

**Dated**

**[•]**

**[CLEARING PARTICIPANT]** (1)  
(as Clearing Participant)

**and**

**EUROPEAN CENTRAL COUNTERPARTY N.V.** (2)  
(as EuroCCP)

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**SECURITY AGREEMENT**

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## Contents

Clause	Page
1 Purpose, definitions and interpretation.....	1
2 Security Assignment.....	2
3 Transfer back by EuroCCP .....	2
4 Representations and Warranties.....	2
5 Enforcement .....	3
6 Continuing security.....	3
7 Termination .....	4
8 No liability; indemnification .....	4
9 Costs and expenses.....	4
10 Miscellaneous.....	4
11 Governing Law and Jurisdiction .....	5

**THIS SECURITY AGREEMENT** is made **BETWEEN**

- (1) **[CLEARING PARTICIPANT]**, a company [●], established in [●], with its registered office at [●], registered in the Commercial Register of [●] under number [●] (the **Clearing Participant**); and
- (2) **EUROPEAN CENTRAL COUNTERPARTY N.V.**, a company with limited liability (*naamloze vennootschap*) established in Amsterdam, the Netherlands, with its registered office at Strawinskylaan 1847, Tower I, Level 3, 1077 XX, Amsterdam, the Netherlands, registered in the Commercial Register of Amsterdam under number 34268194 (**EuroCCP**);

**WHEREAS:**

- (A) the Clearing Participant has entered into a Clearing Participant Agreement and is recognised as a Clearing Participant by EuroCCP;
- (B) the Clearing Participant has agreed to provide Collateral (as defined in the Clearing Rules) as required by the Clearing Participant Agreement and the Clearing Rules; and
- (C) as part of the Collateral to be provided the Clearing Participant has agreed to deliver Financial Instruments to EuroCCP as required by the Clearing Rules.

**IT IS HEREBY AGREED** as follows:

**1 Purpose, definitions and interpretation**

**1.1 Defined expressions**

In this Agreement, capitalised terms shall, unless otherwise defined herein, have the meaning given to them in the Clearing Rules.

**1.2 Definitions**

In this Agreement:

“**Agreement**” means this title transfer financial collateral arrangement (*financiële zekerheids-overeenkomst tot overdracht*);

“**Clearing Participant Agreement**” means the clearing participant agreement entered into on [●] between EuroCCP and the Clearing Participant;

“**Clearing Rules**” means the rules set out in the Clearing Rule Book, including all Regulations, as may be amended from time to time;

“**Collateral**” means the Financial Instruments delivered by or on behalf of the Clearing Participant to EuroCCP under this Agreement for the purpose of securing the Secured Obligations;

“**Dutch Civil Code**” means *Burgerlijk Wetboek*;

“**Encumbrance**” means any right in rem (*beperkt recht*) and any seizure or attachment (*beslag*);

“**Enforcement Event**” means an enforcement event (*executiegrond*) within the meaning of section 7:51 sub h of the Dutch Civil Code and includes any Event of Default;

“**Equivalent Collateral**” means the equivalent collateral within the meaning of section 7:51 sub g of the Dutch Civil Code;

“**Event of Default**” means a Breach as defined in the Clearing Rules, which, for the purposes of this Agreement, shall constitute a default (*verzuim*) within the meaning of sections 6:81 of the

Dutch Civil Code, without any reminder letter (*aanmaning*) or notice of default (*ingebrekestelling*) being required;

“**Secured Obligations**” means any and all obligations and liabilities of the Clearing Participant towards the EuroCCP under or in connection with the Clearing Rules, the Clearing Participant Agreement and this Agreement, in each case to the extent that these are, or will result in obligations and liabilities for the payment of an amount of money.

1.3 In this Agreement, unless the context otherwise requires:

- 1.3.1 a reference to a clause or schedule without further reference, is a reference to the relevant clause or schedule to this Agreement;
- 1.3.2 the singular includes the plural and the plural includes the singular and each gender shall include the other gender;
- 1.3.3 “**or**” is not exclusive and “**include**” and “**including**” are not limiting;
- 1.3.4 a reference to the Clearing Participant Agreement, the Clearing Rules or any other contract includes any subsequent amendments, revisions or restatements of whatever nature;
- 1.3.5 a reference to a law’ rule or directive includes any (i) amendment or modification thereto, and any rules or regulations issued thereunder, (ii) replacement (with or without modification) or extension thereof, (iii) any re-enactment and (iv) restatement or consolidation of or any subordinate legislation or regulation made under such law;
- 1.3.6 a reference to a “**person**” includes its permitted successors and assigns and shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any State or any of its agencies;

## 2 Security Assignment

- 2.1 With every delivery of Financial Instruments as Collateral, the Clearing Participant transfers full ownership of Financial Instruments to EuroCCP by way of a title transfer financial collateral arrangement (*financiële zekeringsovereenkomst tot overdracht*) for the purpose of securing the Secured Obligations.

