

**Dated**

**[•]** (1)  
(as Pledgor)

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

**and**

**SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)** (3)  
(as Account Bank)

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**PLEDGE AGREEMENT**

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**THIS PLEDGE AGREEMENT** is made **BETWEEN**

- (1) [ ], a company with limited liability [(Sw. bankaktiebolag)] incorporated under the laws of [ ], with its registered office at [ ], registered in the under number [ ](the **Pledgor**);
- (2) **EUROPEAN CENTRAL COUNTERPARTY N.V.**, a company with limited liability (in Dutch *naamloze vennootschap*) incorporated under the laws of 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 (the **Pledgee**);
- (3) **SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)**, a bank with limited liability (Sw. *bankaktiebolag*) incorporated under the laws of Sweden, with its registered office at 106 40 Stockholm, Sweden, registered in the Swedish Companies Register under number 502032-9081 (the **Account Bank**);

**WHEREAS:**

- (A) the Pledgor has entered into a Clearing Participant Agreement and is recognised as a Clearing Participant;
- (B) the Pledgor has agreed to deposit the Collateral or part of the Collateral in the Collateral Account at the Account Bank; and
- (C) the Pledgor has further agreed to grant a pledge over the Collateral Account to secure the Secured Obligations.

**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 pledge agreement;

"**Ancillary Rights**" means, in relation to the Collateral, all property derived or derivable from the Collateral and all other rights or benefits of all kind accrued and accruable or otherwise derived or derivable from the Collateral, including, but not limited to dividends (whether in cash or in kind), distributions, interest or other income payable on or in respect of any part of the Collateral, including the right to participate in new issues of financial instruments;

"**Breach**" means each of (i) a Breach (as defined in the Clearing Rules) and (ii) failure by the Pledgor to comply with any of the terms of this Agreement;

"**Clearing Participant Agreement**" means the clearing participant agreement entered into on or about the date of this Agreement between the Pledgee and the Pledgor;

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

"**Collateral**" means the Collateral Account, all Ancillary Rights, all cash and all Financial Instruments, in each case deposited in and/or standing to the credit of the Collateral Account from time to time;

"**Collateral Account**" means the custody account, including the connected cash account, administered by the Account Bank in the name of the Pledgor with account number[s] [\*\*];<sup>1</sup>

"**Collateral Directive**" means Directive 2002/47/EC of 6 June 2002 on financial collateral arrangements;

"**Custody Agreement**" means the agreement entered into by the Clearing Participant and the Account Bank in relation to the Collateral Account;

"**Encumbrance**" means any mortgage, pledge, lien, charge (fixed or floating), assignment for the purpose of providing security, hypothecation or other security interest, or any other agreement or arrangement having the commercial effect of conferring security;

"**Financial Instrument**" has the meaning given to that term in the Collateral Directive;

"**General Banking Conditions**" means any general banking terms and conditions of the Account Bank (other than the Custody Agreement) and applicable to the Collateral;

"**Pledge**" means the right of pledge (Sw. *panträtt*) created under this Agreement for the benefit of the Pledgee;

"**Power of Attorney**" means the power of attorney granted by the Pledgor to the Pledgee pursuant to clause 9;

"**Secured Documents**" means the Clearing Participant Agreement, the Clearing Rules, this Agreement and other agreement, document or instrument agreed as such between the Pledgor and the Pledgee; and

"**Secured Obligations**" means all present and future obligations and liabilities (whether actual or contingent) of the Pledgor to the Pledgee under or in connection with the Secured Documents, together with all costs, charges and expenses incurred by the Pledgee in connection with the protection, preservation or enforcement of any of its rights under the Secured Documents.

- 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 index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement;
  - 1.3.3 the singular includes the plural and the plural includes the singular and each gender shall include the other gender;
  - 1.3.4 "**or**" is not exclusive and "**include**" and "**including**" are not limiting;
  - 1.3.5 a reference to the Clearing Participant Agreement, the Clearing Rules or any other contract includes any subsequent amendments, revisions or restatements of whatever nature;
  - 1.3.6 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; and

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<sup>1</sup> To be completed.

1.3.7 a reference to a "**person**" includes its successors in title and permitted transferees 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.

1.4 Where a word or expression is given a meaning, interpretation or construction in this Agreement, its other grammatical forms will have the same meaning, interpretation or construction.

## **2 Pledge of Collateral**

For the purpose of constituting security for the due and punctual fulfilment by the Pledgor of the Secured Obligations, the Pledgor hereby pledges, as a first priority pledge, the Collateral to the Pledgee.

