

Business Continuity Management Client Disclosure Statement

August 2017

LCH LLC is committed to ensuring continuity and timely recovery of its business operations in the event of a major incident or crisis.

As part of our ongoing commitment to have a resilient business, LCH operates a Business Continuity Management (BCM) programme.

The BCM programme meets internal business requirements, legal and regulatory requirements and is in line with industry best practice.

During a business continuity incident/crisis key objectives are;

- Safety and welfare of staff
- To recover and maintain critical clearing services to members
- To comply with legal and regulatory requirements

The information below provides an overview of the key activities LCH undertake as part of this programme.

Programme Management and Governance

A Global BCM policy is in place which details the minimum required standards of the BCM programme; this is approved by the LCH Audit Committee and Boards on an annual basis.

A BCM function is in place to manage and oversee the BCM programme activities and adherence to the policy.

In addition there are several committees in place within LCH which the BCM team report into, these committees provide governance and oversight of the BCM activities conducted throughout the calendar year.

Understanding the Business

Each department completes a Business Impact Analysis (BIA) on at least an annual basis and following any significant changes. This captures at a minimum; critical activities, associated staffing and resource requirements, applications, dependencies, risks, recovery time objectives and recovery point objectives.

Threats and risks to LCH are reviewed regularly. This helps the business determine the most appropriate recovery strategies.

An annual BCM Supplier Due Diligence process is in place to assess critical suppliers and dependencies on a regular basis. This process identifies risks and issues and works to mitigate these. Those suppliers which are deemed to be critical outsourced providers are required to have equivalent BCM standards to LCH and are reviewed accordingly.

Determining Recovery Strategies

LCH has a number of recovery strategies in place to ensure critical operations can be supported within the recovery time objectives.

- Alternate Work Area Recovery locations that are accessible immediately
- Resilient and geographically diverse data centres which allow recovery of all critical infrastructure and services within 2 hours as detailed in the Disaster Recovery (DR) plan.
- Remote Access Capability
- Cross-regional hand off critical activities to another location

Development of Plans

Departmental business continuity plans are in place across the business detailing the recovery strategies that are in place. These are reviewed and updated on a quarterly basis.

A Global Crisis Management Team (CMT) structure and plan is in place to ensure effective and timely response to an incidents or crisis.

Testing and Exercising

Regular testing takes place throughout the year as per policy; the following tests/exercises are part of the annual testing schedule:

- Data Centre testing (involving members and third parties)
- Work Area Recovery site testing
- Remote Access testing
- Cross training exercising
- Crisis Management Team exercising
- Call Notification testing

The company also participates in external market-wide exercises.

Training and Awareness

Mandatory BCM training is in place for all employees. Awareness activities and events are organised to help promote BCM within the organisation on an annual basis.

Business Continuity Contact Information

if you would like further information regarding the LCH BCM programme please contact us using the following email: LCHBCMTeam@lch.com