## 3 Transfer back by EuroCCP

- 3.1 Upon request by the Clearing Participant and in accordance with the rules as set out in the Regulations, EuroCCP will transfer (such transfer not to be unreasonably refused or delayed) to the Clearing Participant any part of the Collateral which is in excess of the minimum amount required pursuant to the Clearing Rules in accordance with the Regulation Collateral.
- 3.2 EuroCCP may transfer to the Clearing Participant Equivalent Collateral or an amount in cash which is equal to the value of the Financial Instruments delivered by the Clearing Participant.
- 3.3 EuroCCP will pay the Clearing Participant coupon substitute payments for coupons received by EuroCCP on bonds transferred to EuroCCP under this agreement. EuroCCP is not liable for any losses resulting from taxes or costs in relation to coupons, whereas the Clearing Participant may timely substitute Collateral in order to avoid coupon payments to EuroCCP.

## 4 Representations and Warranties

- 4.1 The Clearing Participant represents and warrants to EuroCCP that the following statements are true, complete and not misleading at the time of delivery of any and all Collateral hereunder:

#### 4.1.1 Corporate Power

the Clearing Participant has the power to create the security by way of the title transfer financial collateral arrangement and to enter into and perform its obligations under this Agreement and to deliver Collateral and all necessary corporate and other action has been taken by the Clearing Participant to authorise the entry into and performance of the same. No limitation on any of its powers to create security interests will be exceeded as a result of the Clearing Participant's entry into this Agreement;

#### 4.1.2 Collateral

the Clearing Participant has full legal and beneficial title to the Collateral, and the Collateral is and will remain free of any Encumbrances, other than this Agreement;

#### 4.1.3 No default

the entry by the Clearing Participant into and performance by the Clearing Participant of its obligations under this Agreement and the delivery of Collateral does not (i) result in any breach of or default under any agreement or other instrument to which they are a party or are subject or by which any of its property is bound or (ii) contravene any provision of its constitutional documents;

#### 4.1.4 Consents

all necessary consents, approvals, authorisations and licences required by the Clearing Participant in connection with the entry into, performance under, validity or enforceability of this Agreement and for the delivery of Collateral have been obtained or made and are in full force and effect;

#### 4.1.5 Information

there are no circumstances known to the Clearing Participant which cause the Clearing Participant to believe that any representation or warranty in this Agreement will cease to be true and non-misleading at any time.

### 5 Enforcement

5.1 Upon the occurrence of an Enforcement Event EuroCCP shall be entitled to enforce the Collateral and exercise all remedies available under Dutch law. In particular, the EuroCCP shall be entitled to set-off the Collateral against the Secured Obligations in accordance with the Clearing Rules.

5.2 If reasonably practicable, EuroCCP may, but is not required to, give notice of its intention to enforce this Agreement.

5.3 If the proceeds of any enforcement are in a currency other than that of the Secured Obligations, EuroCCP may convert the same into the currency of the Secured Obligations and the Clearing Participant shall indemnify and hold harmless EuroCCP for any costs and fees incurred in respect of the conversion of the currency.

5.4 Upon request by the Clearing Participant and provided that no Secured Obligations are outstanding, EuroCCP will transfer to the Clearing Participant any Collateral remaining under this Agreement following enforcement in an Enforcement Event.

### 6 Continuing security

6.1 This Agreement shall be a continuing security for the payment of the Secured Obligations and the security so created shall not be satisfied by any intermediate partly payment or satisfaction of any part of the Secured Obligations (or by any payment settlement in respect of the Secured Obligations).

- 6.2 All rights, remedies and powers vested in EuroCCP under this Agreement shall be in addition to and not a limitation of and shall not in any way be prejudiced or affected by, or prejudice or affect, any and every other right, power or remedy vested in EuroCCP under the Clearing Participant Agreement, under any (other) present or future collateral instruments or at law and all the powers so vested in EuroCCP may be exercised from time to time and as often as EuroCCP may deem expedient.

