



95 Cromwell Road, Second Floor, London, SW7 4DL, United Kingdom
www.onyxcapitalgroup.com

Onyx Clearing - Terms of Business v1.2



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1. Introduction

- 1.1 These terms of business (the “**Terms**”) govern the provision by Onyx Capital Advisory Limited (“**OCAL**”, “**we**”, “**us**” or “**our**”) of clearing services to you.
- 1.2 These Terms, together with any schedules or other documents expressly incorporated into them from time to time, form the agreement between you and OCAL in relation to such services.
- 1.3 The services provided under these Terms are limited to indirect clearing services. OCAL does not provide execution, advisory, discretionary management or custody services under these Terms unless expressly agreed in writing.
- 1.4 These Terms apply only to clients who are categorised as Professional Clients or Eligible Counterparties. OCAL does not provide services to Retail Clients.
- 1.5 Capitalised terms used in these Terms have the meanings given to them in the Definitions section at the end of these Terms, unless otherwise stated.
- 1.6 Where there is any inconsistency between these Terms and any applicable clearing member agreement, CCP rulebook or mandatory regulatory provision, such clearing member agreement, CCP rulebook or mandatory provision shall prevail to the extent of the inconsistency.
- 1.7 By entering into transactions cleared through OCAL or otherwise using the services described in these Terms, you agree to be bound by them, as amended from time to time.

2. About Us & Regulatory Status

- 2.1 OCAL is authorised and regulated by the Financial Conduct Authority (“**FCA**”) in relation to its clearing services business. OCAL is entered on the Financial Services Register with reference number 822509.
- 2.2 Details of the regulated services which OCAL is permitted to provide are set out in the Financial Services Register, available on the website of the Financial Conduct Authority (<https://www.fca.org.uk>). The FCA may be contacted at Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.
- 2.3 Onyx Capital Advisory Limited is registered in England & Wales (company number 11472304) with its registered address at 95 Cromwell Road, Second Floor, London SW7 4DL. Our contact details are (+44 20 30975000) and clearing@flux.live.

3. Scope of Services

- 3.1 These Terms apply solely to the provision of indirect clearing services by OCAL. OCAL is not a direct clearing member of any central counterparty (“**CCP**”). In providing these services, OCAL arranges for the clearing of your Clearing Transactions through one or more third-party clearing members, in accordance with the applicable rules of the relevant CCP and clearing member.
- 3.2 The exchanges, trading venues, products and CCPs in respect of which OCAL provides Clearing Services to you, together with the identity of the clearing member(s) through which those services are provided and the fees and charges applicable to those services, are as specified in the Fee Letter. No Clearing Services will be made available to you until a Fee Letter has been executed between you and OCAL. Where OCAL and you agree to extend the scope of the Clearing Services to cover additional products, exchanges or clearing arrangements, a new or supplemental Fee Letter will be executed to reflect those changes. No amendment to these Terms is required to give effect to any such update.
- 3.3 These Terms do not apply to any other services provided by OCAL.

- 3.4 For the avoidance of doubt, Clearing Services are provided through a multi-party clearing structure involving one or more third-party clearing members and relevant central counterparties. OCAL does not control the rules, procedures or default management processes of any clearing member or CCP, and the Clearing Services are provided subject to the applicable rules, procedures and requirements of those entities.
- 3.5 You may not provide, offer or hold yourself out as providing clearing or indirect clearing services to any third party in respect of Clearing Transactions under these Terms. This prohibition is absolute and no consent or agreement by OCAL or any clearing member shall operate to permit onward indirect clearing. You confirm that you are not and will not act as a provider of indirect clearing services to any other person in connection with Clearing Transactions arranged by OCAL.
- 3.6 OCAL does not currently provide clients with direct electronic access ("DEA") to any trading venue. Where OCAL agrees in the future to provide DEA services to you, such services will be subject to a DEA Addendum to this Agreement, which will set out the essential rights and obligations of both parties in connection with the provision of those services.

4. Structure of Clearing Relationship

- 4.1 You acknowledge that OCAL provides Clearing Services as an indirect clearing intermediary and that all transactions cleared through OCAL form part of a multi-party clearing structure involving one or more third-party clearing members and relevant CCPs.
- 4.2 OCAL acts as principal in its contractual relationship with you. Clearing members and CCPs act as principals in their respective contractual relationships with OCAL.
- 4.3 You acknowledge that you do not have a direct contractual relationship with any clearing member or CCP in respect of transactions cleared through OCAL, and that OCAL does not act as agent for any clearing member or CCP.
- 4.4 The clearing of any transaction is subject to acceptance by the relevant clearing member and CCP in accordance with their applicable rules, procedures and requirements. A transaction will only be considered cleared once it has been accepted for clearing by the relevant CCP.
- 4.5 OCAL may, acting reasonably and in accordance with Applicable Law, decline to submit, accept or continue to clear any transaction where required to do so by a clearing member, a CCP, or as a result of applicable rules, procedures or risk requirements.

5. Account Structures and Client Choice

- 5.1 OCAL offers Clearing Services using different types of account structures at the level of the relevant clearing member or CCP, subject to Applicable Law and the applicable rules and procedures of the relevant clearing member or CCP. Clients may choose between the available account structures, each of which provides a different level of segregation and risk protection. Clients should carefully consider the differences between the available account structures, including the level of segregation provided and the risks associated with each, before selecting an account structure in connection with the Clearing Services.
- 5.2 The following account structures may be made available in connection with the Clearing Services:
- a) **Basic omnibus segregated account ("BOSA")**: the assets and positions of more than one client are held together on an omnibus basis at the level of the relevant clearing member or CCP. In certain circumstances, including following the default of a client or the operation of applicable clearing member or CCP rules, losses arising in connection with the positions of one client may be shared with, or affect, the assets and positions of other clients whose positions are held within the same basic omnibus segregated account. This account structure provides a lower level of segregation and protection than a gross omnibus segregated account.