## **3 Undertakings and representations of the Account Bank**

3.1 The Account Bank:

3.1.1 agrees to immediately after conclusion of this Agreement record the Pledge in its administration and internal registers;

3.1.2 confirms that it has not entered into any agreement with the Pledgor restricting the ability of the Pledgor to enter into this Agreement and grant the Pledge;

3.1.3 by way of its execution of this Agreement confirms that the Pledge has been notified to it;

3.1.4 subject to clause 4.2, acknowledges and agrees that no payments in respect of the Collateral may, for as long as the Pledge remains in force and effect, be made directly to the Pledgor without the prior written consent of the Pledgee but shall instead be made to or through the Pledgee as in any specific case directed in writing by the Pledgee;

3.1.5 confirms that it has not received notice of any previous assignment, pledge or charge relating to any part of the Collateral;

3.1.6 acknowledges and agrees that the Pledgee will notify the Account Bank in writing when the Pledge no longer is effective; and

3.1.7 agrees to waive and waives, for the benefit of the Pledgee for so long as the Pledge is in force:

(a) any right of pledge which it may have or at any time in the future may acquire in respect of the Collateral, including any pledge set out in the General Banking Conditions and/or the Custody Agreement;

(b) any right of set-off; and

(c) any rights of suspension of performance in respect of the Collateral other than in respect of unpaid fees and expenses of the Account Bank in respect of the Collateral Account, provided that the Pledgee prior to any such suspension shall be offered by the Account Bank to discharge the relevant fees and expenses at the expense of the Pledgor.

## 4 Use of the Collateral Account

- 4.1 The Account Bank shall not allow the Pledgor to make any withdrawal from or accept and carry out any instructions with regard to the Collateral, including, for the avoidance of doubt, the Collateral Account without the prior written consent of the Pledgee, or unless instructed to do so by the Pledgee.
- 4.2 The Pledgee will give consent (such consent not to be unreasonably withheld or delayed) to the Pledgor to transfer any part of the Collateral from the Collateral Account which is in excess of the minimum amount required pursuant to the Clearing Rules in accordance with the Regulation Collateral.
- 4.3 The Pledgor is aware and agrees that the Account Bank may disclose information regarding the Collateral Account to the Pledgee, such as whether sufficient Collateral has been furnished pursuant to the Clearing Rules in accordance with the Regulation Collateral.

## 5 Voting Rights

- 5.1 The Pledgor shall continue to be entitled to exercise any voting rights attached to any of the Financial Instruments which are subject to the Pledge.

## 6 Representations and Warranties

- 6.1 The Pledgor represents and warrants to the Pledgee that the following statements are true, complete and not misleading (i) at the time of execution of this Agreement and (ii) to the extent applicable, at such future date on which the Collateral comes into existence:
- 6.1.1 Corporate Power
- the Pledgor has the power to create the Pledge and to enter into and perform its obligations under this Agreement and all necessary corporate and other action has been taken by the Pledgor 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 Pledgor's entry into this Agreement;
- 6.1.2 Ranking and Enforcement
- this Agreement constitutes legally binding and valid obligations of the Pledgor and validly creates a first priority security interest enforceable in accordance with its terms against the Pledgor, a liquidator, a receiver or similar officer of the Pledgor;
- 6.1.3 Collateral
- the Pledgor has full legal and beneficial title to the Collateral and the Collateral is and will remain free of any Encumbrances, other than this Pledge;
- 6.1.4 No default
- the entry by the Pledgor into and performance by the Pledgor of its obligations under this Agreement does not (i) result in any breach of or default under any law, regulation, order, agreement, instrument to which it is a party or are subject or by which any of its property is bound or (ii) contravene any provision of its constitutional documents;
- 6.1.5 Consents
- all necessary consents, approvals, authorisations and licences required by the Pledgor in connection with the entry into, performance under, validity or enforceability of this Agreement have been obtained or made and are in full force and effect;

## 6.1.6 Information

- (a) the Pledgor has provided the Pledgee with all such material information concerning the Collateral as may be relevant to a Pledgee; and
- (b) there are no circumstances known to the Pledgor which cause the Pledgor to believe that any representation or warranty in this Agreement will cease to be true and non-misleading at any time.

## 7 Undertakings of the Pledgor

### 7.1 Further Assurance

The Pledgor shall take any action and do all such things and acts which may in the reasonable opinion of the Pledgee be necessary to establish, maintain, exercise, protect and preserve the validity and enforceability of this Pledge and the rights of the Pledgee under this Agreement and to generally carry out the true intent of this Pledge.

