

IMPORTANT NOTICE

European Central Counterparty Limited



#: E#2-08
Date: August 13, 2008
To: All Participants
Attention: Managing Partner/Officer;
Manager, Operations Department;
Manager, Treasury/Finance Department
From: EuroCCP Risk Management
Subject: MARGIN AMOUNTS AND GUARANTEE FUND PAYMENT PROCESSING

Each Participant of EuroCCP (“EuroCCP” or the “Corporation”) is required to make and maintain, on a daily basis, payments to the Corporation with respect to their respective Margin Amounts and Guarantee Fund contributions.

Margin Amounts consist of the Daily Margin Amount, and Intra-Day Margin Amounts. The following steps will be followed with respect to the processing of such contributions:

- The Corporation will issue an automated daily notification via email (the “Notification”) to the e-mail address (group e-mail addresses are preferred) designated by each Participant, detailing required Daily Margin Amounts (“Daily Margin”) and the Guarantee Fund contribution (the “Contribution”) based on the overnight processing of risk calculations and minimum requirements. Details of the Daily Margin deposit components will also be provided and will show, separately, the required Margin Amount for the Participant’s House Accounts and the required Margin Amount for the Participant’s Client Accounts.
- Participants will have access to account and ISIN level report detail for Margin Amounts on a daily basis via MRO reports.
- If current deposits are not sufficient to support the Daily Margin and/or Contribution requirement, a concurrent SWIFT message will also be issued instructing the Participant’s designated bank to transfer the deficit cash amount to the Corporation via Settlement Authority or direct debit authorization.
- **Payment to satisfy Daily Margin and any Contribution MUST be received by EuroCCP no later than 9:30 AM London time.** Please refer to the attached money wire instructions that are to be used when making cash payments for Margin Amounts and Guarantee Fund Payments to EuroCCP. A subsequent Important Notice will be issued with respect to instructions for those Participants wishing to pledge Eligible Government Securities in substitution for cash previously deposited.
- All amounts due by 9:30 must be paid in **cash** in an Acceptable Currency (either Euros, Sterling or U.S. Dollars) and will be subject to such haircuts, if paid in a currency other than the Participant’s designated Acceptable Currency, as the Corporation shall determine (*see* EuroCCP Important Notice E#1-08, (12 August, 2008)).

- EuroCCP will endeavor to contact by telephone those Participants who have not made their payment beginning at 8:30 AM.
- A call or calls for Intra-Day Margin may also be issued based on an analysis of market movements and special events.
- Calls for Intra-Day Margin will generate a new Daily Margin Notification. An e-mail will be issued and a phone call will be made for Intra-Day calls. Payment to satisfy Intra-Day calls, when issued, must be received by the Corporation within one hour of issuance. A SWIFT message will not be sent for Intra-Day calls. The Corporation will not be collecting these amounts via Settlement Authority or direct debit; accordingly, Participants will be responsible for assuring any such payments are timely made.

Participants are expected to meet all set deadlines issued by the Corporation. In the event of routine processing delays or major disruptions, Participants are expected to have in place such planning that would allow for alternative procedures to assure timely payments.

Non-payment of Daily Margin presents risk to both EuroCCP and the entire Participant base. Timely payment of Daily Margin deposits is business critical and essential, and Participants are subject to fines if payment is not timely made.

In the event a Participant fails to satisfy the required deposit to the Corporation by 9:30 AM London time (or within one hour of issuance for Intra-Day Margin Amounts), the Corporation may, as permitted under its Rules, take the following actions:

- 1) Issue a warning letter and assess a fine. (Rule 21 and Appendix 1 Table of Fines)
- 2) Require the Participant to provide additional assurances of financial capability as it deems appropriate, as outlined in EuroCCP's Rule 10.

In its sole discretion and without prejudice to its other rights and remedies against the Participant, the Corporation may also:

- 1) Satisfy the Unpaid Balance by applying all or a portion of any money owing by the Corporation to such Participant towards satisfaction of the unpaid Balance (Rule 4 Section 7);
- 2) Suspend further acceptance of clearance activity until payment is satisfied (Rule 11); or
- 3) Constitute non-payment as a Termination Event and cease to act for the Participant (Rule 11).

Questions regarding the above may be directed to the undersigned at +44 (0)20 7650-1560.

Michael Kopcak
 Director, EuroCCP Risk Management

EuroCCP Money Wire Instructions:

Sterling

Please forward Sterling **Guarantee Fund** cash contribution payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Margin & Guarantee Funds
Account Number: 11905317
Reference: Participant Name and **E** XXX

Where XXX is the EuroCCP Participant ID.

Please forward Sterling **House Margin Amount** cash payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Margin & Guarantee Funds
Account Number: 11905317
Reference: Participant Name and **H** XXX

Where XXX is the EuroCCP Participant ID.

Please forward Sterling **Client Margin Amount** cash payments to the following instructions

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Client Margin Amounts
Account Number: 11898736
Reference: Participant Name and **C** XXX

Where XXX is the EuroCCP Participant ID.

EURO:

Please forward EUR **Guarantee Fund** cash contribution payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Margin & Guarantee Funds
Account Number: 11905309
Reference: Participant Name and **E** XXX

Where XXX is the EuroCCP Participant ID.

Please forward EUR **House Margin Amount** cash payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L

Sort Code: 18-50-08
Account Name: EuroCCP Margin & Guarantee Funds
Account Number: 11905309
Reference: Participant Name and **H** XXX

Where XXX is the EuroCCP Participant ID.

Please forward EUR **Client Margin Amount** cash payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Client Margin Amounts
Account Number: 11898728
Reference: Participant Name and **C** XXX

Where XXX is the EuroCCP Participant ID.

U.S. Dollar:

Please forward USD **Guarantee Fund** cash contribution payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Margin & Guarantee Funds
Account Number: 11905325
Reference: Participant Name and **E** XXX

Where XXX is the EuroCCP Participant ID.

Please forward USD **House Margin Amount** cash payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Margin & Guarantee Funds
Account Number: 11905325
Reference: Participant Name and **H** XXX

Where XXX is the EuroCCP Participant ID.

Please forward USD **Client Margin Amount** cash payments to the following instructions:

Bank Name: Citibank N.A. London
Swift Code: CITIGB2L
Sort Code: 18-50-08
Account Name: EuroCCP Client Margin Amounts
Account Number: 11898744
Reference: Participant Name and **C** XXX

Where XXX is the EuroCCP Participant ID.