- b) **Gross omnibus segregated account ("GOSA"):** the assets and positions of each client are recorded and segregated on a client-by-client basis within an omnibus account structure maintained at the level of the relevant clearing member or CCP. Under this structure, the assets and positions of one client are not intended to be exposed to losses arising in connection with the positions of other clients held within the same omnibus account, subject to Applicable Law and the applicable rules and procedures of the relevant clearing member or CCP. This account structure provides a higher level of segregation and protection than a basic omnibus segregated account.
- 5.3 Clients may request that Clearing Transactions are held using a particular account structure supported by OCAL and the relevant clearing member. Where a client does not make a selection within a reasonable period specified by OCAL, OCAL may apply a default account structure, provided that the client is informed of the account structure applied and the risks associated with that account structure without undue delay. A client may request a change to a different available account structure at any time, subject to Applicable Law, the applicable rules and procedures of the relevant clearing member or CCP and any applicable operational or timing constraints.
- 5.4 Any information provided by OCAL in relation to the availability, operation or risks of different account structures is provided for information purposes only and is intended to enable clients to make their own informed decisions. OCAL does not provide any recommendation, advice or assessment as to the suitability of any particular account structure for a client, and clients are solely responsible for determining which account structure is appropriate for their own circumstances.

6. Gross Omnibus Segregation and Indirect Clearing Disclosure

- 6.1 **Regulatory Disclosure:** The disclosures in this section are provided to comply with Applicable Law governing indirect clearing arrangements and are intended to ensure that clients are fully informed of the structure of indirect clearing services, the nature and operation of different account structures, the level of segregation applicable to each such account structure and the risks associated with indirect clearing. Clients should review these disclosures carefully in order to make informed decisions in connection with the Clearing Services.
- 6.2 **Account Structure:** Where Clearing Transactions are held through a gross omnibus segregated account, such account will be maintained at the relevant clearing member or CCP in accordance with Applicable Law and applicable clearing member and CCP rules. Under a gross omnibus segregated account, positions and margin relating to different clients are recorded separately, but are held in an omnibus structure.
- 6.3 **No Direct Relationship with Clearing Member or CCP:** You acknowledge that neither any clearing member nor any CCP is a party to the Agreement and that you have no direct contractual relationship with any clearing member or CCP in respect of Clearing Transactions.
- 6.4 **Default of OCAL:** You acknowledge that, in the event of a default of OCAL, the relevant clearing member may, subject to Applicable Law and its own rules and procedures and without reference to you:
- transfer transactions relating to your Clearing Transactions to a replacement clearing firm (porting);
 - close out and/or otherwise liquidate transactions relating to your Clearing Transactions and liquidate associated margin, and return any balance directly to you (leapfrog); or
 - where porting or leapfrog is not successful, return any balance owed to OCAL for your account.

The client acknowledges and agrees that, upon the occurrence of a default of OCAL, actions taken by a clearing member or CCP in relation to Clearing Transactions, including porting, liquidation, the application of margin and the return of proceeds, may occur without the prior consent of the client and in accordance with Applicable Law and the applicable rules and procedures of the relevant clearing member or CCP.

- 6.5 **Discretion and Conditions:** You acknowledge that whether porting or leapfrog occurs, and the conditions applicable to any such process, are determined solely by the relevant clearing member in accordance with its internal requirements, Applicable Law and CCP rules, and may include requirements as to timing, information, legal effectiveness and indemnities.
- 6.6 **No Clearing Member Liability:** You acknowledge and agree that any clearing member is liable only to OCAL and shall have no liability whatsoever to you in respect of Clearing Transactions, including in connection with any porting, leapfrog, close-out or liquidation process.
- 6.7 **Timing and Amounts Returned:** Any amounts returned to you in connection with Clearing Transactions following a default or close-out shall be determined and paid in the manner and timeframe determined by the relevant clearing member and/or CCP in accordance with Applicable Law and applicable rules.
- 6.8 **Regulatory Compliance and Clearing Member Rights:** The client acknowledges and agrees that the provisions of this Agreement relating to the structure of indirect clearing services, account segregation, default management, porting, liquidation and the return of proceeds are included, among other things, to enable clearing members and CCPs to comply with Applicable Law governing indirect clearing arrangements. The client shall not take any action, and shall not assert any right, that would prevent or materially impede a clearing member or CCP from exercising its rights or performing its obligations in accordance with Applicable Law or the applicable rules and procedures of that clearing member or CCP.
- 6.9 **Third Party Rights:** You acknowledge that this section is intended for the benefit of the relevant clearing member and that such clearing member may enforce the provisions of this section in accordance with the Contracts (Rights of Third Parties) Act 1999.

7. Client Eligibility and Categorisation

- 7.1 OCAL provides Clearing Services only to clients who are categorised as Professional Clients or Eligible Counterparties in accordance with the FCA Rules.
- 7.2 OCAL does not provide Clearing Services to Retail Clients, and these Terms do not apply to Retail Clients.
- 7.3 OCAL will categorise you for regulatory purposes based on the information you provide and in accordance with Applicable Law. Your categorisation will determine the level of regulatory protections available to you.
- 7.4 You may request a different client categorisation in accordance with Applicable Law. Any change in categorisation will only take effect once confirmed by OCAL in writing.
- 7.5 You acknowledge that a change in your categorisation may result in a loss of certain regulatory protections.
- 7.6 You agree to notify OCAL promptly if there is any change in your circumstances that could reasonably affect your regulatory categorisation.

8. Client Acceptance and Onboarding

- 8.1 The provision of Clearing Services by OCAL is subject to OCAL's acceptance of you as a client. OCAL is not obliged to provide Clearing Services to any person and may refuse to onboard, or may cease to provide Clearing Services to, any client at its discretion and in accordance with Applicable Law.
- 8.2 Before providing Clearing Services, OCAL may require you to provide such information, documentation and confirmations as OCAL considers necessary or appropriate, including for the purposes of client due diligence, anti-money laundering, counter-terrorist financing, sanctions screening, regulatory compliance and risk assessment.

