

EXHIBIT A-3 – PROPOSED CLEARING ACTIVITIES

Attach as Exhibit A-3, a narrative summary of Applicant's proposed clearing activities including (I) the anticipated start date of clearing products (or, if Applicant is already clearing products, the anticipated start date of activities for which Applicant is seeking an amendment to its registration) and (ii) a description of the scope of Applicant's proposed clearing activities (e.g., clearing for a designated contract market; clearing for a swap execution facility; clearing bilaterally executed products).

LCH.C SA is a member of LCH. Clearnet Group Ltd., the financial market's leading independent clearing house group, serving major international exchanges and platforms, as well as a range of OTC markets. Currently, LCH.C SA provides clearing services for equities, OTC derivatives and exchange-traded futures and options as well as fixed income instruments and energy instruments traded on European exchanges and MTFs. LCH.C SA's 108 members, 52 of which are approved to clear exchange-traded derivatives, represent one of the largest memberships among clearing organizations worldwide and include banks, investment firms, commodity brokers and traders.

LCH.C SA is applying for registration as a DCO to provide clearing services for CDS contracts on certain broad-based CDS indices. CDS contracts currently accepted by LCH.C SA for clearing include CDS on the following iTraxx Europe indices:

- the benchmark iTraxx Europe Main index;
- the iTraxx Europe HiVol index; and
- the iTraxx Europe Crossover Index.

LCH.C SA accepts for clearing 3-, 5-, 7- and 10-year maturity CDS on the iTraxx indices listed above, from series 5 and above. The iTraxx Europe Main index comprises 125 equally-weighted European names. The iTraxx Europe HiVol index consists of the 30 widest spread non-financial names and the iTraxx Crossover index comprises the 50 most liquid sub-investment grade names.

As part of the proposed development of its CDS clearing business, LCH.C SA intends to offer a client clearing service. In particular, LCH.C SA intends to provide index CDS clearing services for underlying US customers acting through CFTC-registered FCMs by mid-November 2012. LCH.C SA also intends to permit US institutions to participate in LCH.C SA's existing inter-dealer CDS clearing service to clear their own proprietary index CDS business. LCH.C SA does not currently offer clearing for CDS on single names or "narrow-based" index CDS, although it aims to launch such clearing services by mid-November 2012.

As more fully described in Exhibit C-2, LCH.C SA's clearing services for OTC CDS was originally launched on March 29, 2010 with four major French banks.³ Subsequently, LCH.C SA launched Phase 2 of its OTC CDS clearing services, with the aim of opening its up clearing services to additional members, in particular UK and US financial institutions. In connection with these clearing activities, LCH.C SA entered into an arrangement with the

³ BNP Paribas SA; Crédit Agricole Corporate & Investment Bank; Natixis SA; and Société Générale.

MarkitSERV and Deriv/SERV affiliates of the DTCC. MarkitSERV operates an automated matching and confirmation service for OTC derivatives, and Deriv/SERV operates the TIW. The terms of CDS transactions that are matched on MarkitSERV or confirmed on Deriv/SERV's platform are registered with TIW, which then performs certain recordkeeping functions and tracks the current obligations of each contracting party pursuant to the contract terms, taking into account post-trade events. Upon registration with TIW, the TIW record becomes the official, legal record for the CDS contract (the "Gold Record"). If the particular CDS contract is eligible for clearing through LCH.C SA, participants that are Clearing Members may elect to have such CDS contract cleared by LCH.C SA. This can be done either at the time of registration with TIW or later, by updating the trade details with TIW. If the Clearing Members so elect, once registration in TIW is finalized, the CDS is submitted by DTCC on behalf of the Clearing Members to LCH.C SA for clearing.

A copy of LCH.C SA's agreement with DTCC Deriv/SERV LLC and MarkitSERV LLC and related user agreement is attached as Exhibit A-3.1.

As more fully described in Exhibit C-1, Clearing members seeking to clear OTC CDS through LCH.C SA are required to become Clearing Members of LCH.C SA's CDS clearing business and FCMs seeking to clear OTC CDS for US customers (or for their own account or for their affiliates) must become FCM Clearing Members. As mentioned above, LCH.C SA's clearing services for OTC CDS was originally launched with four major French banks as Clearing Members. As part of Phase 2 of such OTC CDS clearing services, five additional institutions⁴ are due to be admitted as Clearing Members (CDS Admission Agreement scheduled for either May 8 or May 9, 2012), with launch of the new intraday CDS Clearing Service scheduled for Thursday, May 11, 2012. Each prospective Clearing Member must enter into a CDS Admission Agreement, which contains representations and undertakings that provide that the Clearing Member has the resources and expertise required to perform its clearing activities and that it will comply at all times with the CDS Clearing Rule Book, which itself establishes requirements concerning, among other things, financial resource adequacy of member firms, and reporting requirements. In addition, each prospective FCM Clearing Member must enter into the FCM CDS Admission Agreement containing similar provisions.

As discussed in Exhibit C-2, although the CDS market is currently OTC only, one or more CDS contracts may eventually be listed for trading on a swap execution facility ("SEF") registered with the CFTC. If a SEF lists a CDS contract for trading, LCH.C SA will engage such SEF in discussions to accept such CDS contract for clearing, provided that the CDS contract meets the criteria described in Exhibit C-2.

⁴ Barclays Bank PLC; Credit Suisse International; Deutsche Bank A.G. (London Branch); Goldman Sachs International; and HSBC Bank PLC.