

NOTICE

From : Rules and Regulation Department
 Date : March 30, 2007

Subject : LCH.Clearnet SA publishes hereinafter a Notice on Intra-day Margin Calls pursuant to Articles 7 to 11 of the Instruction I.5-3 related to Margins requirements and payment obligations on Derivatives Markets.

Intra-day Margin calls

Article 1 - General provisions

1.1 The Intra-day Margin requirements are calculated for each Clearing Member on Derivatives Markets (Euronext Paris commodities excluded). This amount is calculated on the basis of real time prices and Open Positions as described in Articles 3 and 4 below.

1.2 There are 9 Intra-day Margin calculation sessions per Clearing Day starting every hour from 9:45 am CET until 5:45 pm CET.

1.3 Each Intra-day Margin calculation session is qualified as either "With cover call" or "Without cover call".

As indicated in the table below Intra-day Margin calculation session n°5 (start time at 1:45 pm CET /Call time before 2:45 pm CET) is by default defined as "with cover call" session on a daily basis.

LCH.Clearnet SA can modify as it deems reasonably necessary the qualification prior to the starting time of the related session. Such modification shall be notified to the Clearing Members via RISKINFO e-mail message.

Session number	Start time	Session qualification	Call time
1	09:45am CET	Without cover call	
2	10:45am CET	Without cover call	
3	11:45am CET	Without cover call	
4	12:45am CET	Without cover call	
5	01:45pm CET	With cover call	Before 02:45pm CET
6	02:45pm CET	Without cover call	
7	03:45pm CET	Without cover call	
8	04:45pm CET	Without cover call	
9	05:45pm CET	Without cover call	

1.4 Actual Intra-day Margin calls will be performed pursuant to Instruction I.5-3.

Article 2 - Reevaluation process - General provisions

2.1 The Intra-day Margin requirement is the aggregate amount of the reevaluation of Initial Margins, Variations Margins and Option Premiums

LCH.Clearnet SA performs a full reevaluation of Initial and Variation Margins and Option Premiums based on:

- Real time updated prices;
- Real time updated position movements registered in the Performance Bond Accounts, generated by LCH.Clearnet SA Clearing System;
- End of day parameters used for Initial Margin calculations from LCH.Clearnet SA Clearing System.

2.2 Reevaluation of Collateral

LCH.Clearnet SA revalues on real time basis the existing Collateral for Clearing Members which Intra-day Margin requirement is above the aggregate amount of (i) threshold and (ii) the last cover call.

Article 3 - Price up-date process

3.1 The reevaluation of the Clearing Members Open Positions and existing Collateral needs updated prices on real time basis.

For this purpose at the beginning of each Intra-day Margin calculation session the prices of the following products are up-dated on the real time basis:

a - Derivatives traded on Amsterdam, Brussels, Lisbon and Paris Euronext Markets:

- Futures and options on equity;
- Futures and options on index;
- Futures and options on currency;
- Futures and options on commodity instruments only on Amsterdam.

b - Underlying (equities, index, currencies) of the above Derivatives products listed on Euronext Amsterdam, Brussels, Lisbon and Paris Securities markets.

c - All Securities eligible as Collateral.

3.2 If the real time prices of the products listed above are not available on the start time of the Intra-day Margin calculation session LCH.Clearnet SA shall apply the following rules:

- In case of non availability of the prices of the futures, of the underlying and/or of the Securities eligible as Collateral LCH.Clearnet SA shall take into account the last known price.
- In case of non availability of the price of the options listed in the above article, LCH.Clearnet SA shall use the same pricing model as LCH.Clearnet SA Clearing System to revalue the option.

Article 4- Positions up-dated process

The source of the Open Position up-date will be LCH.Clearnet SA Clearing System, which currently already manages all positions movements (trades posting, position transfers, etc) in real time during the Clearing Day.

All position movements will be recorded from the last Intra-day Margin calculation session, at Performance Bond Account level. The following rules will be applied:

- Series created in the course of the Clearing Day (in D) will not be included;
- Non-posted trades will be considered as being part of the house Positions of the Trading Member;
- Exercise/abandonment requests of options in D will be excluded from the process;
- At each Intra-day Margin calculation session, the balance of the Position movements will be ensured;
- Cross-margined Positions on cash equity instruments from the previous Clearing Day (D-1) will be included in the process to be consistent with the end of D-1 Initial Margin calculation's process;
- For each Intra-day Margin calculation session the Clearing Members will receive a "milestone" via the clearing access tools informing them that all the trades executed before reception of such milestone will be taken into account in the calculation of their Positions during the Intra-day Margin calculation session. This milestone will, as well, indicate whether it is a "with" or "without cover call" session.

Article 5 – Collateral accepted

In case of Intra-day Margin call either central bank guarantee or cash in euro (in case of insufficient re-valued collateral) will be accepted pursuant to Instruction I.5-1.