- 8.3 You represent and warrant that all information provided to OCAL in connection with your onboarding, and on an ongoing basis, is accurate, complete and not misleading. You agree to notify OCAL promptly of any material change to such information.
- 8.4 OCAL may impose conditions precedent to the commencement of Clearing Services, including but not limited to:
- completion of onboarding and due diligence to OCAL's satisfaction;
 - establishment of appropriate accounts and operational arrangements;
 - execution or acceptance of any additional documentation required by OCAL; and
 - compliance with any requirements imposed by clearing members or CCPs.
- 8.5 OCAL may suspend or delay the commencement of Clearing Services, or decline to clear specific transactions, where onboarding requirements are not satisfied or where required by a clearing member, a CCP or Applicable Law.
- 8.6 The client shall provide to OCAL such information, confirmations and elections as OCAL may reasonably require from time to time in connection with the provision of indirect clearing services, including information relating to the client's selected account structure, the relevant clearing member(s) and CCP(s), and any other information required to enable OCAL and the relevant clearing member or CCP to comply with Applicable Law governing indirect clearing arrangements. The client represents that all such information is accurate and complete when provided and undertakes to notify OCAL promptly of any material change to such information.

9. The Agreement

- 9.1 These Terms, together with any Schedules and other documents expressly incorporated by reference, form the agreement between you and OCAL in relation to the provision of Clearing Services (the "**Agreement**"). In the event of any inconsistency between these Terms and any Schedule, the Schedule shall prevail in respect of the relevant service.
- 9.2 The Agreement applies to all Clearing Services provided by OCAL to you unless expressly agreed otherwise in writing.
- 9.3 Each Clearing Transaction entered into between you and OCAL, and all obligations arising in connection with such Clearing Transactions, are governed by the Agreement and form part of a single contractual relationship between you and OCAL.
- 9.4 OCAL may at any time impose pre-trade controls on your transactions, including price collars, maximum order values and volumes, message limits, and the ability to halt or cancel orders and positions. You agree to cooperate with any such controls and to provide OCAL with such information regarding your trading activity as OCAL may reasonably require for the purposes of risk management, market abuse surveillance, or compliance with the rules of any relevant exchange, trading venue, or CCP.
- 9.5 The Agreement supersedes any prior terms of business, agreements or arrangements between you and OCAL relating to the provision of clearing services, to the extent they relate to the same subject matter.
- 9.6 Any additional terms agreed between you and OCAL in relation to specific products, markets, CCPs or Clearing Services shall be set out in Schedules to the Agreement and shall form part of the Agreement.
- 9.7 The Agreement may be entered into and accepted electronically, including through online acceptance or electronic signature, and such acceptance shall have the same legal effect as a handwritten signature.



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10. Risk Disclosures

- 10.1 Clearing transactions in exchange-traded and OTC derivatives involve a high degree of risk and are suitable only for persons who understand the nature of such transactions and the extent of their exposure to risk.
- 10.2 You acknowledge that indirect clearing arrangements involve additional risks, including risks arising from the use of third-party clearing members and CCPs, and that OCAL does not control the rules, procedures or default management processes of those entities.
- 10.3 Risks associated with Clearing Services may include, without limitation:
- a) margin and leverage risk;
 - b) liquidity risk;
 - c) market volatility;
 - d) operational and systems risk;
 - e) the default or insolvency of a clearing member or CCP; and
 - f) the application of CCP default management, porting, netting or loss allocation processes.
- 10.4 You acknowledge that losses may exceed the margin or collateral posted in respect of Clearing Transactions and that you may be required to provide additional margin at short notice.
- 10.5 You confirm that you have read and understood any risk disclosure statements provided by OCAL in connection with the Clearing Services and that you accept the risks associated with such services.

11. Accounts & Authorised Persons

- 11.1 OCAL may establish one or more accounts in your name for the purposes of providing Clearing Services. The operation of any such account is subject to the Agreement and any applicable Schedule.
- 11.2 You must notify OCAL in writing of the individuals authorised to give instructions, enter into Clearing Transactions or otherwise act on your behalf in connection with the Clearing Services (each an “**Authorised Person**”).
- 11.3 OCAL may rely on any instruction, notice or communication given by an Authorised Person as if it were given by you and shall not be required to make any further enquiry as to the authority or identity of that person.
- 11.4 You are responsible for ensuring that all Authorised Persons act within the scope of their authority and comply with the Agreement and Applicable Law.
- 11.5 You may revoke or amend the authority of an Authorised Person by giving OCAL prior written notice. Any revocation or amendment will take effect only once acknowledged by OCAL.
- 11.6 OCAL may impose reasonable controls, procedures or restrictions in relation to the operation of accounts or the giving of instructions, including for operational, risk management or regulatory purposes.

12. Margin, Collateral & Client Assets

- 12.1 You are required to provide margin and/or collateral in connection with Clearing Transactions in such form, amount and at such times as OCAL may require, including to meet requirements imposed by clearing members or CCPs.
- 12.2 Margin requirements may be determined by reference to:

- a) requirements imposed by clearing members or CCPs;
- b) OCAL's own risk management policies; and
- c) Applicable Law.

Margin requirements may change at any time and without prior notice, including on an intraday basis.

- 12.3 You must meet all margin calls in full and within the time specified by OCAL. Failure to do so may result in the suspension, close-out or liquidation of Clearing Transactions in accordance with the Agreement.
- 12.4 OCAL may accept margin or collateral in such forms as it determines from time to time, subject to applicable clearing member, CCP and regulatory requirements. OCAL may apply haircuts, valuation adjustments or eligibility criteria in respect of any collateral.
- 12.5 Margin and collateral received by OCAL from you in connection with Clearing Transactions will be held by OCAL as client money in accordance with CASS Chapter 7. All client money received by OCAL should be paid directly into a client bank account established and maintained in accordance with CASS. You retain a beneficial interest in all client money held by OCAL on your behalf and shall be entitled to share in the client money distribution in accordance with CASS in the event of OCAL's insolvency. OCAL will not use, transfer, pledge, rehypothecate or otherwise deal with client money held on your behalf other than as required to meet obligations to clearing members or CCPs in connection with your Clearing Transactions, or as otherwise permitted by CASS and Applicable Law.
- 12.6 Margin and collateral held by OCAL as client money will be held on a statutory trust basis for your benefit in accordance with CASS Chapter 7. In the event of OCAL's insolvency, you will have a proprietary claim in respect of client money held on your behalf and will be entitled to share in the client money distribution in accordance with CASS. OCAL will perform client money reconciliations and maintain records in accordance with CASS. OCAL will take reasonable steps to ensure that client money held on your behalf is identifiable and appropriately segregated from OCAL's own assets at all times.
- 12.7 OCAL may, in addition to the margin requirements imposed by the relevant clearing member or CCP, require you to post additional initial margin or a margin buffer based on OCAL's own risk assessment of your specific credit profile, position concentration, liquidity risk or other relevant risk factors. Any such additional margin requirement shall be determined by OCAL in good faith based on documented risk management criteria and may be varied by OCAL from time to time. The applicable additional margin requirement, if any, shall be set out in the Fee Letter or otherwise notified to you in writing.

