(Release Date January 1, 2021)

ABS CDS PAYMENT AND CALCULATION SUPPLEMENT
DTCC DERIV/SERV LLC
OPERATING PROCEDURES

This supplement (this "Supplement") is a part of the DTCC Deriv/SERV LLC Operating Procedures (the "Operating Procedures") and governs certain determinations and calculations with respect to Warehouse Transactions that are credit default swaps on asset-backed securities, as described herein. Capitalized terms used in this Supplement and not defined herein are used as defined elsewhere in the Operating Procedures.

This Supplement will apply to Warehouse Transactions between ABS Calculation Participants (as defined below) that are (i) single name credit default swaps on mortgage-backed securities as described in the Company Specifications or the Submitter Specifications (collectively, "Covered ABS Single Name Warehouse Transactions") or (ii) index credit default swaps as described in the Company Specifications or the Submitter Specifications referencing an "ABX" or "CMBX" index ("Covered ABS Index Warehouse Transactions", and together with Covered ABX Single Name Warehouse Transactions, "Covered ABS Warehouse Transactions). As used herein, "ABS Calculation Participants" will be those Settlement Users that have elected, in a manner and on terms and criteria specified by the Company, to have the Company perform certain calculations with respect to their Covered ABS Warehouse Transactions and submit related payments for such transactions to the CLS System for settlement.

With respect to the determination and calculation of Eligible Payments (as defined in the Central Settlement Appendix to the Operating Procedures) under Covered ABS Warehouse Transactions, (i) the Company will rely on determinations by Markit Group Limited or its successor (or another service provider selected by the Company) (the "Calculation Service Provider") as to whether a Floating Amount Event or Additional Fixed Payment Event (or any similar event under the terms of such transaction) (a "PAYG Event") has occurred; (ii) the Company will calculate Eligible Payments arising as a result of a PAYG Event ("PAYG Event Payments") based on the Calculation Service Provider's applicable published calculation methodology or protocols; (iii) in the event the Calculation Service Provider publishes a correction applicable to a previously made Eligible Payment (other than a correction resulting in a final amortization date), the Company will calculate the applicable correction payment (a "Correction Payment") based on the Calculation Service Provider's applicable published calculation methodology or protocols; (iv) the Company will provide or make available to the relevant ABS Calculation Participants, in a manner to be determined by the Company, information concerning PAYG Event Payments and Correction Payments ("Payment Details"); and (v) Payment Details so provided or made available by the Company will constitute notice to the relevant party or parties under a Covered ABS Warehouse Transaction of the occurrence of the relevant PAYG Event or correction, as the case may be, and the related payment amount for purposes of the relevant Covered ABS Warehouse Transaction and will be deemed to satisfy any conditions or obligations of the parties to a Covered ABS Warehouse Transaction in respect of such notice, without the need for action by any party to the transaction. In addition, with respect to the determination and calculation of Eligible Payments under Covered ABS Single Name Warehouse Transactions, (i) with respect to any Correction Payment (other than a correction

resulting in a final amortization date), such payment shall be paid on the scheduled Fixed Rate Payer Payment Date under the Covered ABS Warehouse Transaction next following the date the Calculation Service Provider publishes a "locked" notice of correction (and the Company shall calculate and submit the applicable correction payment to be paid on such date); (ii) with respect to an implied writedown, the effective date of the implied writedown for purposes of calculating Fixed Amounts will be deemed to be the related Fixed Rate Payer Period End Date, regardless of whether notice of such writedown is published by the Calculation Service Provider after such date; (iii) in the case of an implied writedown in full, PAYG Event Payment Details need not be delivered or made available within five business days of the Effective Maturity Date; (iv) with respect to a Covered ABS Single Name Warehouse Transaction relating to a residential mortgage-backed security, the Company will determine the effective initial Reference Obligation Notional Amount for purposes of calculating Eligible Payments based on the applicable implied writedown factor, if any, most recently published by the Calculation Service Provider as of the Effective Date for such transaction; and (v) the Company will overwrite any Initial Factor specified in a Transaction Record for a Covered ABS Single Name Warehouse Transaction to be blank, with the effect that any such specified Initial Factor will not be taken into account for purposes of determining any Eligible Payments. The Company will adjust the Warehouse Record for Covered ABS Warehouse Transaction as appropriate to reflect any such determinations or calculations.

With respect to a Covered ABS Single Name Warehouse Transaction, the Company will rely on determinations by the Calculation Service Provider as to the occurrence of the Effective Maturity Date and the duration of the period thereafter (the "Expiry Grace Period") until the termination of such transaction in accordance with its terms, taking into account the period (if any) in which any Additional Fixed Amounts may be payable. Following the end of such Expiry Grace Period, the Covered ABS Single Name Transaction will be automatically "exited" from the Warehouse, without further action of either party thereto, and with the effect set forth in the TIW Post-Trade Services Appendix with respect to the "exit" of Warehouse Transactions. Notwithstanding the foregoing, the Company may provide from time to time, by Important Notice or in Applicable Publications, that such automatic "exit" of transactions shall not apply to one or more categories of Covered ABS Single Name Warehouse Transactions.

Each ABS Calculation Participant will be deemed to have agreed to and accepted the foregoing provisions, notwithstanding anything to the contrary in the documentation for any Covered ABS Warehouse Transaction.

Notwithstanding anything to the contrary herein, the Company will have no responsibility or liability for the accuracy of any determination or calculation made by the Calculation Service Provider or made in accordance with its methodologies or protocols or for the conformity of any such determination or calculation with the underlying documentation of a Covered ABS Warehouse Transaction.