### 7.2 Negative undertakings

Other than as permitted or explicitly intended under the Clearing Participant Agreement, the Clearing Rules or this Agreement, the Pledgor shall not, without the Pledgee's prior written consent:

- (a) transfer or otherwise dispose of the Collateral or make it subject to any Encumbrances;
- (b) waive any rights it may have in respect of the Collateral;
- (c) make use of any rights or provisions limiting the possibility of the Collateral to constitute security or which are likely to be detrimental to the value of or the possibility to enforce the Pledge and the Pledgor further undertakes to refrain from making use of any other such right pursuant to any agreement, in relation to or following the sale or enforcement of the Collateral or any part thereof; or
- (d) do, cause or allow anything which will, or could reasonably be expected to, adversely affect the Collateral or the rights of the Pledgee under this Agreement, including, for the avoidance of doubt, the existence or enforceability of the Pledge.

### 7.3 Information

7.3.1 The Pledgor shall immediately upon becoming aware thereof inform the Pledgee of any circumstances which could reasonably be expected to be relevant to the Pledgee in connection with this Agreement, including but not limited to:

- (a) any representation or warranty becoming untrue or misleading;
- (b) a threatened or actual seizure or attachment of the Collateral; and
- (c) any insolvency procedure in any jurisdiction being filed for or otherwise being expected to become applicable to the Pledgor.

7.3.2 The Pledgor shall supply and provide to the Pledgee upon its first reasonable request (i) all relevant evidence and documents relating to the Collateral and (ii) all relevant evidence and documents relating to any of the information the Pledgor has (or should have) provided to the Pledgee pursuant to clause 7.3.1.

## 8 Enforcement

- 8.1 Upon the occurrence of a Breach which is continuing the Pledgee shall be entitled to immediately enforce this Pledge and to exercise as and when it sees fit every other power possessed by it by virtue of this Agreement, any other Secured Document or available to a secured creditor under applicable law and in particular (without limitation), the Pledgee shall be entitled to:
- 8.1.1 realise the Collateral, or any part thereof, by private sale or public auction or in any other manner permitted by applicable law; and
- 8.1.2 to the extent that the Collateral consists of cash, set off the Secured Obligations against such Collateral.
- 8.2 The provisions in Chapter 10, Section 2 of the Swedish Code of Commerce (Sw. *Handelsbalken*) shall not apply to this Agreement or any enforcement of the Pledge.
- 8.3 If the proceeds of any enforcement are in a currency other than that of the Secured Obligations, the Pledgee may convert the same into the currency of the Secured Obligations and the Pledgor shall indemnify and hold harmless the Pledgee for any costs and fees incurred in respect of the conversion of the currency.
- 8.4 To the extent permitted under Swedish law, the Pledgor hereby irrevocably and unambiguously waives for the benefit of the Pledgee (i) any right it may have of first requiring the Pledgee to proceed against or claim payment from any debtor or any other person or enforce any other rights it may have prior to enforcing the Pledge and (ii) all other rights and defences conferred upon it as a debtor or pledgor by Swedish law.

## 9 Power of Attorney

- 9.1 Subject to the provisions of this Clause, the Pledgor hereby grants an irrevocable power of attorney (Sw. *fullmakt*), with the right of substitution, to the Pledgee to perform all acts and execute all documents as may be required to perfect or implement this Agreement on its behalf and to take any action which the Pledgor must take under this Agreement and which is necessary for the Pledgee to create, maintain and exercise its rights under this Agreement. The power of attorney granted is granted solely to protect the interest of the Pledgee in the Collateral and shall not impose any duty upon the Pledgee to exercise any power.
- 9.2 In exercising its powers under this Power of Attorney, the Pledgee may act as a counterparty to the Pledgor.
- 9.3 The Pledgor shall ratify and confirm any acts of the Pledgee or any substitute performed under this Power of Attorney.
- 9.4 The Pledgor shall indemnify and hold harmless the Pledgee or any substitute from any liability, claim, cost or expense suffered or incurred as a result of any action taken by them in good faith pursuant to this Power of Attorney.



