

CCP12 Executive Committee Teleconference Minutes

Date	Time
August 23rd, 2011	06:00 Mexico City time

Members	Apologies	Other Attendees
Dale Michaels (DS) Kevin King (KK) Luis Jorge Pelayo (LJP), Chair Marcus Zickwolff (MZ), Vice-Chair	Johan Rudén (JR) Luis Vicente (LV) Mike Walinskas (MW) Paul Jones (PJ) Rory Cunningham (RC) Siddharta Roy (SR) , Vice-Chair Takeshi Hirano (TH)	Karl Spielmann (KS) Takeshi Hirano delegates

Agenda Item	Source
<p>1. Confirm Teleconference Attendees & Observers</p> <p>At least 25% of the Executive Committee was in the conference call, so sufficient quorum was confirmed</p>	All
<p>2. Exco recommendation for new members</p> <p>Applicants compliance with the documentation required to become CCP12 member:</p> <ul style="list-style-type: none"> • NCC (Russia) <ol style="list-style-type: none"> 1. <u>Certification / evidence to be a CCP</u>: Certification for clearing activities delivered. NCC is declared a CCP in web page and in a press release. NCC declares to be a CCP in the RCCP compliance document delivered. NCC is a EACH Member (so is CCP according to EACH Articles). Activities mostly in FX mkt and plans to extend to other markets. 2. <u>Summary</u>: A CPSS-IOSCO compliance assessment report was delivered. This document includes a very broad summary of the CCP. NCC is a Subsidiary of Micex group, 487 agents. 3. <u>Members of the Board / Excutive officers</u>: Board members list delivered but not that of executive officers 4. <u>Key contact</u>: liason person is Mr Khavin • CCLV (Chile) <ol style="list-style-type: none"> 1. <u>Certification / evidence to be a CCP</u>: Certification to operate as CCP delivered. 2. <u>Summary</u>: Presentation and a CPSS-IOSCO compliance assessment report delivered 3. <u>Members of the Board / Excutive officers</u>: delivered 4. <u>Key contact</u>: Not clarified if José Antonio Martínez the CEO will be the official contact <p><u>Conclusions</u>:</p> <p>NCC and CCLV were unanimously recommended by Executive Committee for membership to be approved / rejected by Special Resolution in the next Special General Meeting in Toronto in September 23rd.</p>	All
<p>3. Membership replacements</p> <ul style="list-style-type: none"> • <u>KDPW by KDPW CCP (Poland)</u> 	All

<p>Key elements of the replacement:</p> <ul style="list-style-type: none"> As of 1 June 2011, KDPW transferred to KDPW_CCP the functions related to the clearing of transactions for the cash and derivatives markets and the operation of the clearing guarantee system. This change derives from the National Depository Strategy 2010-2013 in order to make Polish Capital market more attractive by improving the perception due to the segregation of risks and adoption of international standards <ul style="list-style-type: none"> <u>Indeval by Grupo BMV (Mexico)</u> <p>Key elements of the replacement:</p> <ul style="list-style-type: none"> Reengineering since 2010 of a set entities with common shareholders: The CSD, the Clearing House for Derivatives, the CCP for equities, the Stock Exchange, the Derivatives Exchange, the Price Vendor, the Trading Mechanism for Money mkt, and the swift hub for msg, Asigna and CCP different entities, but common risk mgt (CRO), CEO, treasurer role, to be unified: IT platforms, some risk mgt criteria (where applicable) BMV Group is a public entity <p><u>Conclusions:</u></p> <p>Both replacements were unanimously recommended by Executive Committee, but it was also recommended to present the details of such replacements in the next Special General Meeting in Toronto in September 23rd</p>	
<p>4. Toronto meeting</p> <ul style="list-style-type: none"> Lawrence Sweet Senior VP from FED NY, CPSS-IOSCO Editorial Group agreed to replace Daniela Russo as a speaker for FMI Principles Panel Paul Jones agreed to be a speaker for FMI Principles Panel Muthukrishnan Ramaswami (SGX), agreed to be a speaker for OTC Derivatives Panel Robert Steigerwald (Federal Reserve Bank of Chicago), agreed to be a speaker for OTC Derivatives Panel Daniel Heller (Head of Secretarial for CPSS), agreed to be a speaker for OTC Derivatives Panel Agreed moderators Luis Jorge Pelayo (for FMI Principles panel), Marcus Zickwolff (OTC Derivatives panel) 20 confirmations up to August 23rd 	All
<p>5. Casual vacancies in Executive Committee</p> <ul style="list-style-type: none"> DTCC Representative changed from Andrew Simpson to Karl Spielmann <p>Exco unanimously appointed Mr. Spielmann to fill the vacancy of Andrew Simpson until the conclusion of the Annual General Meeting of next following the date of the appointment, according to the CCP12 Articles</p>	LJP

