

Appendix 17

Service Withdrawal

1. The Clearinghouse may at any time give notice of its intention to wind down a Clearing Service (as defined in Clearing Appendix 9 (Default Fund Rules)) (the "**Impacted Service**") or one or more Products comprising part of a Clearing Service (each an "**Impacted Product**", as applicable, and each Contract based on the same individual Contract Specifications as such Product, an "**Impacted Contract**") for legal or regulatory reasons, for risk management reasons, or for any other reason determined by the Clearinghouse (acting in its sole discretion) (such notice, a "**Service Withdrawal Notice**"), provided that, where a service withdrawal relates to an Impacted Service or Impacted Products with a material size of open interest, the board of directors of the Clearinghouse after due consideration shall approve of the service withdrawal and the application of this Appendix 17 (Service Withdrawal). The Service Withdrawal Notice shall be sent to Clearing Members of the Impacted Service (each an "**Impacted Clearing Member**") and a copy of such notice shall be made available on the Clearinghouse's website (provided that any failure by the Clearinghouse to make a copy of the Service Withdrawal Notice available on its website shall not invalidate such notice).
2. When applying the rules in this Appendix 17 (Service Withdrawal), the Clearinghouse undertakes to:
 - (i) consult with the Impacted Clearing Members in relation to the service withdrawal process;
 - (ii) act in good faith and apply reasonable efforts in assisting Impacted Clearing Members during the service withdrawal process; and
 - (iii) provide information to Impacted Clearing Members in relation to the service withdrawal process, including, where relevant, any timelines, operational issues and the valuation methodology to be used pursuant to paragraph 7 below.
3. For Products with no Open Positions, from the date on which it sends the Service Withdrawal Notice to Impacted Clearing Members, the Clearinghouse may request that the Exchange suspend Trading in and/or de-list certain Exchange Transactions relating to Exchange Transactions and Clearing Transactions which would be cleared at the Impacted Service or relate to an Impacted Product.
4.
 - (i) At any time following (or concurrent with) the delivery of a Service Withdrawal Notice, the Clearinghouse shall give Impacted Clearing Members not less than 12 months' notice (such notice, a "**Service Withdrawal Date Notice**") designating the date on which the Impacted Service will be withdrawn (the "**Service Withdrawal Date**"), provided that the Clearinghouse shall be permitted to give Impacted Clearing Members less than 12 months' notice designating the Service Withdrawal Date where required for legal, regulatory or risk management reasons.
 - (ii) The Clearinghouse may designate more than one Service Withdrawal Date in respect of an Impacted Service, provided that it notifies each Impacted Clearing Member of the relevant designated Service Withdrawal Date for each Impacted Product or each group of Impacted Contracts, as applicable. A copy of the Service Withdrawal Notice shall be made available on the Clearinghouse's website, provided that any failure by the Clearinghouse to make a copy of such notice available on its website shall not invalidate such notice.
 - (iii) Following the delivery of the Service Withdrawal Date Notice, the Clearinghouse may by written notice to the Impacted Clearing Members change the originally designated Service Withdrawal Date to another date, where necessary or desirable for legal, regulatory, operational or risk management reasons, whereby such new date shall be the Service Withdrawal Date for the purpose of this Appendix 17 and provided that the notice periods in paragraph 4(i) are complied with (counting from the date

of the original Service Withdrawal Date Notice) and the notice is made available on the Clearinghouse's website in accordance with paragraph 4(ii).

5. If an Impacted Clearing Member does not receive a Service Withdrawal Notice or Service Withdrawal Date Notice due to an operational error or on account of an accidental omission, then the Clearinghouse will (to the extent it is aware of such failure) provide such Service Withdrawal Notice or Service Withdrawal Date Notice as soon as reasonably practicable, and such failure shall not invalidate the actions of the Clearinghouse following (or as a result of) the Service Withdrawal Notice or invalidate or delay the Service Withdrawal Date (as applicable). For the avoidance of doubt, the Clearinghouse shall not be responsible for monitoring receipt of any Service Withdrawal Notice or Service Withdrawal Date Notice by any Impacted Clearing Member.
6. On the Service Withdrawal Date:
 - (i) (to the extent it has not already) the Clearinghouse will with immediate effect stop accepting, and will no longer Register, any new Transactions in respect of the Impacted Service or Impacted Product (as applicable); and
 - (ii) all Impacted Contracts shall be closed out and the Clearinghouse will determine the value of each such Impacted Contract as of market close on the Clearinghouse Business Day immediately preceding the Service Withdrawal Date in accordance with paragraph 7 below.
7. The value of each Impacted Contract shall be calculated pursuant to the methods set out in this paragraph 7 in the following order of priority:
 - (i) first, if the Clearinghouse in its sole and absolute discretion determines that its existing processes and methodologies for determining the value of Impacted Contracts would be representative of market values for the Impacted Contracts as of market close on the Clearinghouse Business Day immediately preceding Service Withdrawal Date, the Clearinghouse shall value the Impacted Contracts using such processes and methodologies;
 - (ii) second, if the Clearinghouse in its sole and absolute discretion determines that the process in relation to paragraph (i) above would not be representative of market values for the Impacted Contracts as of market close on the Clearinghouse Business Day immediately preceding Service Withdrawal Date, the Clearinghouse shall value the Impacted Contracts using indicative prices based on quotes provided by all Impacted Clearing Members who, in the reasonable opinion of the Clearinghouse, have the necessary capabilities, access and expertise to provide a quote in respect of an Impacted Contract. Such price will be set to the arithmetic mean of the provided quotes, having deducted the highest and the lowest quotes, provided that quotes have been provided by at least five Impacted Clearing Members; and
 - (iii) lastly, if the Clearinghouse in its sole and absolute discretion determines that the process in relation to paragraph (ii) above would not be representative of market values for the Impacted Contracts as of market close on the Clearinghouse Business Day immediately preceding Service Withdrawal Date, the Clearinghouse shall value the Impacted Contracts using such other methodologies and processes as the Clearinghouse shall determine to be appropriate in its absolute discretion.

If the Clearinghouse is in-the-money in respect of an Impacted Contract, its value shall be negative. If the Impacted Clearing Member is in-the-money in respect of an Impacted Contract, its value shall be positive.

8. An amount equal to the value of each Impacted Contract (each, an "**Impacted Contract Withdrawal Amount**"), as determined pursuant to paragraphs 6 (ii) and 7 above, shall be payable in the Daily Cash Settlement in respect of the Service Withdrawal Date in accordance with section 6.1 and 6.2 of the General Terms.
9. Following settlement of each Impacted Contract Withdrawal Amount (whether by payment, netting, set-off or otherwise), the Clearinghouse shall return any Collateral Surplus resulting from the termination of the relevant Impacted Contracts to the relevant Account Holder in

accordance with section 3.7 of the General Terms and the Procedures, provided that the requirements in section 3.7.5 of the General Terms are met.

10. If the whole of an Impacted Service is withdrawn in accordance with this Appendix 17, each Impacted Clearing Member:

- (i) that has paid the total amount of any Impacted Contract Withdrawal Amount payable by it pursuant to paragraph 8; or
- (ii) is entitled to receive an Impacted Contract Withdrawal Amount payable by the Clearinghouse pursuant to paragraph 8,

shall be entitled to receive from the Clearinghouse any Contributed Assets that it has posted in respect of the Impacted Service as if the Impacted Clearing Member had served a Default Fund Exit Notice on the Clearinghouse in accordance with section 10 of Clearing Appendix 9 (Default Fund Rules).