter. No waiver by either Party hereunder shall be effective unless agreed to pursuant to a writing signed by an authorized representative of each Party.

(c) Governing Law. The validity and effectiveness of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws. Subject to paragraph (n), any legal action or proceeding with respect to this Agreement may be brought exclusively in the federal or state courts located in New York, New York, including the United States District Court for the Southern District of New York, and the Parties hereby (a) irrevocably submit to the exclusive jurisdiction of such courts, and (b) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, that the venue of the action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in



or by any of the above-named courts. Service of process shall be in any manner allowed by applicable law.

(d) Notices. Unless otherwise expressly provided herein, all notices and other communications pertaining to the Agreement: (i) will be in writing; (ii) shall be delivered by certified or registered mail via the United States Postal Service, postage prepaid; by hand; or by any nationally recognized private courier (e.g., Federal Express, UPS, DHL); (iii) shall be effective (a) if mailed via certified or registered mail, on the date five calendar days after the date of mailing, or (b) if hand delivered, or delivered by private courier, on the date of delivery; and (iv) shall be addressed as follows:

If to FICC:

Murray Pozmanter  
Managing Director, Fixed Income Clearance and Settlement, DTCC-FICC  
Fixed Income Clearing Corporation  
55 Water Street  
New York, NY 10041  
Telephone: (212) 855-7522  
Facsimile: (212) 269-0162

With a copy (which shall not constitute notice) to:

Nikki Poulos  
Managing Director and General Counsel  
Fixed Income Clearing Corporation  
55 Water Street  
New York, NY 10041  
Telephone: (212) 855-7633  
Facsimile: (212) 855-3215

If to NYPC:

Walter Lukken  
Chief Executive Officer  
New York Portfolio Clearing, LLC  
55 Water Street, 31st Floor  
New York, NY 10041  
Telephone: (212) 855-5210  
Facsimile: (212) 855-5225

With a copy (which shall not constitute notice) to:

Laura Klimpel  
Chief Compliance Officer & Counsel  
New York Portfolio Clearing, LLC  
55 Water Street, 31st Floor  
New York, NY 10041  
Telephone: (212) 855-5230  
Facsimile: (212) 855-5225

or to such other address or addresses as may hereafter be specified by written notice given by one Party to the other.

(e) Assignment. Except as otherwise expressly provided herein, neither Party shall assign or otherwise transfer this Agreement, or any of its rights or obligations under this Agreement, without the prior written approval of the other Party, which approval shall not be unreasonably withheld, delayed or conditioned. Any purported assignment or transfer in violation of this paragraph (e) shall be void.

(f) Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same instrument. A complete set of counterparts shall be lodged with each Party.

(g) Headings. References to sections, paragraphs and exhibits are to sections, paragraphs and exhibits of and to this Agreement, unless otherwise indicated. Section headings are inserted for convenience of reference only and shall not affect the construction of this Agreement. The singular number shall include the plural, and vice versa. Any use of the word “including” will be interpreted to mean “including, but not limited to,” unless otherwise indicated. References to any Person (including the Parties and any other entities referred to) shall be construed to mean such Person and its successors in interest and permitted assigns, as applicable.

(h) Entire Agreement. This Agreement, together with all exhibits hereto (and, to the extent referenced herein, (i) the Rules, (ii) that certain Amended and Restated Limited Liability Company Agreement of NYPC, dated as of September 4, 2009, as it may be further amended or restated from time to time, (iii) that certain letter agreement between DTCC and NYSE Euronext dated June 17, 2009 and captioned “Project Adams,” and (iv) that certain NYSE Master Services Agreement entered into by NYSE Liffe US, LLC and NYPC as of April 7, 2010) constitute the entire understanding between the Parties with respect to the subject matter hereof and supersede all prior representations, agreements, negotiations and discussions between the Parties with respect to the subject matter hereof.

(i) Invalid Provision. Each provision of this Agreement shall be considered separable; and if, for any reason, any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, unlawful, or unenforceable, such determination shall not affect the enforceability of the remainder of this Agreement or the validity, lawfulness, or enforceability of such provision in any other jurisdiction.

(j) Effective Date. This Agreement shall become effective on the later of (i) the date agreed by the parties and (ii) the date on which all necessary regulatory approvals have been received by FICC and NYPC (the “Effective Date”).