13. Client Money Held with Third Parties (Client Transaction Accounts)

- 13.1 In connection with your Clearing Transactions, OCAL may place client money held on your behalf with a clearing member or authorised central counterparty in a client transaction account maintained in accordance with CASS Chapter 7, for the purpose of collateralising your positions. For any such client transaction account, OCAL shall obtain a client transaction account acknowledgement letter from the relevant clearing member or authorised central counterparty in the form required by CASS.
- 13.2 Client money placed in a client transaction account remains subject to CASS protections. However, you should be aware that if the clearing member or authorised central counterparty at which your client money is held in a client transaction account were to fail, a secondary pooling event may occur under CASS, and any shortfall in client money returned to OCAL as a result of that failure may be shared rateably among all clients whose money was held in the relevant client transaction account.
- 13.3 OCAL will only place client money in a client transaction account to the extent required in connection with Clearing Transactions that are likely to occur or have recently settled, in accordance with CASS Chapter 7.

14. Fees, Charges & Payments

- 14.1 You agree to pay all fees, charges, commissions and other amounts payable in connection with the Clearing Services, as set out in the Fee Letter agreed between you and OCAL, or otherwise notified to you by OCAL from time to time.
- 14.2 Fees and charges may include, without limitation:
- clearing fees;
 - exchange and CCP fees;
 - fees charged by clearing members or third-party service providers;
 - margin-related costs; and
 - administrative or operational charges.
- 14.3 OCAL may pass through to you any fees, charges, costs or expenses incurred by OCAL in connection with the Clearing Services, including those imposed by clearing members, CCPs, exchanges or regulators.
- 14.4 All amounts payable under the Agreement are exclusive of any applicable taxes, duties or similar charges, which shall be payable by you in addition.
- 14.5 All payments must be made in immediately available funds, in the currency and to the account specified by OCAL, and without set-off or deduction unless required by Applicable Law.
- 14.6 Where a Client fails to pay, deliver or maintain any Margin or other amount required under this Agreement within the time required, OCAL may charge interest on the overdue amount at the rate set out in the Fee Letter from the date on which such amount was due until the date of actual payment in full, both before and after any judgment. Such interest shall accrue daily and shall be compounded monthly.

15. Statements, Records & Information

- 15.1 OCAL will provide you with statements, reports or confirmations in relation to Clearing Transactions and accounts at such times and in such form as OCAL determines or as required by Applicable Law.
- 15.2 You must review all statements, confirmations and other information provided by OCAL promptly and notify OCAL as soon as reasonably practicable of any error, discrepancy or omission. Any failure to do so may be taken into account by OCAL in resolving any dispute.
- 15.3 OCAL's records (including electronic records), unless manifestly incorrect, shall be prima facie evidence of Clearing Transactions, positions, margin requirements, payments and other matters relating to the Clearing Services.
- 15.4 You acknowledge that statements and reports provided by OCAL may be based on information received from clearing members, CCPs, exchanges or other third parties and that OCAL is entitled to rely on such information.
- 15.5 OCAL may retain records relating to the Clearing Services for such periods as required by Applicable Law or as OCAL considers appropriate for operational or risk management purposes.

16. Regulatory and Reporting Matters

- 16.1 You acknowledge that OCAL is subject to regulatory, reporting and disclosure obligations under Applicable Law in connection with the Clearing Services.
- 16.2 Nothing in these Terms requires OCAL to make any regulatory filings (including but not limited to EMIR reporting), reports or disclosures on your behalf or to assume responsibility for your compliance with Applicable Law.
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Law, except as required by Applicable Law where OCAL, as a financial counterparty, is solely responsible for reporting on behalf of both parties in respect of transactions concluded with a non-financial counterparty that does not meet the conditions referred to in Article 10(1) of UK EMIR (an "NFC-"), as further described in clause 15.6.

- 16.3 You remain solely responsible for complying with all regulatory, reporting and disclosure obligations applicable to you, including any obligations arising in connection with Clearing Transactions, except where OCAL is required by Applicable Law to report on your behalf as described in clause 15.6.
- 16.4 You agree to provide OCAL promptly with such information as OCAL may reasonably require:
- a) to comply with its own regulatory obligations; or
 - b) to provide information to clearing members, CCPs, exchanges or regulators where required by applicable rules or Applicable Law.
- 16.5 You hereby consent to OCAL disclosing information relating to you, your Clearing Transactions or positions to clearing members, CCPs, exchanges or regulators where required or permitted by Applicable Law or applicable rules. Such disclosure does not constitute the assumption by OCAL of any reporting obligation on your behalf.
- 16.6 Where you are an NFC- for the purposes of UK EMIR, OCAL, as a financial counterparty, shall be solely responsible and legally liable for reporting the details of exchange traded and OTC derivative contracts concluded between you and OCAL to the relevant trade repository on behalf of both parties, and for ensuring the correctness of those details. To enable OCAL to fulfil this obligation, you shall provide OCAL with such details of those contracts as OCAL cannot reasonably be expected to possess, including your Legal Entity Identifier (LEI), and you shall be responsible for ensuring that any details you provide are correct. Notwithstanding the above, if you have invested in your own reporting system and wish to report on your own behalf, you may do so provided that you notify OCAL in writing prior to reporting, in which case you shall be solely responsible and legally liable for reporting those details and for ensuring their correctness.
- 16.7 You acknowledge that your use of the Clearing Services may give rise to reporting, notification and position limit obligations under Applicable Law or the rules of any relevant exchange, trading venue, CCP or regulatory authority, including (without limitation) obligations relating to position limits, position reporting, large trader reporting, and transaction reporting. You are solely responsible for identifying, monitoring and complying with all such obligations applicable to your positions and transactions. You must promptly notify OCAL if you know or have reason to believe that any position held or to be held through OCAL will approach or breach any applicable position limit or reporting threshold. OCAL reserves the right to refuse to accept, or to close out, any transaction that would in its reasonable opinion cause a breach of any applicable obligation. Nothing in this clause limits OCAL's own reporting obligations under Applicable Law.
- 16.8 Where OCAL reports on your behalf pursuant to this clause, you expressly consent to OCAL engaging a third-party reporting agent to fulfil that obligation. Such engagement does not affect OCAL's sole responsibility and legal liability for ensuring that reports are made accurately and in accordance with Applicable Law.

