

GMSLA Clause Library Wording  
6 September 2021 (Version 0.3 draft)

**Disclaimer**

This clause wording provides standard-form drafting options with respect to the Clauses covered by the ISLA Clause Library that parties can choose to include in schedules to the 2000, 2010 and 2018 preprint forms of the GMSLA. This document will not, directly, or implicitly, presume or make any analysis or determination as to whether any such choices are suitable for a specific transaction or contractual relationship. Parties should therefore consult with their legal advisors and any other advisor they deem appropriate prior to using the clause wording. ISLA and D2LT assume no legal or other responsibility for any use to which this documentation, definitions or provisions may be put.

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**Notes:**

- Variable allowable values indicated are illustrative only and need to be carefully configured for individual use. Where additional allowable values are added, these should adhere to the same style as the illustrated examples.
- A number of clause variants do not have an observed demand under particular preprint versions. In such cases, the ISLA Clause Library may not provide wording in order to achieve the relevant business outcome.
- Care should be taken in respect of the type of any particular clause, for example whether the variants are additive, or whether only one variant should be selected.

## 6. Aggregation

**Clause Type:** Mandatory for 2000 and 2010 versions (only one variant must be selected).  
Not Applicable for 2018 version.

Variant	Wording	Preprint	Notes
1 (Aggregation Applies)	1.3 Basis of Margin Maintenance:  Paragraph 5.4 (Marking to Market of Collateral during the currency of a Loan on aggregated basis) applies.	2000 2010	
1 (Aggregation Applies)	[BLANK]	2018	Other variants are not used by market participants with the 2018 form.
2 (Aggregation Does Not Apply)	1.3 Basis of Margin Maintenance:  Paragraph 5.4 (Marking to Market of Collateral during the currency of a Loan on aggregated basis) does not apply. Accordingly, Paragraph 5.5 (Marking to Market of Collateral during the currency of a Loan on a Loan by Loan basis) applies.	2000 2010	
3 (Aggregation Applies Separately to Loan Groups)	1.3 Basis of Margin Maintenance:  Paragraph 5.4 (Marking to Market of Collateral during the currency of a Loan on aggregated basis) applies as amended and restated below: “5.4 <b>Marking to Market of Collateral during the currency of a Loan on aggregated basis.</b>  During the currency of a Loan, Collateral will be marked to market on an aggregate basis, applicable separately to groups of Loans.  (i) for each Loan Group, the aggregate Market Value of the Collateral delivered to or deposited with Lender (excluding any Equivalent Collateral repaid or redelivered under Paragraphs 5.4(ii) or 5.5(ii) (" <b>Posted Collateral</b> ") in respect of such Loan Group outstanding under this Agreement shall equal the aggregate of the Market Value of the Loaned Securities and the applicable Margin (the " <b>Required Collateral Value</b> ") in respect of such Loan Group;  (ii) if at any time on any Business Day the aggregate Market Value of the Posted Collateral in respect of such Loan Group outstanding under this Agreement exceeds the aggregate of the Required Collateral Values in respect of such Loan Group,	2000	Care to be taken to ensure that a Loan will only fulfil the criteria of a single Loan Group.

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	<p>Lender shall, on demand, repay and/or redeliver, as the case may be, to Borrower such Equivalent Collateral as will eliminate the excess; and</p> <p>(iii) if at any time on any Business Day the aggregate Market Value of the Posted Collateral in respect of a Loan Group outstanding under this Agreement falls below the aggregate of Required Collateral Values in respect of such Loan Group, Borrower shall, on demand, provide such further Collateral to Lender as will eliminate the deficiency.</p> <p><b>“Loan Group”</b> means separately, each group of Loans which meets one of the following criteria:</p> <p>[GROUP1]; [GROUP2]; ... [GROUPn-1]; and [GROUPn].”</p>		
<p><b>3</b> <b>(Aggregation Applies Separately to Loan Groups)</b></p>	<p>1.3 Basis of Margin Maintenance:</p> <p>Paragraph 5.4 (Marking to Market of Collateral during the currency of a Loan on aggregated basis) applies as amended and restated below:</p> <p><b>“5.4 Marking to Market of Collateral during the currency of a Loan on aggregated basis.</b></p> <p>During the currency of a Loan, Collateral will be marked to market on an aggregate basis, applicable separately to groups of Loans.</p> <p>(a) for each Loan Group, the aggregate Market Value of the Collateral delivered to or deposited with Lender (excluding any Equivalent Collateral repaid or delivered under paragraphs 5.4(b) or 5.5(b) (as the case may be)) (Posted Collateral) in respect of such Loan Group outstanding under this Agreement shall equal the aggregate of the Market Value of Securities equivalent to the Loaned Securities and the applicable Margin (the Required Collateral Value) in respect of such Loan Group;</p> <p>(b) at any time on any Business Day the aggregate Market Value of the Posted Collateral in respect of a Loan Group outstanding under this Agreement together with: (i) all amounts due and payable by the Lender under this Agreement in respect of such Loan Group but which are unpaid; and (ii) if agreed between the parties and if the Income Record Date has occurred in respect of any Non-Cash Collateral, the amount or Market Value of Income payable in respect of such Non-Cash Collateral in respect of such Loan Group exceeds the aggregate of the</p>	<p>2010</p>	<p>Care to be taken to ensure that a Loan will only fulfil the criteria of a single Loan Group.</p>

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	<p>Required Collateral Values in respect of such Loan Group together with: (i) all amounts due and payable by the Borrower under this Agreement in respect of such Loan Group but which are unpaid; and (ii) if agreed between the parties and if the Income Record Date has occurred in respect of any securities equivalent to Loaned Securities, the amount or Market Value of Income payable in respect of such Equivalent Securities in respect of such Loan Group. Lender shall, on demand, repay and/or deliver, as the case may be, to Borrower such Equivalent Collateral as will eliminate the excess;</p> <p>(c) if at any time on any Business Day the aggregate Market Value of the Posted Collateral in respect of a Loan Group outstanding under this Agreement together with: (i) all amounts due and payable by the Lender under this Agreement in respect of such Loan Group but which are unpaid; and (ii) if agreed between the parties and if the Income Record Date has occurred in respect of any Non-Cash Collateral, the amount or Market Value of Income payable in respect of such Non-Cash Collateral in respect of such Loan Group falls below the aggregate of Required Collateral Values in respect of all such Loans together with: (i) all amounts due and payable by the Borrower under this Agreement in respect of such Loan Group but which are unpaid; and (ii) if agreed between the parties and if the Income Record Date has occurred in respect of Securities equivalent to any Loaned Securities, the amount or Market Value of Income payable in respect of such Equivalent Securities in respect of such Loan Group, Borrower shall, on demand, provide such further Collateral to Lender as will eliminate the deficiency; and</p> <p>(d) where a Party acts as both Lender and Borrower under this Agreement, the provisions of paragraphs 5.4(b) and 5.4(c) shall apply separately (and without duplication) in respect of Loans entered into by that Party as Lender and Loans entered into by that Party as Borrower.</p> <p><b>“Loan Group”</b> means separately, each group of Loans which meets one of the following criteria: [GROUP1] [GROUP2] [GROUPn-1] ... [GROUPn].”</p>	
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