(k) Force Majeure. If the performance of this Agreement by either Party (other than the payment of any amounts due hereunder) is prevented, hindered, delayed or otherwise made impracticable by reason of any cause beyond a Party’s reasonable control, including any flood, riot, fire, judicial or governmental action, labor dispute, failure or

degradation of any third party system or service, or act of war or terrorism (each, a “Force Majeure Event”), that party shall be excused from such performance to the extent, including for the duration of time, that it is prevented, hindered or delayed by such Force Majeure Event. In the event a Party becomes aware of a Force Majeure Event that will affect its performance under this Agreement, it shall so notify the other Party as soon as reasonably practicable. The Parties shall thereafter work together to take reasonable steps to mitigate the effects of any inability to perform or any delay in performance, if practicable.

(l) Remedies Not Exclusive. No remedy conferred by any provision of this Agreement is intended to be exclusive of any other remedy, except as expressly provided in this Agreement, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise.

(m) No Third-Party Beneficiaries. This Agreement is binding upon, and shall inure to the benefit of, the Parties and their respective administrators, legal representatives, successors, and permitted assigns. The Parties agree that no provision of this Agreement is intended, expressly or by implication, to purport to confer a benefit or right of action upon a third party (whether or not in existence, and whether or not named, as of the date hereof), other than Persons entitled to indemnification pursuant to Section 12, who are third party beneficiaries of Section 12 (and no other provisions) of this Agreement.

(n) Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(o) Dispute Resolution. [Reserved]

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

FIXED INCOME CLEARING CORPORATION

By:



Murray Pozmanter  
Managing Director, Fixed Income Clearance and Settlement

NEW YORK PORTFOLIO CLEARING, LLC

By:

\_\_\_\_\_

Walter Lukken  
Chief Executive Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

FIXED INCOME CLEARING CORPORATION

By: \_\_\_\_\_

Murray Pozmanter  
Managing Director, Fixed Income Clearance and Settlement

NEW YORK PORTFOLIO CLEARING, LLC

By: Walt L. Lukken

Walter Lukken  
Chief Executive Officer

**FIXED INCOME CLEARING CORPORATION/  
NEW YORK PORTFOLIO CLEARING, LLC**

**CROSS-MARGINING PARTICIPANT AGREEMENT  
(JOINT CLEARING MEMBER)**

The undersigned (“Member”) is a Clearing Member of Fixed Income Clearing Corporation (“FICC”) and a Clearing Member of New York Portfolio Clearing, LLC (“NYPC”). By entering into this Cross-Margining Participant Agreement (this “Agreement”), Member hereby elects to become a Cross-Margining Participant for purposes of the NYPC Cross-Margining Agreement between FICC and NYPC dated March 4, 2011 (as amended, modified, or supplemented from time to time, the “Cross-Margining Agreement”). Capitalized terms used in this Agreement that are not defined herein have the meanings given to them in the Cross-Margining Agreement, the form of which is appended hereto.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Member agrees to be bound by the FICC Rules and the NYPC Rules applicable to Clearing Members participating in cross-margining arrangements and by the provisions of the Cross-Margining Agreement, as the foregoing may be in effect from time to time. Without limiting the generality of the foregoing, Member unconditionally promises immediate payment of its payment or reimbursement obligations to the Clearing Organization arising under the Cross-Margining Agreement or such Clearing Organization’s Rules in respect of the Set of Clearing Member Cross-Margining Accounts.

Member hereby pledges, as security for its present and future obligations to the Clearing Organizations, and jointly grants to the Clearing Organizations a first priority continuing security interest in, lien on and right of set-off against all of its positions and Margin (including but not limited to Margin held in the Set of Clearing Member Cross-Margining Accounts), proceeds in respect thereof, or other property in the custody, possession or subject to the control of the Clearing Organizations (such positions, Margin, proceeds and property, the “Collateral”). Without limiting the generality of the foregoing, Member agrees that (i) the rights of the Clearing Organizations set forth in the preceding sentence are in addition to any other rights arising out of the New York Uniform Commercial Code or other statute, common law, or governmental regulation, or under their respective Rules, (ii) Member will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action necessary or desirable and reasonably requested by the Clearing Organizations to create, preserve, perfect or validate the security interest or lien granted in this paragraph, to enable the Clearing Organizations to exercise or enforce their rights under this Agreement, and (iii) Member will promptly give notice to the Clearing Organizations of, and defend against, any suit, action, proceeding or lien that involves or could adversely affect the security interest and lien granted by Member in this Agreement.