17. Conflicts of Interest

- 17.1 OCAL has established and maintains a conflicts of interest policy in accordance with Applicable Law (the "Conflicts Policy").
- 17.2 OCAL takes reasonable steps to identify and manage conflicts of interest that may arise in connection with the provision of the Clearing Services.
- 17.3 Where a conflict of interest arises that cannot be effectively managed by OCAL's Conflicts Policy, OCAL will disclose the nature of that conflict to you in accordance with Applicable Law.

17.4 You acknowledge that:

- a) OCAL may provide clearing or other services to other clients whose interests may conflict with your interests;
- b) OCAL may have relationships with clearing members, CCPs, exchanges or other third parties which may give rise to conflicts of interest; and
- c) OCAL is not required to avoid or eliminate all conflicts of interest, but will manage or disclose them in accordance with Applicable Law.

17.5 Nothing in these Terms obliges OCAL to act as your fiduciary or to prioritise your interests over those of any other client, clearing member, CCP or third party.

18. Clearing Transactions and Clearing Sets

18.1 Each transaction submitted by you for clearing through OCAL and accepted for clearing by a relevant clearing member and CCP shall constitute a Clearing Transaction for the purposes of these Terms.

18.2 Clearing Transactions may, where relevant, be grouped or treated together for certain purposes (including margining, close-out, termination or netting) by reference to the applicable clearing member, CCP, account, product or service, in accordance with the applicable rules and procedures of the relevant clearing member or CCP (each such grouping a Clearing Set).

18.3 You acknowledge that:

- a) the composition of any Clearing Set; and
- b) the manner in which Clearing Transactions are grouped, valued, terminated or otherwise treated within a Clearing Set,

are determined by the applicable rules and procedures of the relevant clearing member or CCP and are not controlled by OCAL.

18.4 Where these Terms refer to the termination, close-out, liquidation or netting of Clearing Transactions, such provisions shall apply by reference to the relevant Clearing Set, unless expressly stated otherwise.

18.5 Nothing in this section:

- a) creates any new rights of termination or close-out;
- b) limits or expands any Event of Default; or
- c) overrides any provisions of these Terms relating to default, netting, set-off or termination, each of which shall apply in accordance with their own terms.

18.6 Where these Terms provide for the valuation, close-out, termination or netting of Clearing Transactions, such valuation, close-out, termination or netting shall be carried out by reference to the relevant Clearing Set, unless expressly stated otherwise in these Terms or required by Applicable Law or the rules of a clearing member or CCP.

19. Limited Recourse and Payment Contingency

19.1 You acknowledge that OCAL's ability to perform its obligations in respect of any Clearing Transaction is dependent on the performance of the relevant clearing member and CCP in respect of the corresponding transactions entered into by OCAL on your behalf.

- 19.2 OCAL's obligations to make any payment, delivery or credit to you in connection with a Clearing Transaction are limited to, and conditional upon, OCAL's receipt of the corresponding payment, delivery or credit from the relevant clearing member or CCP, after taking into account any netting, set-off, loss allocation, default management, porting, resolution or similar processes applied by that clearing member or CCP.
- 19.3 OCAL shall not be required to make any payment or delivery to you to the extent that:
- such amount has not been received by OCAL from a clearing member or CCP; or
 - such amount has been reduced, delayed, withheld or extinguished as a result of the application of applicable clearing member or CCP rules, procedures or default management processes.
- 19.4 Where OCAL receives amounts from a clearing member or CCP that are attributable to Clearing Transactions but are insufficient to satisfy amounts otherwise payable to clients in full, OCAL may allocate such amounts in a commercially reasonable manner, including on a pro rata basis where appropriate, in accordance with Applicable Law and applicable clearing member or CCP rules.
- 19.5 Nothing in these Terms obliges OCAL to advance funds, extend credit or otherwise fund any shortfall arising as a result of the default of a clearing member, CCP or any other third party.

20. Market Disruption and Circumstances Beyond OCAL's Control

- 20.1 OCAL shall not be required to perform, or may suspend the performance of, any obligation under the Agreement to the extent that such performance is prevented, delayed or materially impaired by circumstances beyond OCAL's reasonable control.
- 20.2 Such circumstances may include (without limitation):
- market disruption, extreme volatility or illiquidity affecting Clearing Transactions;
 - suspension, restriction or closure of any relevant exchange, clearing member or CCP;
 - failure, delay or disruption of systems or infrastructure used by OCAL, a clearing member, a CCP or any third-party service provider;
 - changes in Applicable Law or regulatory requirements;
 - actions taken by a clearing member or CCP in accordance with their rules, including default management, margin changes or risk controls; or
 - circumstances in which OCAL reasonably determines that it is not commercially practicable or prudent to continue providing Clearing Services on an orderly basis.
- 20.3 During the continuation of such circumstances, OCAL may, acting reasonably and in accordance with Applicable Law:
- suspend, restrict or modify the Clearing Services;
 - decline to submit or accept Clearing Transactions;
 - close out or manage existing Clearing Transactions in accordance with applicable rules; or
 - take any other action reasonably necessary to protect OCAL, its clearing members or CCPs.
- 20.4 Nothing in this section limits the application of the Limited Recourse and Payment Contingency provisions or the rules of any clearing member or CCP.

