

IMPORTANT NOTICE

European Central Counterparty Limited



#: E#1-09
Date: February 9, 2009
To: All Participants
Attention: Managing Partner/Officer;
Manager, Operations Department;
Manager, Treasury/Finance Department
From: EuroCCP Product Management
Subject: Spanish Equities – Clearance and Settlement Services

Beginning on 16 February, EuroCCP will begin offering clearance and settlement services for approximately 100 Spanish equities settling in the Spanish depository, Iberclear. The expanded service will be offered in tandem with the support of trading services in Spain on the Turquoise trading platform.

Settlement in Spain has special features because of local registration requirements. Securities are registered at Iberclear in the name of the beneficial owner (known as the “Registration Name), and every change in ownership must be recorded via a registration reference number. At the current time, a registration reference number can only be obtained via a transaction on a Spanish stock exchange. Therefore, due to the unique technical requirements for effecting securities settlement in Spain, EuroCCP is adopting a new Procedure, Procedure IX – Spanish Settlement Procedure. This Procedure specifically describes the netting/aggregation of Spanish transactions, the notification of Registration Names and the associated split details, and establishes a timeline for the occurrence of these processes. The Procedure also describes the documentation required from Participants wishing to clear and settle Spanish securities. The Procedure is effective immediately, and is being adopted pursuant to Rule 19, Section 5. A copy of the Procedure is attached to this Important Notice.

Required Documentation

In order to utilise EuroCCP’s Spanish service, Participants must complete the following documentation before their intended live date:

- *Form of Undertaking and Power of Attorney*
- Spanish Supplemental *Designation to Clear* in instances where the Participant is clearing for a Non-Clearing Firm
- Participant Set up Package – This document is required to establish aggregation accounts and the relationships between trading firms and netting accounts for Spanish activity. The Participant Set up Package must include for each House and Client Account a “default” account Registration Name (which ordinarily will be the Participant’s or its Non-Clearing Firm’s name and BIC), which will be used in circumstances where: (i) incorrect (or no) Registration Names are provided; (ii) information is not provided before the applicable deadline; or (iii) EuroCCP determines that such Registration Name should be used to comply with applicable law.

These documents are more fully described in Procedure IX, and copies of the required documents can be obtained by contacting EuroCCP Account Administration at +44-207-650-1444 or via email at EuroCCPAA@dtcc.com.

Information Specific to Registrations

Participants must provide Registration Names for allocations to EuroCCP on trade date plus one (T+1). Attached to this notice is a sample of a completed Registration/Split Detail spreadsheet. The completed spreadsheet should be sent to EuroCCP Operations by email, adopting such security procedures as EuroCCP may from time to time require or agree. Participants are reminded that failure to timely provide EuroCCP with such required information may cause a delay in settlement at Iberclear, and any penalty, fine or other charge imposed on EuroCCP as a result will be passed on to the responsible Participant.

Participants are advised that EuroCCP performs sanctions screening (and such other anti-money laundering-related checks as may be appropriate) against Registration Names. Accordingly, Participants are requested, to the extent practicable, to provide advance notice of intended/anticipated Registration Names to the Corporation before they begin clearing transactions in Spanish securities that are intended to be registered in such names. Participants maintain the responsibility to ensure that it: (i) appropriately verifies the identity of persons for whom it clears transactions; and (ii) does not clear transactions for any person in contravention of any applicable legal sanctions or restrictions.

Buy-Ins and Corporate Actions

Iberclear establishes the local market rule for Buy-Ins, which is currently Settlement Date +1. As regards claims processing for dividend/cash entitlements, the current net after-tax rate applicable in Spain that will be used is 82%. The Buy-In Schedule and Corporate Action Net Rate table in Procedure II and IV, respectively, are being updated to reflect this.

Fees

EuroCCP will issue a separate notice announcing its fee schedule with respect to services provided in Spain.

Questions on this notice, the attached documents, or general questions regarding Spanish processing should be directed to EuroCCP Operations at +44-207-650-1555 or via email at operations@euroccp.co.uk.