The Administrator is hereby authorized to net all daily settlement amounts owed to or due from the Clearing Organizations in respect of the Set of Clearing Member Cross-Margining Accounts. Member hereby authorizes the Administrator to draft the bank account(s) designated by the Member for any amount due from Member in respect of the Set of Clearing Member Cross-Margining Accounts.

Member acknowledges and agrees that either FICC or NYPC may terminate, suspend or otherwise cease to act for Member in accordance with the applicable Rules and that, in such an event, FICC and NYPC may liquidate Member's Clearing Member Cross-Margining Accounts and any assets held in the Clearing Member Cross-Margining Accounts on behalf of such Member in accordance with the Cross-Margining Agreement and the Rules.

Member acknowledges and agrees that Clearing Data (as hereinafter defined) regarding Member may be disclosed in accordance with the provisions of Section 10 of the Cross-Margining Agreement. "Clearing Data" means transaction and all other data that is received by FICC or NYPC that is relevant to their respective clearance and/or settlement processes, and such data, reports or summaries thereof, which may be produced as a result of processing such data, including data regarding Member's condition, positions, Margin requirements and deposits.

Member acknowledges and agrees that the Cross-Margin Requirement in respect of its Set of Clearing Member Cross-Margining Accounts will be calculated in accordance the Cross-Margining Agreement and the Rules. Member further acknowledges and agrees that neither Clearing Organization guarantees to Member that the calculation of the Cross-Margin Requirement pursuant to the Cross-Margining Agreement will yield a Cross-Margin Requirement that is less than what Member would have owed if its Stand-Alone Margin Requirements at FICC and NYPC were calculated separately.

Member represents and warrants to and for the benefit of the Clearing Organizations that: (i) it has the power to grant, and has granted, to the Clearing Organizations a first priority continuing security interest in and lien on the Collateral and has taken all necessary actions to authorize the granting of such security interest and lien; (ii) it is the sole owner of or otherwise has the right to transfer all Collateral transferred to the Clearing Organizations pursuant to the Cross-Margining Agreement and the Rules, free and clear of any security interest, lien, encumbrance or other restrictions (other than any security interest or lien granted or created pursuant to this Agreement); (iii) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (iv) its execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all requisite action; (v) all authorizations of and exemptions, actions, approvals and consents by, and all notices to or filings with, any governmental or other authority or other persons that are necessary to enable it to execute and deliver this Agreement and to perform its obligations hereunder have been obtained or made and are in full force and effect, and it has complied with all of the conditions thereof; (vi) this Agreement has been duly executed and delivered by it; (vii) this Agreement is a legal, valid, and binding obligation on its part, enforceable against it in accordance with its terms; and (viii) its execution, delivery and performance of this Agreement do not violate or conflict with any law, regulation, rule of self-regulatory organization or judicial or governmental order or decree to which it is subject, any provision of its constitutional or governing documents, or any term of any agreement or instrument to which it is a party, or by which its property or assets is bound or affected. The representations and warranties in this paragraph shall be effective as of the date of this Agreement and the date of each transaction or transfer relating to this Agreement or the Cross-Margining Agreement.

Without limiting any provision of the Rules or any other agreement between one or both of the Members and FICC or NYPC, any transfer by either Member of any rights it may have in

the Collateral shall be null and void and, in any event, subject to the prior payment in full of all payment obligations under the Cross-Margining Agreement and the Rules.

This Agreement shall be effective when accepted by both FICC and NYPC. This Agreement may be terminated by Member upon two Business Days' notice to FICC and NYPC and such termination shall be effective upon written acknowledgment by both FICC and NYPC. Either FICC or NYPC may terminate this Agreement immediately upon notice to Member. Notwithstanding the previous two sentences, Member's obligations under this Agreement and the Cross-Margining Agreement shall survive the termination of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all which taken together shall be deemed one and the same agreement.

