

LCH SA CDS Clearing Procedures

Section 7 – Business Continuity

16 December 2014

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Capitalised terms used in this Business Continuity Procedure and not otherwise defined herein shall have the meaning given pursuant to the remainder of the CDS Clearing Documentation, as such term is defined in the document entitled "CDS Clearing Rule Book" published by LCH SA, as amended from time to time.

7.1 INTRODUCTION

The Procedures set out in this section are intended to provide Clearing Members with a guide to the possible steps that can be taken in the event of a Force Majeure Event affecting LCH SA or a Clearing Member, for the avoidance of doubt, subject always to Article 1.2.11.2 of the CDS Clearing Rule Book.

Due to the unpredictable nature of a Force Majeure Event, LCH SA reserves the right at its sole discretion and without consulting with the Clearing Members to depart from this Section 7 of the Procedures to meet the requirements of the specific situation, provided that, for the avoidance of doubt, LCH SA shall, in all cases, act in accordance with Article 1.2.11.2 of the CDS Clearing Rule Book.

7.2 SCOPE

The scope of this Section 7 of the Procedures covers:

- (a) Force Majeure Event affecting a Clearing Member:
 - (i) during office hours; and
 - (ii) outside office hours.
- (b) Force Majeure Event affecting LCH SA where the:
 - (i) headquarters ("HQ") is unavailable or inaccessible; and
 - (ii) primary data centre fails.

7.3 LIMITS

Where a Clearing Member is affected by a Force Majeure Event, LCH SA will provide assistance purely on a "reasonable endeavours" basis and will be under no obligation to assist in anyway it considers being detrimental to its business or the CDS Clearing Service.

7.4 BUSINESS CONTINUITY EVENTS AFFECTING A CLEARING MEMBER

- (a) During office hours (07:00-20:00 CET)

In case of a Force Majeure Event affecting the continuity of its activities, a Clearing Member should contact LCH SA as soon as reasonably practicable:

Initial Contact

Customer technical helpdesk ("CTH")	+33 1 70 37 66 00
	CTH.SA@lch.com

Additional contacts

Account manager	firstname.name@lch.com
Operations team (“OPS”)	cdsclear.ops@lch.com
Business continuity team (“BCS”)	BCS.ALL.SA@lch.com

The Clearing Member must provide LCH SA with the following information:

Clearing Member identification

- (i) company name;
- (ii) Clearing Member code;
- (iii) location (HQ or data centre and country);
- (iv) caller name; and
- (v) caller email address.

Clearing Member issue description

- (i) details of the nature of the Force Majeure Event;
- (ii) expected time to resolve or mitigate the Force Majeure Event; and
- (iii) whether any assistance is requested from LCH SA.

Process

As soon as the Clearing Member informs LCH SA about a Force Majeure Event, LCH SA will organise the following assistance if it deems it appropriate:

- (i) CTH will reply to the Clearing Member; and
- (ii) CTH, depending of the nature of the Force Majeure Event will organise a conference call with:
 - (A) Clearing Member representatives;
 - (B) LCH SA operational departments (OPS, Risk and Treasury); and
 - (C) depending on the type of problem other relevant LCH SA departments, for example, IT.

Resolution

As soon as the Force Majeure Event has been resolved, the Clearing Member must inform LCH SA through the CTH.

(b) Outside office hours

In case of a Force Majeure Event affecting the continuity of its activities, the Clearing Member should contact LCH SA as soon as reasonably practicable:

Initial contact

Business continuity team (“BCS”) +33 1 70 37 66 62
BCS.ALL.SA@lch.com

The Clearing Member must provide LCH SA with the following information:

Clearing Member identification

- (i) company name;
- (ii) Clearing Member code;
- (iii) location (HQ or data centre and country);
- (iv) caller name; and
- (v) caller email address.