Rachel Tyler
Director
Product Management

PROCEDURE IX. SETTLEMENT PROCEDURE - SPAIN

1. OVERVIEW

Settlement in the Spanish market has special features because of local registration requirements. Securities are registered at the Spanish securities depository, Iberclear, in the name of the beneficial owner ("**Registration Name**") and every change in ownership must be recorded via a registration reference number. A registration reference number can only be obtained via a transaction on a Spanish stock exchange. The arrangements set out in this Procedure are designed to ensure that securities are re-registered in the appropriate Registration Name and settlement occurs in the most cost effective way possible and in compliance with applicable Spanish requirements.

1.1 Where a Participant is clearing a transaction for a Non-Clearing Firm, or for its own client or a client of the Non-Clearing Firm (any such third party being referred to in this Procedure as a "**Client**") the relevant Registration Name will normally be that of the Client.

1.2 Under these arrangements:

- (a) On each trading day (i.e, "**Trade Date**" or "**T**") the Corporation will net trades where the trade is (i) made with respect to an account that the Participant has designated as a Netting Account; and (ii) done on a proprietary basis based upon the information provided by the Participant as described in Section 2.2 below. Based upon such information, all trades in Eligible Instruments that settle at Iberclear ("**Spanish Eligible Instruments**") received from an Approved Entity made with respect to a Client Account (or a House Account) will either be (A) aggregated (that is, all purchases added up and, separately, sales added up, as opposed to netted), (B) netted, or (C) if the relevant account is designated by the Participant as a Non-Netting Account, all transactions with respect to that account will be reported on a trade-for-trade basis on the Participant's Position Detail Report. For this purpose, the Corporation permits Participants to designate one or more sub-accounts into which their Spanish activity may be credited.
- (b) The Corporation performs "put-through" transactions on the Spanish stock exchange in its own name, using one or more local Spanish brokers, for the aggregate amount of all sales and the aggregate amount of all purchases of each individual Spanish Eligible Instrument on T (after taking into account the netting in (a)). These put-through transactions will then be split, based on the information the Corporation receives from the Participants (or their authorized agents) into the applicable Registration Names on the next day (**T+1**).
- (c) In order to satisfy their Settlement Obligations to EuroCCP, Participants (whether directly, or through their Settlement Entities) are required to

instruct Iberclear to receive or deliver the individual parts to or from the appropriate Registration Names (“**OTC Instructions**”).

- (d) The securities received as a result of the OTC Instructions (*i.e.*, the Participants’ Delivery Obligations, or short deliveries) will be used to fulfil the delivery part of the put-through. The securities received via the put-through will be used to fulfil the Corporation’s delivery obligations to satisfy Participants’ Receive Entitlements.

Via the put-through registration, reference numbers are obtained and the securities are received from or delivered to the correct Registration Name.

- 1.3 The put-through transaction is, from a settlement perspective, a normal stock exchange transaction. As a result, Iberclear will charge a penalty according to its published penalty scheme for late or non-deliveries. Similarly, these transactions are subject to Iberclear’s buy-in rules and procedures, as well as its procedures applicable to corporate actions. Accordingly, where late or failed delivery is due to a Participant’s failure to give timely OTC Instructions or its failure to meet its Settlement Obligations in any other way, the penalty and any other cost or expense incurred by the Corporation, including any buy-in or corporate action liability assessed as a result, will be passed on and charged to the Participant.

2. **DOCUMENTATION AND RESPONSIBILITIES**

- 2.1 Participants who wish to clear and settle Spanish Eligible Instruments must sign the following documentation:

- (a) *A Form of Undertaking and Power of Attorney*. This is designed to ensure that the Corporation can deal with securities to which it is entitled but which remain temporarily registered in the Registration Name of the Participant or the Participant’s Client. This may occur where the Corporation has paid the Participant for the securities, or where a Participant with a Receive Entitlement has defaulted on its corresponding Payment Obligation.