The validity and effectiveness of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws. Any legal action or proceeding with respect to this Agreement may be brought exclusively in the federal or state courts located in New York, New York, including the United States District Court for the Southern District of New York, and the Parties hereby (a) irrevocably submit to the exclusive jurisdiction of such courts, and (b) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, that the venue of the action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Service of process shall be made in any manner allowed by applicable law.

EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[Signature page follows]



Member

Name of Member: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Accepted By:*

Fixed Income Clearing Corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

New York Portfolio Clearing, LLC

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

This Agreement is dated as of \_\_\_\_\_  
**(to be completed upon acceptance by FICC and NYPC).**

**FIXED INCOME CLEARING CORPORATION/  
NEW YORK PORTFOLIO CLEARING, LLC**

**CROSS-MARGINING PARTICIPANT AGREEMENT  
(AFFILIATED MEMBERS)**

The undersigned, \_\_\_\_\_, is a Clearing Member of Fixed Income Clearing Corporation (“FICC”), and the undersigned, \_\_\_\_\_, is a Clearing Member of New York Portfolio Clearing, LLC (“NYPC”). By entering into this Cross-Margining Participant Agreement (this “Agreement”), each of the undersigned (each, a “Member” and together, the “Members”) hereby elects to become a Cross-Margining Participant and an Affiliate of the other Member for purposes of the NYPC Cross-Margining Agreement between FICC and NYPC dated March 4, 2011 (as amended, modified, or supplemented from time to time, the “Cross-Margining Agreement”). Capitalized terms used in this Agreement that are not defined herein have the meanings given to them in the Cross-Margining Agreement, the form of which is appended hereto.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members agree to be bound by the FICC Rules and the NYPC Rules applicable to Clearing Members participating in cross-margining arrangements and by the provisions of the Cross-Margining Agreement, as the foregoing may be in effect from time to time. Without limiting the generality of the foregoing, each Member unconditionally promises immediate payment of its and its Affiliate’s payment and reimbursement obligations to the Clearing Organizations arising under the Cross-Margining Agreement and the Rules in respect of the Set of Clearing Member Cross-Margining Accounts. Members hereby agree to be jointly and severally liable to the Clearing Organizations for any Margin, settlement or other obligation arising from transactions or positions in the Set of Clearing Member Cross-Margining Accounts. Subject to the foregoing, this Agreement shall not be construed to obligate either Member to make any contributions to the clearing or guaranty fund of, or be liable for any assessment against the members of, a Clearing Organization of which such Member is not itself a Clearing Member.

Members hereby pledge, as security for the present and future obligations of either Member to the Clearing Organizations, and jointly grant to the Clearing Organizations a first priority continuing security interest in, lien on and right of set-off against all of their respective positions and Margin (including but not limited to Margin held in the Set of Clearing Member Cross-Margining Accounts), proceeds in respect thereof, or other property in the custody, possession or subject to the control of the Clearing Organizations (such positions, Margin, proceeds and property, the “Collateral”). Members hereby authorize the Clearing Organizations to treat all Margin deposited by either of them in respect of, and all positions in, the Set of Clearing Member Cross-Margining Accounts as belonging to either or both of them. Without limiting the generality of the foregoing, Members agree that (i) the rights of the Clearing Organizations set forth in the preceding two sentences are in addition to any other rights arising out of the New York Uniform Commercial Code or other statute, common law, or governmental regulation, or under their respective Rules, (ii) each Member will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action necessary or desirable and reasonably requested by the Clearing Organizations to create,

preserve, perfect or validate the security interest or lien granted in this paragraph, to enable the Clearing Organizations to exercise or enforce their rights under this Agreement, and (iii) Members will promptly give notice to the Clearing Organizations of, and defend against, any suit, action, proceeding or lien that involves or could adversely affect the security interest and lien granted by Members in this Agreement.

The Administrator is hereby authorized to net all daily settlement amounts owed to or due from the Clearing Organizations in respect of the Set of Clearing Member Cross-Margining Accounts. Each Member hereby authorizes the Administrator to draft the bank account(s) designated by the Member for any amount due from such Member in respect of the Set of Clearing Member Cross-Margining Accounts, and the Clearing Organizations are authorized to treat the funds in such bank account(s) as belonging to either or both of the Members.