Clearing Member issue description

- (i) details of the nature of the Force Majeure Event;
- (ii) expected time to resolve or mitigate the Force Majeure Event; and
- (iii) whether any assistance is requested from LCH SA.

Process

As soon as the Clearing Member informs LCH SA about a Force Majeure Event, LCH SA will organise the following assistance if it deems it appropriate:

- (i) BCS will depending of the nature of the Force Majeure Event organise a conference call with:
 - (A) Clearing Member representatives; and
 - (B) depending on the type of problem the relevant LCH SA departments, for example, OPS, Risk and Treasury.
- (ii) BCS will notify relevant information to the CTH.

Resolution

As soon as the Force Majeure Event has been resolved, the Clearing Member must inform LCH SA through the CTH.

7.5 FORCE MAJEURE EVENT AFFECTING LCH SA – HQ ISSUE (INACCESSIBILITY/EVACUATION AND RELOCATION)**(a) Business continuity plan principles**

LCH SA has organised a dedicated secondary office to be used where the LCH SA HQ is unavailable. The agreement between LCH SA and the secondary office provider stipulates that dedicated work areas will be available immediately.

If LCH SA has to relocate to the secondary office, the secondary office will be fully operational within four hours of the decision to move to it.

If, due to the nature of the Force Majeure Event, LCH SA is required to interrupt the CDS Clearing Service such interruption should not be for longer than one hour.

LCH SA can, depending on the type of Force Majeure Event, run the CDS Clearing Service jointly from both HQ and the secondary office or just from the secondary office.

(b) Communication

LCH SA will notify Clearing Members of the following:

- (i) the decision to relocate;
- (ii) the change to any telephone or fax numbers;
- (iii) confirmation of whether all operations will be continuing during the relocation or not; and
- (iv) if required, any: amendments to delivery procedures; extensions to deadlines for the use of options, registration of contracts and/or delivery of reports; and/or amendments or suspension of certain Treasury processes,

by the following methods:

- (A) Website;
- (B) email to each Clearing Member at the email address previously notified to LCH SA; and
- (C) telephone calls to each Clearing Member at the telephone number previously notified to LCH SA.

(c) Resolution

As soon as the Force Majeure Event has been resolved, LCH SA will inform all Clearing Members through the Website and by email to the email address notified by the relevant Clearing Member as part of their admission application. This may include notification that the address, telephone numbers and fax numbers have permanently changed.

7.6 **FORCE MAJEURE EVENT AFFECTING LCH SA – PRIMARY DATA CENTRE FAILURE**

(a) Data replication principles

LCH SA has in place a fully synchronised primary and secondary data centre. This means that data is stored at data centres immediately on a real time basis. The two data centres are run independently of each other. Accordingly the failure of one data centre should not impact the other.

The maximum time to switch from the primary to the secondary data centre is two hours. During the switch from the primary to the secondary data centre the CDS Clearing Service will not be operational.

Due to the fully synchronised nature of the primary and secondary data centres there will be no impact on the Website, access to any mean specified in a Clearing Notice, and no data will be lost.

(b) Communication

LCH SA will notify Clearing Members that the decision has been made to switch to the secondary data centre and what the impacts will be in relation to:

- (i) if required, any: amendments to delivery procedures; extensions to deadlines for the use of options, registration of contracts and/or delivery of reports; and/or amendments or suspension of certain Treasury processes;
- (ii) the expected time resumption of the normal CDS Clearing Service will be; and
- (iii) the order in which the CDS Clearing Service systems will be transferred to the secondary data centre and available to be used by a Clearing Member,

by the following methods:

- (A) Website;
- (B) email to each Clearing Member at the email address previously notified to LCH SA; and
- (C) telephone calls to each Clearing Member at the telephone number previously notified to LCH SA.

(c) Resolution

As soon as the Force Majeure Event has been resolved, LCH SA will inform all Clearing Members through the Website and by email to the email address notified by the relevant Clearing Member as part of their admission application.