21. Default, Close-Out & Termination of Clearing Transactions

- 21.1 The Events of Default applicable under these Terms apply to Clearing Transactions in accordance with their terms as set out in section 22 of these Terms.
- 21.2 Without limiting the Events of Default, you acknowledge that the occurrence of any of the following events may affect Clearing Transactions and may result in the suspension, close-out or termination of such Clearing Transactions in accordance with the Agreement:
- the occurrence of an Event of Default in respect of you;
 - the occurrence of an event of default, termination event or similar event in respect of a clearing member;
 - the occurrence of a default, suspension, resolution or similar event affecting a CCP; or
 - any action taken by a clearing member or CCP in accordance with its rules, including default management or loss allocation processes.
- 21.3 Upon the occurrence of any event referred to in this section, Clearing Transactions may be:
- suspended;
 - closed out;
 - terminated; or
 - otherwise treated,
- by reference to the relevant Clearing Set and in accordance with the applicable provisions of these Terms and the applicable rules and procedures of the relevant clearing member or CCP.
- 21.4 Where Clearing Transactions are terminated or closed out, the calculation of any resulting amounts payable shall be carried out in accordance with the applicable provisions of these Terms, taking into account any netting, set-off, valuation, loss allocation or similar processes applied by the relevant clearing member or CCP.
- 21.5 You acknowledge that, in certain circumstances, Clearing Transactions may be automatically terminated or otherwise affected by the operation of clearing member or CCP rules, without prior notice to you or OCAL.
- 21.6 Nothing in this section:
- creates any new Event of Default;
 - limits or expands the consequences of any Event of Default; or
 - overrides any provisions of these Terms relating to netting, set-off or termination,
- each of which shall apply in accordance with their own terms.
- 21.7 For the avoidance of doubt, where Clearing Transactions are closed out or terminated following an Event of Default or as a result of actions taken by a clearing member or CCP, any resulting calculation of amounts payable shall be determined by reference to the relevant Clearing Set.

22. Events of Default

- 22.1 Each of the following constitutes an "Event of Default" in respect of you:
- Failure to pay or deliver margin:** you fail to pay, deliver or maintain any Margin or other amount due under the Agreement within one Business Day of written notice from OCAL demanding such payment or delivery;

- b) **Failure to perform:** you fail to perform any other obligation under the Agreement and such failure is not remedied within five Business Days of written notice from OCAL requiring such remedy;
 - c) **Insolvency:** (i) you become unable to pay your debts as they fall due; (ii) you are the subject of any bankruptcy, insolvency, administration, liquidation, winding-up, receivership, moratorium or analogous proceedings; (iii) a liquidator, administrator, receiver, trustee in bankruptcy or analogous officer is appointed in respect of you or all or a material part of your assets; (iv) you make a general assignment for the benefit of your creditors; or (v) any petition is filed or resolution passed for your winding-up or dissolution (other than for the purposes of a solvent reconstruction previously notified to OCAL);
 - d) **Regulatory action:** you cease to hold any regulatory authorisation or approval required in order to enter into, or perform obligations under, the Agreement; any regulatory authority takes action that materially restricts or prevents your ability to perform your obligations under the Agreement; or you become subject to any sanctions, restrictions or other regulatory measures that, in OCAL's reasonable opinion, prevent or materially impair the performance of your obligations under the Agreement;
 - e) **Misrepresentation:** any representation, warranty or statement made or deemed made by you under the Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed made and, where capable of remedy, is not remedied within five Business Days of written notice from OCAL;
 - f) **Cross-default:** you default under any other agreement with OCAL or any agreement with a clearing member or CCP in connection with transactions of a similar type to Clearing Transactions, where such default entitles the relevant counterparty to exercise termination or close-out rights; or
 - g) **Material adverse change:** there occurs any material adverse change in your financial condition, operations or regulatory status that OCAL reasonably determines is likely to impair your ability to perform your obligations under the Agreement in a timely manner.
- 22.2 Upon the occurrence of an Event of Default in respect of you, OCAL may, at its discretion and in accordance with Applicable Law:
- a) suspend the provision of Clearing Services immediately and without prior notice;
 - b) close out, terminate, cancel or otherwise deal with any or all Clearing Transactions in accordance with section 18;
 - c) apply any Margin or other amounts held by OCAL in or towards satisfaction of any amounts due from you, subject to Applicable Law and CASS Chapter 7;
 - d) exercise any rights of set-off available under section 23; and
 - e) take such other action as OCAL reasonably considers necessary or appropriate to protect its position, subject to Applicable Law.
- 22.3 OCAL's rights under this section are in addition to, and shall not limit or affect, any rights available to OCAL under Applicable Law, the rules of any clearing member or CCP, or any other provision of the Agreement.
- 22.4 No failure or delay by OCAL in exercising any right, power or remedy under this section 22, including any delay in issuing a margin call demand under clause 22.1(a) or in acting following the crystallisation of an Event of Default, shall operate as a waiver of that right, power or remedy. No single or partial exercise of any right shall preclude any other or further exercise of it. OCAL's rights under this section are cumulative and are not exclusive of any rights available under Applicable Law or any other provision of the Agreement.

23. Set-Off & Netting

- 23.1 Without prejudice to any rights of netting or set-off arising under Applicable Law or the rules of any clearing member or CCP, OCAL may at any time and without notice set off any amount (whether actual or contingent, present or future) owed by you to OCAL under the Agreement against any amount owed by OCAL to you under the Agreement, subject to Applicable Law and CASS Chapter 7.
- 23.2 Set-off may be exercised across:
- different accounts;
 - different Clearing Transactions or Clearing Sets; and
 - different currencies,
- subject to Applicable Law and CASS Chapter 7.
- 23.3 Where amounts to be set off are denominated in different currencies, OCAL may convert such amounts at a commercially reasonable rate of exchange for the purposes of effecting the set-off.
- 23.4 Any netting or set-off carried out by a clearing member or CCP in accordance with its rules shall be taken into account in determining amounts payable between you and OCAL under the Agreement.
- 23.5 Nothing in this section limits or affects any netting, close-out or set-off provisions applicable under any other section of the Agreement, which shall apply in accordance with their terms.
- 23.6 Notwithstanding any other provision of this Agreement, where Clearing Transactions form part of a Clearing Set, any set-off, payment netting or close-out netting in respect of those Clearing Transactions shall apply only by reference to that Clearing Set and shall not apply across different Clearing Sets or against any other Clearing Transactions, except to the extent required by Applicable Law or the rules of a clearing member or CCP.