1. Confirm Teleconference Attendees & Observers

16. MEETINGS AND QUORUM

- (5) Twenty five per cent of current ExCo Members constitute a quorum for the transaction of the business of a meeting of the ExCo.

18. VOTING AND DECISIONS

- (1) Questions arising at a meeting of the ExCo or of any Sub-Committee appointed by the ExCo are to be determined by a majority of the votes of ExCo Members or Sub-Committee present at the meeting.

2. Exco recommendation for new members

ARTICLE 3 – MEMBERSHIP

2. MEMBERSHIP QUALIFICATIONS

- (1) An entity is qualified to be a Member of the Association if, but only if:
- (a) the entity is fully constituted as a central counterparty for at least one type of market (eg. cash or derivatives), with respect to any relevant legislation or regulatory approval as such; and,
 - (b) the entity is a recognised central counterparty, as determined by the Executive Committee of Management ("ExCo") of the Association; and,
 - (c) the entity has been recommended for membership of the Association by the ExCo of the Association; and,
 - (d) the application has been approved by Special Resolution of the Association.

27. SPECIAL RESOLUTION

- (1) A resolution of the Association is a Special Resolution:
- (a) if it is passed by a majority which comprises at least fifty per cent of such Members of the Association as, being entitled under these rules so to do, vote in person or by proxy at an Annual General Meeting or Special General Meeting of which at least 21 days' notice (as defined in Section

Appendix 2B

APPLICATION FOR MEMBERSHIP

- (1) Certification or other evidence that the applicant has received authorisation from the relevant regulatory entities of their country(ies) of domicile, to act as a Central Counterparty²;
- (2) A broad summary of the entity and specifically of its CCP activities. In order to promote greater standardisation of the applications submitted, the CPSS/IOSCO
- (3) A list of the entity's main Board Members and Executive Officers,
- (4) Key contact and address details for the entity, including the nominated liaison person for CCP12 membership application matters, and nomination of a Member

3. Membership replacements

5. MEMBERSHIP ENTITLEMENTS NOT TRANSFERABLE

- (2) Following a substantial change in the ownership or legal structure of a Member (such as merger, takeover, nationalisation) the Member may apply to ExCo for approval for continuation of membership of the new entity.

4. Casual vacancies in Executive Committee

Article 4

[...]

11. CONSTITUTION AND MEMBERSHIP

[...]

(5) In the event of a casual vacancy (as defined in Section 15) occurring in the ExCo, the ExCo may appoint a Member of the Association to fill the vacancy and the Member so appointed is to hold office, subject to these rules, until the conclusion of the Annual General Meeting next following the date of the appointment.

(6) As far as is practical the ExCo Members should reflect the geographical/regional composition of the Association.

15. CASUAL VACANCIES

(1) For the purposes of these rules, a casual vacancy in the office of a ExCo Member occurs if:

- (a) the Member ceases to be a Member of the Association in accordance with Section 4; or,
- (b) the Member resigns office by notice in writing given to the Chair.
- (c) the Member Representative resigns from either the ExCo or service of the Member.