



International Swaps and Derivatives Association, Inc.

**ISDA 2016 VARIATION MARGIN PROTOCOL
SUPPLEMENTAL QUESTIONNAIRE FOR NON-NETTING
COUNTERPARTIES**

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International Swaps and Derivatives Association, Inc.

ISDA 2016 Variation Margin Protocol Supplemental Questionnaire for Non-Netting Counterparties dated as of January 20, 2016

Instructions: This Supplemental Questionnaire is for use in connection with the ISDA 2016 Variation Margin Protocol as published on August 16, 2016 by the International Swaps and Derivatives Association, Inc. (the “**Protocol**”). If Protocol participants enter into a New CSA under the general terms of the Protocol, variation margin is calculated for each party thereunder on a net basis. This Supplemental Questionnaire may be used for circumstances where Protocol participants want the terms of their New CSAs to provide for variation margin requirements to be calculated on a gross basis for at least one of the parties.

An Adhering Party to the Protocol may complete and deliver this Supplemental Questionnaire to another Adhering Party after or at the same time as delivering a Questionnaire under the Protocol in circumstances where the parties have agreed to enter into a New CSA. The Adhering Party completing this Supplemental Questionnaire is referred to herein as the “**Delivering Party**” and an Adhering Party to whom this Supplemental Questionnaire is delivered is referred to as the “**Receiving Party**.”

This Supplemental Questionnaire may be executed and delivered by a PCA Principal on its own behalf or by a PCA Agent on behalf of one or more PCA Principals in accordance with the terms of the Protocol. Where an existing Protocol Covered Agreement was originally executed by a PCA Agent on behalf of a PCA Principal, only the relevant PCA Agent (and not a PCA Principal) may be a Delivering Party or a Receiving Party with respect to that Protocol Covered Agreement.

In the case of a PCA Principal executing and delivering this Supplemental Questionnaire on its own behalf, the PCA Principal must provide information for itself in Part I.

In the case of a PCA Agent executing and delivering this Supplemental Questionnaire on behalf of a PCA Principal other than itself, the PCA Agent may provide information for the PCA Principal in Part I, or if executing and delivering this Supplemental Questionnaire on behalf of multiple PCA Principals, the PCA Agent may instead provide the information for each such PCA Principal in columns 1 and 2 of the Supplemental PCA Principal Answer Sheet.

If this Supplemental Questionnaire is being completed by a PCA Agent on behalf of multiple PCA Principals, this Supplemental Questionnaire will be treated as if it were a separate Supplemental Questionnaire with respect to each separate PCA Principal listed in column 1 of the Supplemental PCA Principal Answer Sheet. A PCA Agent may complete different Supplemental Questionnaires on behalf of different PCA Principals or groups of PCA Principals.

The particular PCA Principal(s) for whom this Supplemental Questionnaire applies will be determined as described in Part II of this Supplemental Questionnaire. Exchanged Supplemental Questionnaires will be deemed “Matched Supplemental Questionnaires” only if the conditions specified in Paragraph 2 of the ISDA 2016 Variation Margin Protocol Supplemental Rules Exhibit for Non-Netting Counterparties (the “Supplemental Rules Exhibit”) are satisfied.

Upon exchanging Supplemental Questionnaires and satisfying the terms for such Exchanged Supplemental Questionnaires to be Matched Supplemental Questionnaires, the Exchanging Parties will be deemed to have offered and accepted to amend Covered CSAs, Replica CSAs or New CSAs (depending on the Method chosen through the exchange of Matched Questionnaires) as provided in the Protocol.

Responses to questions may be provided: (i) by checking boxes or entering information, as appropriate, directly in this form; or (ii) by providing the same information as appropriate on the Supplemental PCA Principal Answer Sheet and/or the Recipient PCA Principal Annex.

The instructions in this Supplemental Questionnaire are for informational and convenience purposes only and should not be considered a complete guide to or an explanation of all relevant issues in connection with your consideration of the Protocol or the related documents. Parties should consult with their legal advisers and any other advisers they deem appropriate as part of their consideration of the Protocol. ISDA assumes no responsibility for any use to which any of its documentation or other documentation may be put. In the event of any inconsistency between such instructions and the provisions of the Protocol, the latter will prevail.

Definitions

Capitalized terms used but not otherwise defined in this Supplemental Questionnaire shall have the meanings assigned to such terms in the ISDA 2016 Variation Margin Protocol, as published by the International Swaps and Derivatives Association, Inc. on August 16, 2016. References in this Supplemental Questionnaire to the following terms shall have the following meanings:

“**Entity Identifier**” means an LEI/other acceptable identifier.

“**Recipient PCA Principal Annex**” means the annex to the Supplemental PCA Principal Answer Sheet on which a Delivering Party may specify the PCA Principals in respect of the Receiving Party for which this Supplemental Questionnaire will apply.

“**Supplemental PCA Principal Answer Sheet**” means a spreadsheet substantially in the form of Annex A to this Supplemental Questionnaire.

Part I: PCA Principal Information

This Part I must be completed by providing PCA Principal’s Legal Name and Entity Identifier in the space below if this Supplemental Questionnaire is being executed and delivered on behalf of a single PCA Principal. In the case of a PCA Agent executing and delivering this Supplemental Questionnaire on behalf of multiple PCA Principals, PCA Agent must list the Legal Name and Entity Identifier of each such PCA Principal in columns 1 and 2 of the Supplemental PCA Principal Answer Sheet.