- (b) Where the Participant is clearing for a Non-Clearing Firm, a *Supplement* to the Designation Letter in relation to that Non-Clearing Firm confirming the Corporation’s authority to accept Non-Clearing Firm transactions in Spanish Eligible Instruments from the Approved Facility on the Participant’s behalf and that the Non-Clearing Firm agrees to the arrangements in this Procedure (the “**NCF Spanish Supplement**”). The NCF Spanish Supplement may also authorise the Corporation to act on information from the Non-Clearing Firm as the Participant’s agent.

- 2.2 The Participant must also provide the following account administration information:

- (a) Participant BIC, and Non-Clearing Firm BIC if appropriate;

- (b) Netting level required for House and Client Account transactions: aggregation, full netting or non-netting.
 - (c) Default Account Registration Name. The Registration Name is expressed as a BIC or as a COD number. Even if the Participant is clearing for Clients only, a Default Account Registration Name must be provided. (Ordinarily this will be the Participant's or its Non-Clearing Firm's name, depending on whether the party executing the transaction is the Participant or its Non-Clearing Firm.) This name will be used in circumstances where (i) no or incorrect or incomplete Registration Names are provided, (ii) the information is provided after the deadline as specified in this Procedure, or (iii) the Corporation determines such Registration Name is otherwise required or appropriate to comply with applicable law.
- 2.3 Participants are reminded that, in accordance with Rule 3, Section 3, the registration of transactions in Registration Names other than the Participant's name confers no rights or obligations, implied or otherwise, on the part of the registrant (or any other third party) vis-à-vis the Corporation.

SETTLEMENT PROCESS

- 3.1 The recurring activities during the days from trading/T to settlement/T+3 are described in the paragraphs below.

Trade Date/T

- 3.2 The Corporation will receive trades in Spanish equities from Approved Facilities during the day. Each Accepted Trade will result in an updated settlement instruction for the ISIN, account and account type in which the trade is registered. The trades will be netted according to level specified by the Participant.
- 3.3 Each Approved Facility will close trading in Spanish equities at the time agreed with the Corporation and published in their respective rules. Each Approved Facility will send a special message ("**End Of Day Spain**") to the Corporation after the Approved Facility has closed trading in Spanish Eligible Instruments. Upon receipt of the last "End of Day Spain" message, the Corporation will generate per Spanish ISIN the sum of all delivery instructions across all accounts and account types (taking into account any so-called strange nets). That information will be delivered to the Corporation's Settlement Agent in Spain and its local broker(s).
- 3.4 The Corporation's local broker(s) will perform a "put-through" transaction in the closing auction for the equities assigned to that broker and for the volumes specified. This transaction is necessary in order to be able to assign proper Registration Names to individual settlement instructions (*i.e.*, splits) on T+1 for settlement on T+3.

T+1

- 3.5 The Corporation will send the settlement instructions to its Settlement Agent throughout the day on T+1 as it receives the applicable Registration Names, as described below.
- 3.6 Participants who wish their Delivery Obligations or Receive Entitlements to be registered in a Registered Name or Names other than their Default Account Registration Name must provide the Corporation with the necessary additional registration information via their pre-agreed communication method on T+1 prior to the deadline specified in Section 4.1 below. The information will be accepted from a Non-Clearing Firm where its GCP has authorised the Non-Clearing Firm to provide it. The Settlement Agent arranges the further split of the settlement instructions according to the additional registration information the Corporation receives. If no additional registration information is received before the deadline specified in Section 4 below, or if the information is incomplete or incorrect, the Default Account Registration Name will be used for further processing.
- 3.7 The reporting of Registration Names and the allocable splits should be submitted via an Excel spreadsheet (the “**Registration/Split Detail**”) in the form specified by the Corporation from time to time by Important Notice.
- 3.8 The Corporation and its Settlement Agent will reconcile its settlement instructions received from the Corporation with the Registration/Split Detail. The Participant (and/or its Non-Clearing Firm, if so authorized) will be informed about any discrepancies arising from the reconciliation.