## 10 Continuing security

- 10.1 This Pledge 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).
- 10.2 All rights, remedies and powers vested in the Pledgee 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 the Pledgee under the Clearing Participant Agreement, under any (other) present or future collateral instruments or at law and all the powers so vested in the Pledgee may be exercised from time to time and as often as the Pledgee may deem expedient.
- 10.3 The Pledgee may refrain from applying or enforcing any other rights held or received by it in respect of the Secured Obligations.
- 10.4 Upon the full and final discharge of the Secured Obligations, the Pledgee shall at the Pledgor's request promptly certify in writing that this Agreement is terminated and that the Collateral is released from the Pledge.
- 10.5 The Pledgee may at any time terminate or waive the Pledge in whole or in part by written notice to the Pledgor.

## 11 No liability; indemnification

- 11.1 The Pledgee shall not be liable for any damage suffered or costs or expenses incurred by the Pledgor 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 gross negligence, fraud or wilful misconduct of the Pledgee.
- 11.2 The Account Bank shall not be liable for any damage suffered or costs or expenses incurred by the Pledgor as a result of exercising (or failing to exercise) any of its powers, rights and remedies under this Agreement except to the extent such costs or expenses are the result of gross negligence, fraud or wilful misconduct of the Account Bank.
- 11.3 The Pledgor shall indemnify each of the Pledgee and the Account Bank against any claims (including any damage suffered and costs incurred as a result of such claim) (a) made by third parties against any of them in connection with this Pledge, and (b) made by the Pledgee against the Account Bank in connection with this Pledge, provided that nothing shall require the Pledgor to indemnify (i) the Pledgee for negligence, fraud or wilful misconduct of the Pledgee or (ii) the Account Bank for negligence, fraud or wilful misconduct of the Account Bank.

## 12 Costs and expenses

- 12.1 All costs and expenses (including legal fees) incurred by the Pledgee in order to maintain, exercise, perform, protect, preserve and/or enforce its rights hereunder, in any way whatsoever as provided for in this Agreement, shall be for the account of the Pledgor and shall, for the avoidance of doubt, until discharged form part of the Secured Obligations.

## 13 Miscellaneous

### 13.1 Conclusive records

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

### 13.2 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 require that all parties to this Agreement consent thereto, and may only be made in writing. In the event of any conflict, this Agreement shall prevail in respect of the subject matter hereunder.

### 13.3 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.

### 13.4 No forfeiture of rights

13.4.1 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.

13.4.2 No failure or delay by the Pledgee 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.

13.4.3 A waiver by the Pledgee of any right or remedy on one occasion shall not be construed as a bar to any right or remedy that the Pledgee would otherwise have on any future occasion.

### 13.5 Delegation

13.5.1 The Pledgee may at any time or times delegate to any person(s) all or any of its rights, powers and discretions under this Agreement on such terms (including power to sub-delegate) as the Pledgee sees fit, and employ agents, managers, employees, advisers and others on such terms as it sees fit for any of the purposes set out in this Agreement. Where relevant to the Account Bank, the Account Bank shall be informed of such delegation in due time.

13.5.2 The Pledgee will not be liable or responsible to the Pledgor or any person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of such delegate or sub-delegate unless such loss is caused directly by gross negligence, fraud or wilful misconduct of the Pledgee.

### 13.6 Transfer or assignment

The Pledgor can not assign or transfer any of their rights or obligations under this Agreement, save after prior written approval of the Pledgee.

## 14 Governing Law and Jurisdiction

- 14.1 This Agreement shall be governed by and construed in accordance with the laws of Sweden.
- 14.2 The courts of Sweden shall have exclusive jurisdiction over matters arising out of or in connection with this Agreement and the Stockholm District Court (Sw. *Stockholms tingsrätt*) shall be the court of first instance, provided that the submission to the jurisdiction of the Swedish courts shall not limit the right of the Pledgee to take proceedings against the Pledgor in any other court which may otherwise exercise jurisdiction over the Pledgor or any of its assets.

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

**SIGNED** for and on behalf of

<b>THE PLEDGOR</b>  <hr/> <b>[CLEARING PARTICIPANT]</b>  By: Title: On:	<b>THE PLEDOR</b>  <hr/> <b>[CLEARING PARTICIPANT]</b>  By: Title: On:
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<b>THE PLEDGEE</b>  <hr/> <b>EUROPEAN CENTRAL COUNTERPARTY N.V.</b>  By: Title: On:	<b>THE PLEDGEE</b>  <hr/> <b>EUROPEAN CENTRAL COUNTERPARTY N.V.</b>  By: Title: On:
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<b>THE ACCOUNT BANK</b>  <hr/> <b>SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)</b>  By: Title: On:	<b>THE ACCOUNT BANK</b>  <hr/> <b>SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)</b>  By: Title: On:
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