

IMPORTANT NOTICE

European Central Counterparty Limited



#: E#14-09
Date: September 22, 2009
To: All Participants
Attention: Managing Partner/Officer;
Manager, Operations Department;
Manager, Treasury/Finance Department
From: Nomination Committee of the Board of Directors
Subject: Nomination and Appointment of Participant Directors

EuroCCP's procedures for the annual nomination and appointment of non-executive directors representing the interests of Participants – ie. Participant Directors – are set forth in sections 34 and 35 of EuroCCP's Articles of Association, which are attached. The procedures provide that the Nomination Committee shall invite Participants to recommend candidates for Participant Director.

Any recommendation must be made in writing by the Participant's Chief Executive Officer or other official senior to the candidate and received by us no later than October 12, 2009. The recommendation should be accompanied by the candidate's CV, including information about his or her employment experience as well as positions held with other industry organizations, if any, in sufficient detail to permit the Nomination Committee to evaluate the candidate's expertise and leadership experience. If the Nomination Committee decides to nominate the candidate, he or she will be contacted and expected to provide further information regarding the candidate's character, fitness and propriety.

In determining which candidates to nominate, the Nomination Committee will consider the following factors: willingness to act in the interests of Participants generally; expertise; with respect to current directors, length of service, attendance at Board meetings and effectiveness; adequate diversity on the Board; and whether the candidate has been recommended by a Participant that actively supports EuroCCP's business objectives.

Recommendations may be sent to the Nomination Committee c/o Linda LaMonica, Assistant Corporate Secretary, European Central Counterparty Limited, at llamonica@dtcc.com.

The Nomination Committee

Iain Saville, Chairman
Diana Chan
Andrew Gelb
Jacques-Phillipe M. Marson

34. At all times when the company is a Recognised Clearing House within the meaning of the Financial Services and Markets Act 2000 (as amended or replaced from time to time) the number of directors shall be not less than six and not more than 15 and the company shall ensure that there shall be appointed as directors at least two individuals in each of the following Categories:

- (a) executive directors, one of whom will be the chief executive officer and the other being the DTCC Representative (the "**Executive Directors**");
- (b) non-executive directors (up to a maximum number determined from time to time by the directors) nominated under the procedure conducted by the Nomination Committee in accordance with article 35 to represent the interests of Participants ("**Participant Directors**"); and
- (c) non-executive directors independent of the management of the company in accordance with the standards of good corporate governance as generally adopted by companies listed on the London Stock Exchange and who are not connected with any shareholder ("**Public Interest Directors**"),

provided that no act or proceeding of the company or the directors shall be invalidated by reason of the fact that there is no director of any particular Category holding office at the material time.

35. Participant Directors shall be selected and appointed as follows:

- (d) the initial Participant Directors shall be appointed by the directors and shall hold office until the second annual general meeting after the company has been granted recognition by the Financial Services Authority as a Recognised Clearing House following these initial appointments the procedure set out in (b) – (i) of this article 35 will apply;
- (e) not less than once in every calendar year commencing in 2009 the Nomination Committee by notice to each Participant will ask Participants to submit suggestions for Participant Directors for consideration by the Nomination Committee;
- (f) within 20 days of the date of such notice, Participants may submit their suggestions by notice in writing to the Nomination Committee;

- (g) within 30 days of the last date for submission of nominations, the Nomination Committee shall compile a list of individuals who are willing to serve and which it proposes to appoint. Such list shall comprise no more than one person for each vacancy to be filled and may (but is not required to) include all or any of the persons suggested under (c) above. In compiling such list the Nomination Committee shall:
- (1) aim to include individuals who are representative of the Participants as a whole;
 - (2) comply with the requirements of (i) below; and
 - (3) take account of such other factors as the Directors may communicate to the Nomination Committee from time to time.

The Nomination Committee shall give notice of the list to all Participants;

- (h) within 10 days of the date of such notice referred to in (d) above, any Participant may submit nominations of further individuals by notice in writing to the Nomination Committee;
- (i) if no nominations are submitted by Participants pursuant to (e) above or nominations are notified to the Nomination Committee after the due date referred to in (e) above the persons named in the list referred to in (d) above will be forthwith deemed to be appointed as Participant Directors;
- (j) if the circumstances in (f) above do not apply, then within 10 days of the last date for submission of nominations under (e) above, the Nomination Committee will compile a final list of individuals nominated (which subject to (i) below shall include those named on the list referred to in (d) above and all those nominated in accordance with (e) above), and shall give notice of that list to all Participants. Within 15 days of such notice, each Participant may vote in writing for any one of the listed nominees by notice to the Nomination Committee in such manner as the Nomination Committee shall decide. Any vote not received by the due date (the "**Closing Date**") or not substantially in the manner laid down by the Nomination Committee shall be invalid. Each Participant will be entitled to cast a number of votes corresponding to the following formula:

- (1) Three (3) votes for each £1.00 (or the equivalent in the currency of deposit) of the average Margin Amounts and Guarantee Fund deposits maintained by the Participant with the company; plus
- (2) Two (2) votes for each £1.00 of the average monthly fee payable or paid by the Participant to the company,

in each case during the twenty four month period ending on the last day of the second calendar month prior to the calendar month in which the Closing Date falls. For this purpose any necessary currency conversions shall be calculated on a basis determined by the Nomination Committee and all amounts shall be rounded down to the nearest £1.00. Those nominees who receive the highest number of votes shall be deemed to be forthwith appointed as Participant Directors, up to the maximum number referred to in article 34(b), and so that in the case of a tie, the Chairman of the Nomination Committee shall have a casting vote.

- (k) each Participant Director shall retire with effect from the completion of the foregoing procedure subsequent to his appointment, but each shall be eligible to be reappointed.
- (l) In preparing the lists referred to in (e) and (g) above the Nomination Committee:
 - (i) shall not include more than one individual who is an officer, partner or employee of any one Participant (or of an organisation determined by the Nomination Committee to be affiliated to such Participant), and the Nomination Committee may if necessary in its sole discretion select which of two or more such individuals is to be included; and
 - (ii) may, if the Nomination Committee in its sole discretion decides, exclude any individual who is not connected with a Participant; and
 - (iii) may, if the Nomination Committee in its sole discretion decides, exclude any individual who holds office as a Participant Director at the time the procedure in this article is operated and who has previously been reappointed on more than five successive occasions under such procedure).

EuroCCP Articles of Association

the Nomination Committee may make such supplemental regulations as to the foregoing procedures (not being inconsistent therewith) as it may from time to time determine. Any notice to be given by or to a Participant under this article 36 shall be given in accordance with the notice provisions in the Rules.