More precisely, the following scenarios may occur in a specific ISIN and for a specific Participant:

The number of shares specified by the Corporation exceeds the sum of all Registration Names and allocable splits specified in the Registration/Split Detail. The sender will receive a report with the outcome of the reconciliation, and may subsequently send a revised Registration/Split Detail. This will only be processed if received prior to the deadline. If no revised Registration/Split Detail is received, or if the revised details are received after the deadline, the Corporation will assign the Default Account Registration Name to the remaining number of shares not covered by the Registration/Split Detail.

The number of shares specified by the Corporation is less than the sum of all Registration names and splits specified in the applicable Registration/Split Detail. The sender will receive a report with the outcome of the reconciliation, and may subsequently send a revised Registration/Split Detail. This will only be processed if received prior to the deadline. If no revised Registration/Split Detail is received or if the revised details are received after the deadline, the Corporation will assign the Default Account Registration Name to the entire number of shares specified by the Corporation.

- 3.9 If no Registration/Split Detail is timely received by the Corporation, the applicable Default Account Registration Name will be assigned to each instruction.
- 3.10 Where no discrepancy exists or/and the deadline for receipt of Registration/Split Details has been reached, the Corporation will automatically generate a report containing the splits and registration details for each Participant and communicate these details to the Corporation's local broker(s). The local broker(s) will send these breakdowns to the stock exchange and the Settlement Agent will receive the confirmations.
- 3.11 At the end of T+1, when all the splits and registration details for all Participants have been delivered to the Corporation's broker(s), the Settlement Agent will automatically generate, on behalf of the Corporation, OTC Instructions for the receipt or delivery of equities from or to Participants and the split put-through instructions. Each OTC Instruction is linked to a split put-through instruction.

T+2

- 3.12 The Corporation releases via the Settlement Agent OTC Instructions for the receipt of Spanish Eligible Instruments from Participants and the delivery of Spanish Eligible Instruments to Participants to Iberclear. The Participants (or their Settlement Entities, as applicable) are required to send the corresponding OTC Instruction instructions to Iberclear as well. Participants are reminded of their obligation to timely match their settlement instructions.
- 3.13 Participants have the ability to amend or correct Registration Names, if needed, up to 16:00 U.K. time on T+2 by sending a corrected Registration/Split Detail.

T+3

- 3.14 The OTC Instruction to receive Eligible Instruments from a delivering Participant is intended to settle on T+3. The securities delivered as a result of the OTC Instruction will be used to fulfil the delivery obligations for the put-through. Once the purchase side of the put-through settles, the securities then become available with the correct registration details for the delivery via the OTC Instruction to the receiving Participant.

4 SETTLEMENT PROCESSING DEADLINES AND DETAILS.

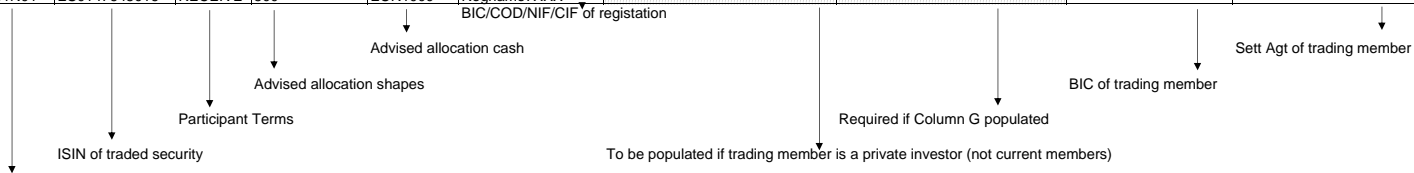
- 4.1 Deadline for delivery of the Registration/Split Detail:

The final split information must be received via the agreed communications method on T+1 before 17.45 UK time. Participants are advised to provide such information as early in the day on T+1 as practicable to permit appropriate reconciliation and correction prior to the deadline.

