

SECTION 10

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10. **BUSINESS RECOVERY**

10.1 **RECOVERY SITUATIONS**

The Procedures set out in this section are intended to provide Clearing Members with a guide to the changes in working practices which would follow the invocation of the Clearing House's Business Continuity Plans.

Due to the uncertain nature of the events which would lead to the need for Business Recovery the Clearing House reserves the right to depart from these Procedures to meet the characteristics of specific business recovery situations.

These procedures provide for the evacuation or decommissioning of Aldgate House. The procedures detail the alterations to the Clearing House's operations and also the action to be taken on invocation of the Business Continuity Plans.

10.2 **RECOVERY SITUATIONS AFFECTING MEMBERS' OFFICES**

10.2.1 **During Office Hours**

Clearing Members that are unable to gain access to their principal office accommodation and as a result require the Clearing House assistance should contact the Help Desk on **+44 (0)20 7426 7200**.

10.2.2 **Outside Office Hours**

Clearing Members should telephone the Clearing House on **+44 (0)20 7426 7545**, leaving the following information:

Name:

Company name:

Contact telephone number:

Brief details of the nature of the problem:

A member of the Clearing House operational staff will then make contact regarding any assistance that can be given.

10.3 **ALDGATE HOUSE EVACUATION**

10.3.1 **Communicating with Clearing Members**

Should the Clearing House be forced to evacuate Aldgate House it will need to inform its Clearing Members as soon as practicable. The following sections detail a number of different messages that the Clearing House may wish to communicate. However, in all cases the means by which information will be disseminated is the same. Information will be communicated to Clearing Members by the following methods:

- broadcast messages on TRS/CPS, and LME Matching and Clearing;
- facsimile transmissions to Clearing Members designated fax machines;
- posting messages on www.lchclearnet.com
- posting messages on the following toll free number 0800 1 69 69 09;
- Joint Exchange Committee (JEC) Incident Information Exchange hosted by Euronext Liffe

Some of the above communications methods can only be used to disseminate very short messages. However the toll free number is capable of recording a message of up to ten minutes duration, and handling unlimited concurrent connections. It is therefore likely to be the main method used for providing Clearing Members with progress reports following an initial broadcast message.

10.3.2 **Evacuation of Aldgate House**

If it is necessary for the Clearing House to evacuate Aldgate House, and if re-entry to the building is unlikely within thirty minutes, Clearing Members will be informed by disseminating the following message using the methods described in section 10.3.1 above.

“The Clearing House has been forced to evacuate Aldgate House. Please refer to Clearing House Procedures - Business Continuity Arrangements for further information.”

At this time all of the activities normally carried out at Aldgate House will have ceased, if only temporarily. Clearing Members will be kept informed of developments as further details become available.

Please note that the reason for broadcasting the above message is to provide Clearing Members with early notification of an evacuation of Aldgate House. At this stage no decision will have been taken to invoke Business Continuity Plans. See section 10.3.3 below for advice on how Clearing Members will be notified of an invocation of the recovery plan.

10.3.3 **Invoking of Business Continuity Plans**

The Clearing House is contracted with a specialist provider for dedicated and syndicated work area recovery facilities. The agreement between the Clearing House and the provider stipulates that dedicated work area recovery positions will be available immediately. Syndicated recovery positions will be available within four hours of invocation.

Depending on the severity of an incident a full or partial invocation of the service may be required.

10.3.4 **Limited invocation**

If the Clearing House's assessment of the incident suggests that reoccupation of Aldgate House will be possible within two hours, then it is likely that only the mission critical activities (MCA) will be recovered to the recovery site. All other activities will cease until Aldgate House becomes available.

The following message will be posted:

"The Clearing House has invoked business continuity plans for its MCA's. Please refer to the Clearing House's Procedures - Business Continuity Arrangements for further information."

10.3.5 **Full Invocation**

Once a decision has been taken to proceed with full invocation of business continuity plans Clearing Members will be informed at the earliest opportunity. This will be achieved by disseminating the following message using the methods described in section 10.3.1 above.

"The Clearing House has invoked all business continuity plans. Please refer to the Clearing House's Procedures - Business Continuity Arrangements for further information."

It is anticipated that a period of approximately two hours will elapse between the invocation of full business continuity plans and relocation of recovery teams. During this time most of the activities normally carried out at Aldgate House will cease.

Please note that the Clearing House's primary data centre is not located at Aldgate House and so an evacuation of the site will not affect Clearing Members' ability to access IT applications.

10.3.6 **Delivery Deadlines**

If the incident occurs close to delivery deadline(s), Clearing Members will, on a reasonable endeavours basis, be notified, as appropriate through TRS/CPS or LME Matching and Clearing, of any amendment to the delivery procedures.

10.3.7 **Imminent Expiry of Options**

Clearing Members are reminded that the responsibility for exercising options prior to their expiry deadline lies solely with them and that any assistance given by the Clearing House is purely on a 'reasonable endeavours' basis. If an evacuation of Aldgate House coincides with an option expiry, this assistance may cease.

If the Clearing House's invocation of Business Continuity Plans coincides with an option expiry, the notification of Clearing Members' option allocations and the deadline for the entry of option exercises may be delayed.

10.3.8 **Cover Calling**

In order to simplify the Treasury process, it is likely that a number of routine Treasury Procedures may be amended or suspended. The Clearing House will advise Clearing Members of these changes, through TRS/CPS and LME Matching and Clearing as necessary. These may include but are not limited to:

- The acceptance/release of securities and guarantees
- The conversion of currencies
- The ability to cover liabilities in currencies other than their original currency.

10.3.9 **Registration of Contracts**

The Clearing House will register new business in accordance with the Clearing House procedure in section 2A.5.3. However, the Clearing House reserves the right, at its discretion, to amend the timing of registration as it deems necessary. In the event that registration is to be delayed the Clearing House will notify Clearing Members as soon as practically possible.

10.3.10 **New Address for Document Delivery**

Following invocation of the business continuity plans the Clearing House will provide new address details for document delivery. Will arrange to have its mail forwarded to its office recovery site.

10.3.11 **Permanent Change of Address**

The Clearing House is able to occupy the recovery site for a maximum of ninety consecutive days. If the incident is so serious that the Clearing House is unable to reoccupy Aldgate House within this time period, Clearing Members will be informed of the proposed new office location and contact numbers prior to occupation of the premises. This information will be communicated via the methods described in section 10.3.1.

Clearing Members will be informed of the date when the new arrangements will take effect.

10.3.12 **Return to Normal**

When the Clearing House is able to resume a normal service a message will be disseminated using the methods described in section 10.3.1 above. Assuming that it has been possible to return to Aldgate House the following message will be broadcast.

“The Clearing House has returned to Aldgate House. Please revert to normal contact telephone numbers and procedures.”

If normal working is being resumed at a site other than Aldgate House Clearing Members will already have been informed of the new office location and contact numbers see section 10.3.11 above. The following message will be broadcast.

“The Clearing House is resuming normal service at <insert location name>. Please use the new contact numbers previously supplied.”

10.4 **CLEARING HOUSE DATA CENTRE**

10.4.1 **Failure of LCH's Data Centre**

If the Clearing House's primary data centre fails during business hours, those Clearing House IT systems that are used by Clearing Members will be temporarily unavailable while processing is transferred to the secondary data centre.

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