24. Termination (Non-Default)

- 24.1 Subject to Applicable Law and any applicable clearing member or CCP requirements, either you or OCAL may terminate the Agreement by giving not less than 30 days' prior written notice to the other. During any notice period, OCAL shall remain entitled to submit and accept margin calls, close out positions and comply with applicable clearing member and CCP requirements in the ordinary course.
- 24.2 OCAL may suspend or terminate the provision of Clearing Services, in whole or in part, without constituting an Event of Default, where:
- required by Applicable Law;
 - required by a clearing member or CCP;
 - OCAL reasonably determines that continuing to provide Clearing Services would expose it to undue operational, legal or risk management concerns; or
 - you no longer satisfy the eligibility or onboarding requirements applicable to the Clearing Services.
- 24.3 Termination of the Agreement shall not affect:
- any Clearing Transactions entered into prior to the effective date of termination; or
 - any rights, obligations or liabilities that have accrued prior to termination,
- each of which shall continue to be governed by the Agreement until fully performed or extinguished.

- 24.4 Upon termination, you shall promptly pay all amounts due and payable to OCAL under the Agreement, including in respect of any outstanding Clearing Transactions, fees, costs or expenses.
- 24.5 OCAL may take such steps as it considers necessary or appropriate, in accordance with Applicable Law and applicable clearing member or CCP rules, to close out, transfer or otherwise manage outstanding Clearing Transactions following termination.

25. Liability, Indemnities and Force Majeure

- 25.1 Nothing in the Agreement excludes or limits any liability of OCAL that cannot be excluded or limited under Applicable Law.
- 25.2 Subject to clause 23.1, OCAL shall not be liable to you for any loss, damage, cost or expense arising from:
- a) the acts or omissions of any clearing member, CCP, exchange or other third party;
 - b) the application of any clearing member or CCP rules, procedures or default management processes;
 - c) market movements, liquidity conditions or volatility;
 - d) delays, suspensions or failures in systems or communications; or
 - e) any action taken by OCAL in compliance with Applicable Law or applicable clearing member or CCP requirements,
- except to the extent such loss arises directly from OCAL's fraud, wilful default or gross negligence.
- 25.3 OCAL shall not be liable for any indirect, consequential or special loss, including loss of profit, loss of business, loss of opportunity or reputational loss.
- 25.4 You shall indemnify and hold harmless OCAL, its directors, officers, employees and agents against all losses, liabilities, costs and expenses (including reasonable legal fees) arising out of or in connection with:
- a) your breach of the Agreement including, for the avoidance of doubt, any fines, levies or penalties imposed on OCAL by any clearing member, CCP, exchange or regulatory authority as a result of late settlement of any transaction arising from your failure to fund a margin call within the time required under this Agreement;
 - b) any Clearing Transaction entered into by you;
 - c) any failure by you to comply with Applicable Law; or
 - d) any action taken by OCAL in reliance on information or instructions provided by you,
- except to the extent such losses arise directly from OCAL's fraud, wilful default or gross negligence.
- 25.5 OCAL shall not be liable for any failure or delay in the performance of its obligations under the Agreement to the extent such failure or delay results from events beyond its reasonable control, including acts of God, war, terrorism, civil unrest, strikes, failures of utilities or systems, or the acts or omissions of clearing members, CCPs or exchanges.

26. Complaints and Dispute Resolution

- 26.1 OCAL has established procedures for the fair and prompt handling of complaints in accordance with Applicable Law. Details of OCAL's complaints process are available upon request.

26.2 If you are dissatisfied with OCAL's handling of a complaint, you may request escalation to senior management within OCAL. Details of the escalation process are available upon request.

26.3 You acknowledge that the Financial Ombudsman Service does not apply to the Clearing Services provided under these Terms.

27. Confidentiality and Data Protection

27.1 Each party shall keep confidential any non-public information relating to the other party that is disclosed in connection with the Clearing Services and that is reasonably regarded as confidential.

27.2 Clause 25.1 does not apply to information that:

- a) is required to be disclosed by Applicable Law or by a regulator;
- b) is disclosed to a clearing member, CCP, exchange or other service provider in connection with the Clearing Services;
- c) is already in the public domain other than as a result of a breach of the Agreement; or
- d) was lawfully obtained by a party from a third party without restriction.

27.3 OCAL may process personal data relating to you or your representatives for the purposes of providing the Clearing Services, complying with legal and regulatory obligations and managing its business, in accordance with Applicable Law.

27.4 You acknowledge that personal data may be disclosed to clearing members, CCPs, exchanges, regulators or other third parties where required or permitted by Applicable Law or applicable rules.

27.5 Each party shall comply with applicable data protection laws in connection with the processing of personal data under the Agreement.

28. Representations, Warranties and Covenants

28.1 You represent and warrant to OCAL on the date you enter into the Agreement and on an ongoing basis that:

- a) you have full power, authority and capacity to enter into the Agreement and to perform your obligations under it;
- b) the Agreement constitutes legal, valid and binding obligations enforceable against you in accordance with its terms;
- c) all information provided by you to OCAL is accurate, complete and not misleading in any material respect;
- d) you comply, and will continue to comply, with Applicable Law in connection with the Clearing Services and any Clearing Transactions; and
- e) you are acting as principal and not as agent for any other person.

28.2 You represent and warrant that entering into Clearing Transactions through OCAL does not breach any law, regulation, court order or contractual restriction applicable to you.

28.3 You covenant to:

- a) immediately upon becoming aware, notify OCAL in writing of any Event of Default or any event that could reasonably be expected to lead to an Event of Default;



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- b) provide OCAL with such information as OCAL may reasonably request to comply with Applicable Law, clearing member or CCP requirements; and
 - c) notify OCAL promptly of any material change in your circumstances that could affect the Clearing Services.
- 28.4 You acknowledge that OCAL does not provide investment, legal, tax or other advice and that you have made your own independent assessment of the suitability of the Clearing Services.