- 4.2 Participants are advised that the Corporation performs sanctions screening (and such other anti-money laundering-related checks as may be appropriate)

against Registration Names. Accordingly, Participants are requested, to the extent practicable, to provide advance notice of intended/anticipated Registration Names to the Corporation before they begin clearing transactions in Spanish Eligible Instruments that are intended to be registered in such names. The Corporation will announce, via Important Notice, its requirements regarding the provision of such notice, as the Corporation may apply from time to time. For the avoidance of doubt, nothing in this paragraph 4.2 shall be construed as negating or limiting the Participant's own obligations (whether under the Participant's Agreement (including specifically clauses 2.4 and 4) the Rules or any applicable laws, rules regulations, treaties or sanctions) to maintain its own arrangements to ensure that it: (i) appropriately verifies the identity of persons for whom it clears transactions; and (ii) does not clear (or submit to EuroCCP for clearance and settlement) transactions for any person in contravention of any applicable legal or regulatory sanctions or restrictions.

Obligation ID-	ISIN	Side	Share Quantity	Cash Value	Registration Name	Beneficiary NIF/CIF/COD Code	Surname/Company Name	Beneficiary BIC Code	Settlement Agent BIC	Trade Date	Contractual Settlement Date
08366000001N01	ES0147645016	RECEIVE	500	EUR1000	Regname1XXX					06/01/2009	1/9/2009
08366000001N01	ES0147645016	RECEIVE	500	EUR1000	Regname2XXX					06/01/2009	1/9/2009
08366000001N01	ES0147645016	RECEIVE	500	EUR1000	Regname3XXX					06/01/2009	1/9/2009
08366000001N01	ES0147645016	RECEIVE	500	EUR1000	Regname4XXX					06/01/2009	1/9/2009
08366000001N01	ES0147645016	RECEIVE	500	EUR1000	Regname5XXX					06/01/2009	1/9/2009
08366000001N01	ES0147645016	RECEIVE	500	EUR1000	Regname6XXX					06/01/2009	1/9/2009
08366000001N01	ES0147645016	RECEIVE	500	EUR1000	Regname7XXX					06/01/2009	1/9/2009



Obligation ECCP provide to Participants on TD.

EXAMPLE

Clearing Participant Name: _____

Clearing Participant Type: _____

Netting Account Name: _____

Account Capacity - select one (House or Client): _____

Clearing Participant Bank Identifier Code (BIC): _____

Environment - select one (Production, Test or Both): _____

**Macros must be enabled*

Country / Market		Account Designation (Netting, Non-Netting or Aggregation)	Settling Agent Name	Settling Agent BIC	Settling Agent Test BIC	Local Country Code *	Safekeeping Account at Settling Agent	Beneficiary BIC (BUY/SELL Field)***	Cross Exchange Netting Option (MIC = CEUC)
ES	Spain	▼							▼

* Settlement Agent or Direct Member ID at CSD

*** to be populated with NIF / CIF / COD code for local Spanish brokers or BIC code if different to Clearing Member BIC eg: if branch code required

Country / Market	House Account Registration Name
ES	Spain

Clearing Participant Name:		Activation Date:	
Executing Broker Name:		Environment - select one (Production, Test or Both):	<input type="text" value=""/>
Executing Broker Symbol:	To be issued by Trading Platform		

**Macros must be enabled*

Country / Market		Trading Capacity ^	Netting Account Name
ES	Spain	Principal	
		Agent	

Clearing Participant Name:

Environment - select one
(Production, Test or Both):

Market / CSD	Settling Agent Name	Settling Agent BIC	Settling Agent Test BIC	Local Country Code *	Safekeeping Account at Settling Agent	Additional Info
Euroclear UK & Ireland Limited						
Euroclear Bank						

* Settlement Agent or Direct Member ID at CSD

NB: This sheet is to be completed only if posting Sovereign Debt Securities as Collateral at Euroclear Bank

Clearing Participant
Name:

Environment - select
one (Production, Test
or Both):



Instructions for Clearance and Settlement Business:

Currency	Settling Bank Name	Settling Bank BIC	Settling Bank BIC	Test	Account # at Settling Bank	Additional Info
EUR						

Instructions for Margin and Guarantee Fund:

Currency	Settling Bank Name	Settling Bank BIC	Settling Bank BIC	Test	Account # at Settling Bank	Additional Info	Preferred Currency (Choose one)
EUR							<input checked="" type="radio"/>
GBP							<input type="radio"/>
USD							<input type="radio"/>