

 LCH.Cleernet SA Instruction	N°	Title
	I.3-6	COMPLAINT RESOLUTION

Pursuant to Section 1.3.6 of the Clearing Rule Book

For the purposes of this Instruction “complainant” means a Clearing Member who has a complaint arising in connection with the performance, or failure to perform, by LCH.Cleernet SA of any of its regulatory functions This Instruction describes how a complainant who has a complaint arising in connection with the performance, or failure to perform, by LCH.Cleernet SA of any of its regulatory functions may make a formal complaint and how that complaint will be investigated and resolved.

Article 1 How to make a complaint

A complainant who has a complaint arising in connection with the performance, or failure to perform, by LCH.Cleernet SA of any of its regulatory functions, may make a formal complaint in writing to LCH.Cleernet SA.

Article 2 Complaint eligibility

LCH.Cleernet SA is a clearing house within the meaning of Article L. 440-1 of the French Monetary and Financial Code and has been notified to the European Commission as a securities settlement system pursuant to the Settlement Finality Directive. In accordance with the framework of its statutory and regulatory prerogatives, LCH.Cleernet SA, [amongst other matters, LCH.Cleernet SA registers Transactions, supervises the Open Positions of its Clearing Members, calculates the associated risk, calls Margins to cover this risk, guarantees the proper settlement of positions as central counterparty, manages the default procedures Any formal complaint in writing, arising in connection with the performance or failure by LCH.Cleernet SA to fulfil any such regulatory function, will be a complaint for the purpose of this Instruction, save that a complaint will not be eligible to be dealt with in accordance with this Instruction if:

- (i) it relates to LCH.Cleernet SA’s relationship with its employees;
- (ii) it relates to the content of these Clearing Rules;
- (iii) it is in connection with a contractual or commercial dispute involving LCH.Cleernet SA and is not connected in any way with LCH.Cleernet SA’s regulatory functions;
- (iv) it is made three (3) months after the date on which the complainant becomes aware or should have become aware of the circumstances giving rise to the complaint (unless the complainant can evidence reasonable grounds for the delay);
- (v) the subject matter of the complaint is something which has already been referred to arbitration or litigation, as applicable in accordance with Section 1.3.6 of the Clearing Rule Book and Article 13 of the Admission Agreement; and/or
- (vi) it amounts, in LCH.Cleernet SA’s reasonable opinion, to an abuse of rights by the complainant.

Article 3 Formal Complaint

A complaint should be made in writing, being clearly identified as a complaint made under this Instruction, dated and addressed to the Company Secretary and sent to the following address:

Banque Centrale de Compensation (“**LCH.Clearnet SA**”)
18, Rue du Quatre Septembre
75002 Paris

The Complaint should be signed on behalf of the complainant by a director or equivalent officer with appropriate authority.

The complaint should include sufficient information, notably, corporate name, code Clearing Member name of the persons identified in the complaint, a description of the nature of the complaint and the date of the occurrence of the performance or the failure to perform by LCH.Clearnet SA as defined in Article 1 and 2 of this Instruction, to allow LCH.Clearnet SA to properly identify and assess the matters to which the complaint relates, the activities complained of, and the basis for any alleged loss.

In the event LCH.Clearnet SA deems the provided information insufficient, it may request further information and the complaint may not be investigated further until such information is received.

Upon receipt of a written complaint (which, for the avoidance of doubt, shall include those complaints transmitted by email) pursuant to this Instruction, LCH.Clearnet SA shall acknowledge receipt of the complaint within 7 days.

The complainant shall not be permitted to commence action pursuant to Section 1.3.6 of the Clearing Rule Book concurrently with or subsequent to any complaint made pursuant to this Instruction in respect of the same subject matter of the complaint until a decision has been made by LCH.Clearnet SA in accordance with Article 5 below.

After receiving the complaint, LCH.Clearnet SA will conduct an internal investigation and review of such complaint in accordance with the procedures set out below.