29. Conduct and Improper Use

- 29.1 You shall not use, or attempt to use, the Clearing Services in any manner that OCAL reasonably considers to constitute Improper Use.
- 29.2 For the purposes of these Terms, Improper Use includes (without limitation):
- a) any breach of Applicable Law or applicable exchange, clearing member or CCP rules;
 - b) market abuse, manipulation, misuse of inside information or other abusive trading practices;
 - c) the provision of false, misleading or incomplete information to OCAL, a clearing member or a CCP;
 - d) any act or omission that prevents, disrupts or materially interferes with OCAL's ability to comply with its regulatory, clearing member or CCP obligations;
 - e) any activity that exposes OCAL, a clearing member or a CCP to regulatory, sanctions, financial crime or reputational risk; or
 - f) any conduct that OCAL reasonably considers dishonest, abusive or undertaken in bad faith.
- 29.3 Where OCAL reasonably determines that Improper Use has occurred or is likely to occur, OCAL may, without constituting an Event of Default and without prior notice:
- a) refuse to submit, accept or continue to clear any Clearing Transaction;
 - b) impose restrictions on your use of the Clearing Services (including close-only limitations);
 - c) suspend the Clearing Services in whole or in part; or
 - d) terminate the Agreement in accordance with its terms.
- 29.4 The exercise of rights under this section is without prejudice to any other rights or remedies available to OCAL under the Agreement, Applicable Law or the rules of any clearing member or CCP.

30. Communications and Notices

- 30.1 All communications and notices under the Agreement shall be made in writing and may be given by email, post or any other method agreed between you and OCAL.
- 30.2 Notices shall be sent to the contact details last notified by each party to the other. You are responsible for ensuring that your contact details are accurate and kept up to date.
- 30.3 Any notice or communication sent by OCAL in accordance with this section shall be deemed to have been received:
- a) if sent by email, at the time of transmission, unless an error message is received by OCAL; or
 - b) if sent by post, on the second Business Day after posting.

30.4 OCAL may provide information, updates and notifications (including amendments to the Agreement or any Schedule) by electronic means where permitted by Applicable Law.

31. General Provisions

31.1 Amendments

OCAL may amend the Agreement from time to time where such amendment is required to:

- a) comply with Applicable Law;
- b) reflect changes to clearing member or CCP rules or requirements;
- c) address operational, risk management or systems changes; or
- d) reflect changes to the Clearing Services or products offered.

Any amendment will be notified to you in accordance with section 28. Unless otherwise stated, amendments will not affect Clearing Transactions entered into prior to the effective date of the amendment, except where required by Applicable Law or applicable clearing member or CCP rules. Where an amendment is material, including any amendment to the client money framework, account structure provisions or default arrangements under the Agreement, OCAL will provide you with not less than 20 days' prior written notice before the amendment takes effect, except where a shorter period is required by Applicable Law or the rules of a clearing member or CCP.

Where you have agreed bespoke commercial terms with OCAL (including any Fee Letter), any amendments to such terms will be notified to you directly in writing. In the event of any inconsistency between these Terms and a Fee Letter signed by you, the Fee Letter shall prevail in respect of the commercial terms set out in it.

31.2 Entire Agreement

The Agreement constitutes the entire agreement between you and OCAL in relation to the Clearing Services and supersedes all prior agreements, arrangements or understandings relating to the same subject matter.

31.3 Severability

If any provision of the Agreement is held to be invalid, unlawful or unenforceable, the remaining provisions shall continue in full force and effect.

31.4 No Waiver

Any failure or delay by OCAL to exercise any right or remedy under the Agreement shall not operate as a waiver of that right or remedy.

31.5 Assignment

You may not assign, transfer or novate any of your rights or obligations under the Agreement without OCAL's prior written consent. OCAL may assign or transfer its rights and obligations under the Agreement where permitted by Applicable Law.

31.6 Third Party Rights

Except as provided in clause 6.9, a person who is not a party to the Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999.

32. Governing Law and Jurisdiction

- 32.1 The Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.
- 32.2 Subject to Applicable Law, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute, claim or matter arising out of or in connection with the Agreement, including any non-contractual obligations.

33. Definitions & Interpretation

33.1 Defined Terms

Term	Meaning
Agreement	Has the meaning given in section 9.
Applicable Law	All applicable laws, regulations, rules, regulatory requirements, FCA rules, CCP rules, exchange rules and binding guidance, as amended from time to time.
Authorised Person	has the meaning given in clause 11.2.
Business Day	A day (other than a Saturday or Sunday) on which banks are open for business in London.
CASS	The FCA's Client Assets Sourcebook, as contained in the FCA Handbook, as amended or replaced from time to time.
Clearing Services	The indirect clearing services provided by OCAL pursuant to these Terms.
CCP	A central counterparty clearing organisation through which Clearing Transactions are cleared.
Clearing Member	A third-party clearing member used by OCAL to arrange clearing of transactions through a CCP.
Clearing Transaction	Has the meaning given in clause 17.1.
Clearing Set	Has the meaning given in clause 17.2.
Event of Default	Any event specified as such in section 22 of these Terms.
Fee Letter	A separate written agreement between you and OCAL setting out the fees, commissions and other charges payable by you in connection with the Clearing Services, the exchanges, trading venues and products in respect of which OCAL provides Clearing Services to you, and the identity of the clearing member(s) and CCP(s) applicable to your Clearing Transactions, as amended from time to time by written agreement between the parties.
Improper Use	means any use, or attempted use, of the Clearing Services that OCAL reasonably considers to fall within any of the circumstances described in section 27 (Conduct and Improper Use).
Margin	Margin, collateral or other financial resources required to be provided in connection with Clearing Transactions.
Eligible Counterparty	Has the meaning given in the FCA Rules.



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Professional Client	Has the meaning given in the FCA Rules.
Retail Client	Has the meaning given in the FCA Rules.
Schedules	Schedule 1 (Fees) and any other schedules to these Terms as may be added from time to time by agreement between the parties.

33.2 Interpretation

Rule	Application
Singular / plural	Words importing the singular include the plural and vice versa.
Legislative references	References to any statute or regulation include any amendment or re-enactment of it.
Headings	Headings are for convenience only and do not affect interpretation.



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Schedule 1 – Fees

The fees, commissions and other charges payable by you in connection with the Clearing Services are not set out in these Terms. They will be agreed with you individually and confirmed in a separate written Fee Letter prior to the commencement of Clearing Services.

No Clearing Services will be made available to you until a Fee Letter has been executed between you and OCAL.

All fees are exclusive of applicable exchange, clearing house and regulatory charges, which will be passed through to you at cost unless otherwise agreed in the Fee Letter, and exclusive of any applicable taxes.