Members acknowledge and agree that either FICC or NYPC may terminate, suspend or otherwise cease to act for them in accordance with the applicable Rules and that, in such an event, FICC and NYPC may liquidate Members' Clearing Member Cross-Margining Accounts and any assets held in the Clearing Member Cross-Margining Accounts on behalf of such Members in accordance with the Cross-Margining Agreement and the Rules.

Members acknowledge and agree that Clearing Data (as hereinafter defined) regarding Members may be disclosed to either Member or otherwise in accordance with the provisions of Section 10 of the Cross-Margining Agreement. "Clearing Data" means transaction and all other data that is received by FICC or NYPC that is relevant to their respective clearance and/or settlement processes, and such data, reports or summaries thereof, which may be produced as a result of processing such data, including data regarding Members' condition, positions, Margin requirements and deposits.

Members acknowledge and agree that the Cross-Margin Requirements in respect of the Set of Clearing Member Cross-Margining Accounts will be calculated in accordance the Cross-Margining Agreement and the Rules. Members further acknowledge and agree that neither Clearing Organization guarantees to Members that the calculation of the Cross-Margin Requirement pursuant to the Cross-Margining Agreement will yield a Cross-Margin Requirement that is less than what each Member would have owed if its Stand-Alone Margin Requirements at FICC and NYPC were calculated separately.

Each Member represents and warrants to and for the benefit of the Clearing Organizations that: (i) it has the power to grant, and has granted, to the Clearing Organizations a first priority continuing security interest in and lien on the Collateral and has taken all necessary actions to authorize the granting of such security interest and lien; (ii) it is the sole owner of or otherwise has the right to transfer all Collateral transferred to the Clearing Organizations pursuant to the Cross-Margining Agreement and the Rules, free and clear of any security interest, lien, encumbrance or other restrictions (other than any security interest or lien granted or created pursuant to this Agreement); (iii) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (iv) its execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all requisite action; (v) all authorizations of and exemptions, actions, approvals and consents by, and all notices to or filings with, any governmental or other authority or other persons that are necessary to enable it to execute and deliver this Agreement and to perform its obligations

hereunder have been obtained or made and are in full force and effect, and it has complied with all of the conditions thereof; (vi) this Agreement has been duly executed and delivered by it; (vii) this Agreement is a legal, valid, and binding obligation on its part, enforceable against it in accordance with its terms; and (viii) its execution, delivery and performance of this Agreement do not violate or conflict with any law, regulation, rule of self-regulatory organization or judicial or governmental order or decree to which it is subject, any provision of its constitutional or governing documents, or any term of any agreement or instrument to which it is a party, or by which its property or assets is bound or affected. The representations and warranties in this paragraph shall be effective as of the date of this Agreement and the date of each transaction or transfer relating to this Agreement or the Cross-Margining Agreement.

Without limiting any provision of the Rules or any other agreement between either Member and FICC or NYPC, any transfer by either Member of any rights it may have in the Collateral shall be null and void and, in any event, subject to the prior payment in full of all payment obligations under the Cross-Margining Agreement and the Rules.

This Agreement shall be effective when accepted by both FICC and NYPC. This Agreement may be terminated by either Member upon two Business Days' notice to the other Member, FICC and NYPC and such termination shall be effective upon written acknowledgment by both FICC and NYPC. Either FICC or NYPC may terminate this Agreement immediately upon notice to both Members. Notwithstanding the previous two sentences, each Member's obligations under this Agreement and the Cross-Margining Agreement shall survive the termination of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all which taken together shall be deemed one and the same agreement.

The validity and effectiveness of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the provisions, policies or principles of any state law relating to choice or conflict of laws. Any legal action or proceeding with respect to this Agreement may be brought exclusively in the federal or state courts located in New York, New York, including the United States District Court for the Southern District of New York, and the Parties hereby (a) irrevocably submit to the exclusive jurisdiction of such courts, and (b) irrevocably waive, and agree not to assert by way of motion, defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, that the venue of the action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts. Service of process shall be made in any manner allowed by applicable law.

EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

FICC Member

Name of Member: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

NYPC Member

Name of Member: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Accepted By:*

Fixed Income Clearing Corporation

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

New York Portfolio Clearing, LLC

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

This Agreement is dated as of \_\_\_\_\_ (to be completed upon acceptance by FICC and NYPC).