Delivering PCA Principal’s Legal Name: _____

Entity Identifier: _____

Part II: Delivery to a PCA Agent for Specified PCA Principals

This Part II or the Recipient PCA Principal Annex may be completed by a Delivering Party in order to specify the PCA Principals of the Receiving Party for whom this Supplemental Questionnaire applies. If this Part II and the Recipient PCA Principal Annex are left blank, delivery of this Supplemental Questionnaire shall be deemed to be delivery to each PCA Principal on whose behalf the Receiving Party has entered into a Protocol Covered Agreement or Protocol Master Agreement with the Delivering Party. If one or more PCA Principals relating to the Receiving Party are listed by Legal Name and Entity Identifier in this Part II or the Recipient PCA Principal Annex, delivery of this Supplemental Questionnaire shall be deemed to have been made only to the PCA Principal(s) so specified.

Recipient PCA Principal’s Legal Name: _____

Entity Identifier: _____

Part III Gross Collection Party Designation

Under the general terms of the Protocol, when Protocol participants enter into a New CSA, variation margin requirements are calculated for each party on a net basis. This Part III allows Exchanging Parties to designate one or both of the relevant PCA Principals as a “Gross Collection Party” under an amended New CSA and provide the necessary contractual rights for such party or parties to collect variation margin on a gross basis. The variation margin collection rights of a party not designated as a “Gross Collection Party” in this Part III may be further addressed in Part IV.

This Part III must be completed by each Delivering Party in order to establish which of the parties will be designated as a “Gross Collection Party.”

Please Note: The parties are only deemed Matched Parties for purposes of this Supplemental Questionnaire if at least one of the Exchanging Parties indicates in this Part III that its PCA Principal wishes to collect variation margin on a gross basis and the other Exchanging Party indicates in this Part III that its PCA Principal wishes to post variation margin on a gross basis. Further, if one of the Exchanging Parties indicates that its PCA Principal wishes to both collect and post variation margin on a gross basis, the parties are only deemed Matched Parties if the other Exchanging Party also indicates that its PCA Principal wishes to both collect and post VM on a gross basis. If these matching conditions are not satisfied, no amendments will be entered into, and at least one of the parties will need to amend and redeliver its Supplemental Questionnaire to produce a match. Once all matching conditions are satisfied, a PCA Principal that has indicated that it wishes to collect variation margin on a gross basis is designated a “Gross Collection Party” in the relevant amendments.

Please Note: Under the terms of the Protocol supplements relating to this Supplemental Questionnaire, the rights of a PCA Principal that is not designated as a Gross Collection Party are, by default, determined by the parties’ “Designated Regime Combination” (as determined by the elections the parties made in their original Matched Questionnaires). If the Designated Regime Combination includes any of CFTC Rules, OSFI Rules or PR Rules, such party is designated a “Net Collection Party” by default and provided with rights to collect variation margin on a net basis. If the Designated Regime Combination does not include any of CFTC Rules, OSFI Rules or PR Rules, such party is not provided rights to collect any variation margin by default and only the Gross Collection Party can collect variation margin. This default result can be altered in Part IV below.

To answer this question, please check at least one box below or complete column 3 of the PCA Principal Answer Sheet. Specifying “Collect Gross VM” indicates that the Delivering PCA Principal wishes to be designated as a Gross Collection Party in the amended New CSA. Specifying “Post Gross VM” indicates that Delivering PCA Principal wishes to designate its counterparty in the New CSA as a Gross Collection Party.

Gross Collection Party Designation?

- Collect Gross VM
- Post Gross VM

Part IV. Net Collection Party Designation

This Part IV may be completed by a Delivering Party to provide that a party that is neither designated as a Gross Collection Party in Part III nor designated as a Net Collection Party by default (because the parties’ Designated Regime Combination does not include any of CFTC Rules, OSFI Rules or PR Rules), is designated as a Net Collection Party.

Please Note: You should skip this part if you have selected both boxes in Part III or if the Designated Regime Combination for the Exchanging Parties and

their respective Delivering PCA Principals includes CFTC Rules, OSFI Rules or PR Rules. If a response in this Part IV is inconsistent with a response in Part III, the parties will not be deemed Additionally Matched Parties for purposes of this Supplemental Questionnaire.

Please Note: If the Designated Regime Combination for the Exchanging Parties and their respective Delivering PCA Principals does not include CFTC Rules, OSFI Rules or PR Rules and one Exchanging Party selects “Collect Net VM” below, the parties will not be deemed “Additionally Matched Parties” for purposes of this Supplemental Questionnaire unless the other Exchanging Party selects “Post Net VM” below.

To answer this question, please check one (and only one) box below or complete column 4 of the PCA Principal Answer Sheet. Specifying “Collect Net VM” indicates that the Delivering PCA Principal wishes to be designated as a Net Collection Party. Specifying “Post Net VM” indicates that Delivering PCA Principal wishes to designate its counterparty in the New CSA as a Net Collection Party.

Net Collection Party Designation?

- Collect Net VM
- Post Net VM

By executing this Supplemental Questionnaire, the signatory as PCA Principal or PCA Agent for specified PCA Principals (i) represents that all information provided by it in this Supplemental Questionnaire is true, accurate and complete in every material respect as of the date hereof, and may be relied upon by each counterparty to which this Supplemental Questionnaire is delivered and (ii) agrees to be bound by the elections made herein.

[INSERT FULL LEGAL NAME OF PCA PRINCIPAL OR PCA AGENT]¹

By: _____

Name:

Title:

Date:

¹ If you are a PCA Agent acting on behalf of one or more PCA Principals, insert the following in the signature block: “, acting on behalf of the clients, investors, funds, accounts and/or other principals listed in column 1 of the Supplemental PCA Principal Answer Sheet.”