

**Meeting between Federal Reserve Board Governor Tarullo and
Representatives of LCH.Clearnet (“LCH”)
April 14, 2011**

Participants: Governor Daniel Tarullo, Stephanie Martin, Erik Heitfield and Jennifer Lucier (Federal Reserve Board)

Jacques Aigrain, Ian Axe and Natasha Clare Angus (LCH); and
Peter David Rich and Mitchell Lee Feuer (Rich Feuer Group)

Summary: At the request of LCH.Clearnet, Governor Tarullo and staff from the Federal Reserve Board met with representatives from LCH and their consultants to discuss issues related to implementation of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. LCH representatives discussed concerns about potential divergence in the legal structures governing swaps in various countries and the effect on internationally active companies and central counterparties (CCPs). LCH representatives also raised concerns regarding proposed aggregate limitations on the amount of CCP shares that could be held by certain entities, proposed requirements for CCP boards of directors that could dilute the pool of available expertise necessary to conduct appropriate risk management, and potential divergent requirements for segregation of client collateral. LCH noted that they could potentially reduce risk if they were able to place U.S. dollar collateral in a Federal Reserve account, particularly in a time of crisis. LCH also discussed the trade-off between open access to CCP participation and the need for participants to be able to assume the necessary responsibilities with respect to CCP default management procedures should another participant become insolvent. LCH noted they are developing an FX option product.