## **7 Termination**

- 7.1 Upon the full and final discharge of the Secured Obligations, EuroCCP shall at the Clearing Participant's request promptly certify in writing that this Agreement is terminated.
- 7.2 EuroCCP may at any time terminate (*opzeggen*) or waive (*afstand doen*) the security assignment as set out in clause 2 in whole or in part by written notice to the Clearing Participant.

## **8 No liability; indemnification**

- 8.1 EuroCCP shall not be liable for any damage suffered or costs or expenses incurred by the Clearing Participant as a result of, and shall not in any other way be liable for, exercising (or failing to exercise) any of its powers, rights and remedies under this Agreement except to the extent such cost or expenses are the result of negligence, fraud or wilful misconduct.
- 8.2 The Clearing Participant shall indemnify EuroCCP against any claims (including any damage suffered and costs incurred as a result of such claim) made by third parties in connection with this Agreement, provided that nothing shall require the Clearing Participant to indemnify EuroCCP for negligence, fraud or wilful misconduct of EuroCCP.

## **9 Costs and expenses**

- 9.1 All costs and expenses (including legal fees) incurred by EuroCCP in order to maintain, exercise, perform and protect and preserve its rights hereunder, in any way whatsoever as provided for in this Agreement, shall be for the account of the Clearing Participant.

## **10 Miscellaneous**

### **10.1 Conclusive records**

The existence and amount of the Secured Obligations shall be *prima facie* determined by reference to the accounts, books and records of EuroCCP, subject to rebuttal evidence produced by the Clearing Participant.

### **10.2 Entire agreement; amendments in writing**

This Agreement contains the entire agreement and supersedes the results of all previous negotiations, proposals, statements of intent, understandings, or agreements, written or oral, expressed or implied with regard to the subject matter of this Agreement. Amendments or supplements thereto may only be made in writing. In the event of any conflict, this Agreement shall prevail in respect of the subject matter hereunder.

### **10.3 Severability**

Each provision of this Agreement is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby. The parties hereto agree that they will negotiate in good faith to replace any provision hereof which is held invalid, illegal or unenforceable with a valid provision which is as similar as possible in substance to the invalid, illegal or unenforceable provision.

**10.4 No forfeiture of rights**

- 10.4.1 No right of a party under this Agreement or by law shall be affected by a failure to invoke that right or to protest against the other party's failure to perform an obligation.
- 10.4.2 No failure or delay by EuroCCP in exercising, and no course of dealing with respect to, any right, power or remedy under this Agreement or any document delivered in connection herewith, shall operate as a waiver thereof or shall impair such right, power or remedy nor shall any single or partial exercise of any right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy.
- 10.4.3 A waiver by EuroCCP of any right or remedy on one occasion shall not be construed as a bar to any right or remedy that EuroCCP would otherwise have on any future occasion.

**10.5 Transfer or assignment**

The Clearing Participant can not assign or transfer any of its rights or obligations under this Agreement.

**10.6 No rescission or nullification**

To the extent permitted by law, the Clearing Participant waives its right to rescind (*ontbinden*) or nullify (*vernietigen*) this Agreement or the legal acts (*rechtshandelingen*) represented by this Agreement.

**11 Governing Law and Jurisdiction**

- 11.1 This Agreement shall be governed by and construed in accordance with the laws of the Netherlands.
- 11.2 The parties to this Agreement hereby irrevocably agree to submit all disputes arising out of or in connection with this Agreement, including disputes relating to the existence and validity of this Agreement, to the exclusive jurisdiction of the courts competent in Amsterdam, the Netherlands.

**IN WITNESS** whereof the parties to this Agreement have caused this Agreement to be duly executed

**SIGNED** for and on behalf of

<p>_____</p> <p><b>[CLEARING PARTICIPANT]</b> By: Title: On:</p>	<p>_____</p> <p><b>EUROPEAN CENTRAL COUNTERPARTY N.V.</b> By: Title: On:</p>
<p>_____</p> <p><b>[CLEARING PARTICIPANT]</b> By: Title: On:</p>	<p>_____</p> <p><b>EUROPEAN CENTRAL COUNTERPARTY N.V.</b> By: Title: On:</p>

