

Rule 5C: Margin Procedures

5.1C Purpose. Pursuant to Rule 5A, each Participant is required to post Margin Assets to the Company to collateralize the risk that the Participant may not perform its Settlement Obligations when due to deliver Cash or Eligible Securities to other Participants.

5.2C Timing for Determination and Communication of Required Margin Amount. The Company will determine and communicate to each Participant its Required Margin Amount at the following intervals:

(a) Normal End of Day Cut Off. The Company will determine and communicate the Required Margin Amount (as described in Rule 5B) to each Participant at least once daily by a cut-off time of 10:00 p.m.

(b) After Hours. In the event the Company determines that all transactions for a Participant have not been submitted to the Company prior to the 10:00 p.m. cut-off time described in (a) immediately above, the Company may, in its discretion, re-determine and re-communicate the Required Margin Amount to the relevant Participant once all transactions have been received by the Company; provided, however, that the Company will determine and communicate any such Required Margin Amount not later than 11:59 p.m. of Trade Date.

5.3C Determination and Communication of Intraday Computed Margin Requirement. Pursuant to Rule 5B, the Company will determine the amount of any Intraday Computed Margin Requirement for a Participant, and it will communicate any such amount to the Participant as soon as practicable.

5.4C Timing and Amount of Margin Payments. Each Participant is required to satisfy its Required Margin Amount as follows:

(a) Payment of Required Margin Amount. Each Participant is required to satisfy its Required Margin Amount, as determined and communicated by the Company under Rule 5.2C, by depositing Cash to the Margin Cash Account, by 10:00 a.m. on the following Business Day, in an amount equal to or greater than the Required Margin Amount less any amount of Margin Assets that the Participant already has credited to its Participant Account.

(b) Intraday Additional Computed Margin Requirement. Each Participant is required to satisfy any Intraday Additional Computed Margin Requirement required to be paid under Rule 5.5B by depositing Cash to the Margin Cash Account with the relevant amount within two (2) hours of communication by the Company.

5.5C Failure to Meet Margin Requirements. In the event a Participant fails to satisfy any margin requirement by the times prescribed in Rule 5.4C, the failure will constitute a missed margin call by the Participant and the Company will notify each of the Counterparty Pairs of the Participant. The failure by a Participant to make any required deposit, including any margin deposit, with the

Company establishes adequate cause to permit the Company in its discretion to cease to act for the Participant under the terms of Rule 7.

5.6C Withdrawals of Margin Assets. In the event that the amount of a Participant's Margin Assets on deposit exceed its Required Margin Amount, the Company will promptly authorize a Participant's request to withdraw the excess amount provided that such request is properly submitted to the Company by the Participant at such times and in such format as the Company will specify. Notwithstanding the foregoing, the Company may reject any withdrawal request by a Participant if the Company deems such action to be advisable based on (a) the market price or changes in the market price of Eligible Securities in which the Participant has Settlement Obligations with its Counterparty Pairs; (b) the size of the Participant's Settlement Obligations with its Counterparty Pairs; (c) the operational capability or financial position of the Participant; and/or (d) a determination that such action is otherwise in the interest of the protection of the Company, Participants and/or the markets served by the Company and the general public.