Other than as expressly set forth herein, the applicable provisions of the TIW Post-Trade Services Appendix and Central Settlement Appendix will apply to Covered ABS Warehouse Transactions. For the avoidance of doubt, either User party to a Covered ABS Warehouse Transaction may make a "no-calc" election with respect to that transaction for purposes of the Central Settlement Appendix.

Annex—Markit RCD License Agreement

The following section of the ABS Payment Calculation Supplement to the Operating Procedures (the "Markit RCD License Agreement") applies to each User that receives any Data through the DTCC Deriv/SERV LLC System and that does not have any other license with Markit Group Limited or its affiliates ("**Markit**") relating to the Data (such Users, either "Non-Common Dealer Customers" or "Subscriber Customers"). Markit is an intended third party beneficiary of the Markit RCD License Agreement. The Markit RCD License Agreement is included in the Operating Procedures as a convenience to Users. The Company is not a party to the Markit License Agreement, other than with respect to Section 4 (Termination) below.

"**Data**" means any data or information provided to the Company by Markit under the Markit Single Name RCD™ service, limited to information and data relating to Commercial Mortgage Backed Securities ("**CMBS Securities**") or Residential Mortgage Backed Securities ("**RMBS Securities**") (all of the foregoing securities, collectively, "**Asset Backed Securities**" or "**ABS Securities**").

"**Data Provider**" means those persons who developed, compiled, prepared, revised, selected and arranged the Data (including without limitation certain information sources, professional advisors and other person or entities that have participated in any respect in the development or collection of the Services or any data or information contained therein.

Now, therefore, in consideration of the foregoing, the parties mutually agree as follows:

1. License. To the extent a Non-Common Dealer Customer or Subscriber Customer receives any Data through the DTCC Deriv/SERV LLC System, Markit grants the Non-Common Dealer Customer or Subscriber Customer a personal, non-exclusive, revocable, non-transferable, non sub-licensable, license to use the Data only for internal use in connection with managing the fixed and floating payments on CDS of ABS trades.
2. Restrictions. Non-Common Dealer Customer or Subscriber Customer, to the extent it received any Data as described above, is prohibited from:
    i. generating any advice, recommendations, guidance, publications or alerts made available to Non-Common Dealer Customer's or Subscriber Customer's clients or other third parties;
    ii. distributing, transferring, sub-licensing, renting, lending, transmitting, selling, re-circulating, repackaging, assigning, leasing, reselling, publishing or otherwise re-distributing, transferring, disclosing or making available all or any portion of the Data; and
    iii. using the Data to develop, create or directly price any index (e.g., any composite financial index) or for any database, product or service.
3. Disclaimer. The Non-Common Dealer Customer or Subscriber Customer is bound to any legends, disclaimers, and notices appearing from time to time in the Data.
4. Termination. The Company will have the sole discretion to terminate any agreement between the Company and Non-Common Dealer Customer or Subscriber Customer with regards to the Data, in the event of the termination of the Company's right to sublicense the Data and for any material breach by Non-Common Dealer Customer or Subscriber Customer of any term of the agreement between it and the Company.
5. NEITHER MARKIT GROUP LIMITED, ITS AFFILIATES NOR ANY DATA PROVIDER MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF THE DATA OR SERVICES OR AS TO RESULTS TO BE ATTAINED BY CUSTOMER OR OTHERS FROM THE USE OF THE DATA OR SERVICES, AND THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. MARKIT GROUP LIMITED, ITS AFFILIATES AND DATA PROVIDERS EXPRESSLY DISCLAIMS ANY CONDITION OF QUALITY AND ANY EXPRESS OR IMPLIED WARRANTY OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NON-COMMON DEALER CUSTOMER OR SUBSCRIBER CUSTOMER HEREBY ACKNOWLEDGES THAT

IT HAS NOT RELIED UPON ANY WARRANTY, GUARANTY OR REPRESENTATION MADE BY MARKIT GROUP LIMITED, ITS AFFILIATES OR ANY DATA PROVIDER.

6. NEITHER MARKIT GROUP LIMITED, ITS AFFILIATES NOR ANY OTHER PERSON OR ENTITY SHALL IN ANY WAY BE LIABLE TO THE USER OF THIS DATA OR ANY CLIENT OF SUCH USER FOR ANY INACCURACIES, ERRORS OR OMISSIONS, REGARDLESS OF CAUSE, IN THE DATA OR FOR ANY DAMAGES (WHETHER DIRECT OR INDIRECT) RESULTING THEREFROM, EXCEPT TO THE EXTENT THAT SUCH LIABILITY, OR DAMAGES RESULTING THEREFROM, RESULTS FROM MARKIT'S NEGLIGENCE OR WILLFUL MISCONDUCT. UNDER NO CIRCUMSTANCES WILL MARKIT GROUP LIMITED, ITS AFFILIATES AND DATA PROVIDERS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR LOST PROFITS DAMAGES WITH RESPECT TO THE USE OF THIS DATA REGARDLESS OF WHETHER SUCH DAMAGES COULD HAVE BEEN FORESEEN OR PREVENTED.

7. Miscellaneous. The terms and conditions herein, solely in connection with the Data and only with regard to the Non-Common Dealer Customer or Subscriber Customer and Markit:
    a. Shall supersede any other terms between the Non-Common Dealer Customer or Subscriber Customer and the Company that are inconsistent with the terms and conditions herein as relates to the Data
    b. Shall be for the benefit of Markit, its Data Providers and their respective affiliates
    c. May not be amended unless agreed to in writing by Markit
    d. Shall be governed by and construed under the laws of New York and each party submits to the exclusive jurisdiction of the courts of the State of New York.