Article 4 Investigation procedure

LCH.Clearnet SA will convene an “**Investigation Committee**” to investigate the complaint. The Investigation Committee will be comprised of any three of the following persons:

- a. the Chief Executive Officer of LCH.Clearnet SA or the appropriate Business Unit Managing Director;
- b. the Managing Director, Operations, of LCH.Clearnet SA;
- c. the Managing Director, Risk, of LCH.Clearnet SA; or
- d. any suitably senior representative of LCH.Clearnet SA.

No later than 7 days from the receipt of a complaint, LCH.Clearnet SA shall notify the complainant of the persons comprising the Investigation Committee.

Within 21 days of receiving any complaint which LCH.Clearnet SA considers to be ineligible, LCH.Clearnet SA will inform the complainant that it proposes not to investigate the complaint and shall communicate the ground on which it believes such complaint to be ineligible, in accordance with Article 2 (i) to (vii).

LCH.Clearnet SA will deliver the Investigation Committee's report in relation to the eligible complaint within eight weeks from the date of acknowledgement of receipt of the complaint.

However, where the scope of the complaint reasonably demands further investigation, LCH.Clearnet SA will write to the complainant, prior to the expiration of the eight week period, explaining why the report will not be finalised within eight weeks from the date of acknowledgement of receipt of the complaint, and indicating when a final response is likely to be made. A final response must, in all cases, be delivered within twelve weeks (unless otherwise agreed between LCH.Clearnet SA and the complainant).

If a complaint has not been responded to by LCH.Clearnet SA pursuant to Article 5 below within twelve weeks from the date of acknowledgement of receipt of the complaint and LCH.Clearnet SA and the complainant have not agreed to extend the period for investigation, the complaint shall be referred to the Chief Executive Officer of LCH.Clearnet SA.

Following the referral to the Chief Executive Officer of LCH.Clearnet SA, a meeting should be convened within 14 days between the complainant, the Chief Executive Officer of LCH.Clearnet SA and members of the Investigations Committee, as requested by either the complainant or LCH.Clearnet SA, at the offices of LCH.Clearnet SA (or at the offices of the complainant if agreed between the parties).

The purpose of such meeting shall be for LCH.Clearnet SA to agree and communicate the outcome of the investigation to the complainant, together with any proposed remedial action.

LCH.Clearnet SA may at any time obtain professional advice as appropriate.

The costs of the internal investigation and review shall be borne by LCH.Clearnet SA.

Article 5 Result of the investigation

Once the Investigation Committee has concluded its investigation in accordance with Article 4 of this Instruction, LCH.Clearnet SA will inform the complainant of the outcome of the investigation, together with any remedial action proposed by LCH.Clearnet SA. The remedial action taken may include, but will not be limited to, offering an apology, taking steps to rectify the error, the offer of a compensatory payment or a combination of the above. If a complaint is rejected, LCH.Clearnet SA will give its reason for doing so.

Article 6 Disputes

Where a complainant disputes the outcome of the investigation and/or the remedial actions proposed by LCH.Clearnet SA it may, within 14 days (or such longer period as LCH.Clearnet SA may, at his discretion, direct) of receiving notice of the Investigation Committee's findings and/or proposed remedial measures, refer the dispute to be resolved by arbitration or the French Court in accordance with Section 1.3.6 of the Clearing Rule Book and Article 13 of the Admission Agreement.

Article 7 Record Keeping

A copy of all documents and materials relating to a complaint shall be sent to LCH.Clearnet SA. LCH.Clearnet SA will retain all documents and materials for a minimum of ten years from the conclusion of a complaint.

Article 8 Confidentiality

LCH.Clearnet SA and the complainant must each observe strict confidentiality in respect of the investigation of a complaint and shall procure that all information provided in the course of the Complaint Resolution procedure is held in a confidential manner in accordance with Article 12 of the Admission Agreement and Section 1.3.6 of the Clearing Rule Book