

FCM Default Rules of Eurex Clearing AG

As of 12.02.2023

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

3 Contributions to the Default Fund by an FCM Clearing Member

3.1 Contributions to the Default Fund

[...]

3.1.3 Eurex Clearing AG's dedicated own resources to the Default Fund

(1) Eurex Clearing AG will dedicate own resources to the Default Fund (the "**Dedicated Amount**") to be used, if a Termination Time with respect to one or more FCM Clearing Members, a Clearing Member Termination Date with respect to one or more Clearing Members or an ISA Direct Clearing Member Termination Date with respect to one or more ISA Direct Clearing Members occurs in accordance with the order of priority as defined under Number 3.2 below.

The Dedicated Amount will be published on the Eurex Clearing Website.

(2) In addition to the Dedicated Amount, Eurex Clearing AG will further dedicate additional own resources to the Default Fund in accordance with the CCP Recovery and Resolution Regulation (the so-called second skin in the game - "**SSITG**").

The SSITG shall be used, if a Termination Time with respect to one or more FCM Clearing Members, a Clearing Member Termination Date with respect to one or more Clearing Members or an ISA Direct Clearing Member Termination Date with respect to one or more ISA Direct Clearing Members occurs in accordance with the order of priority as defined under Number 3.2.1 below. In case Eurex Clearing AG exercises one of its rights under Chapter I Number 9.6 of the FCM Regulations and provided that one or more recovery indicators as outlined in Eurex Clearing AG's recovery plan have been triggered when exercising such rights, Eurex Clearing AG shall be entitled to change the order in which the SSITG shall be realised within the order of priority under Number 3.2.1 below.

The SSITG will be published on the Eurex Clearing Website.

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For the avoidance of doubt, the SSITG shall also be used by Eurex Clearing AG to cover any losses arising from the occurrence of a Non-Default Loss.

3.2 Realization of the Default Fund

[...]

3.2.1 In the case of a Realization Event, the Contributions and Further Contributions will be realised in accordance with the following order of priority:

- (1) Affected FCM Contribution, Affected CM Contribution or Affected ISA Direct Clearing Member Contribution

[...]

- (9) Contributions of FCM Clearing Members and Clearing Members that are not qualifying as non-bidding auction participants

Ninth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

- (i) the Non-Affected FCM Contributions of all FCM Clearing Members that are not FCM Non-Bidding Participants with respect to the relevant Liquidation Group (excluding any Juniorised Hedging Contributions and any Seniorised Hedging Contributions), and
- (ii) the Non-Affected CM Contributions and the Non-Affected ISA Direct Clearing Member Contributions of all Clearing Members and Clearing Agents that are not CM Non-Bidding Participants with respect to the relevant Liquidation Group (excluding any Non-Affected ISA Direct Clearing Member Contributions of the CM Affected Clearing Member, any Juniorised Hedging Contributions and any Seniorised Hedging Contributions).

“Liquidation Group Ratio” with respect to this Paragraph (9) means the fraction of the available Non-Affected FCM Contributions, Non-Affected CM Contributions or Non-Affected ISA Direct Clearing Member Contributions which may be realised with respect to the Relevant Liquidation Group under this Paragraph (9) and which will be determined as follows:

- (i) in the case of Non-Affected FCM Contribution, the ratio of (A) the part of the FCM Contribution Requirement of the relevant FCM Clearing Member applicable to such Relevant Liquidation Group and (B) the FCM Contribution Requirement of the relevant FCM Clearing Member,
- (ii) in the case of Non-Affected CM Contribution, the ratio of (A) the part of the CM Contribution Requirement of the relevant Clearing Member applicable to such Relevant Liquidation Group and (B) the CM Contribution Requirement of the relevant Clearing Member, or

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(iii) in the case of Non-Affected ISA Direct Clearing Member Contribution, the ratio of (A) the part of the ISA Direct Clearing Member Contribution Requirement relating to the relevant ISA Direct Clearing Member applicable to such Relevant Liquidation Group and (B) the ISA Direct Clearing Member Contribution Requirement relating to the relevant ISA Direct Clearing Member.

(10) SSITG

Tenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of the SSITG.

“Liquidation Group Ratio” with respect to this Paragraph (10) means the fraction of the available SSITG which may be realised with respect to the Relevant Liquidation Group under this Paragraph (10) and which will be determined as the ratio of (A) the part of the sum of all Initial Margin requirements (under the FCM Regulations or the Clearing Conditions) and all Additional Margin requirements of all FCM Clearing Members and Clearing Members determined for such Relevant Liquidation Group and (B) the sum of all Initial Margin requirements (under the FCM Regulations and the Clearing Conditions) and all Additional Margin requirements of all FCM Clearing Members and Clearing Members determined for all Liquidation Groups.

(11) Remainder of Contributions of FCM Clearing Members and Clearing Members that are not qualifying as non-bidding auction participants

Eleventh~~Tenth~~, Eurex Clearing AG will realise the Applicable CM/FCM Remainder Amount of all Clearing Members, Clearing Agents and the FCM Clearing Members.

“Applicable CM/FCM Remainder Amount” with respect to this Paragraph (~~40~~11) means the available Non-Affected FCM Contribution, Non-Affected CM Contribution or Non-Affected ISA Direct Clearing Member Contribution of the relevant FCM Clearing Member, Clearing Member of Clearing Agent which may be realised under this Paragraph (~~40~~11) and which will be determined as the product of (A) the ratio of (AA) the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent and (BB) the aggregate of all Remainder Amounts of all FCM Clearing Members, Clearing Members, or Clearing Agents and (B) the Default Fund Secured Claims which have not been discharged. The Applicable CM/FCM Remainder Amount cannot exceed the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent.

“Remainder Amount” with respect to this Paragraph (~~40~~11) means with respect to the relevant FCM Clearing Member, Clearing Member, or Clearing Agent, the aggregate of

Eurex Clearing AG will allocate all Applicable CM/FCM Remainder Amount of all FCM Clearing Members, Clearing Members, or Clearing Agents to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (9), on a pro-rata basis.

(12) Remainder of SSITG

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Twelfth, Eurex Clearing AG will realise the Remainder Amount relating to the SSITG.

“Remainder Amount” means with respect to this Paragraph (12) the aggregate of

- (i) all remainders of the SSITG under all Relevant Liquidation Groups which have been determined but have not been realised pursuant to Paragraph (10), and
- (ii) the Liquidation Group Ratio of the SSITG determined under Paragraph (10) relating to any other Liquidation Group which is not a Relevant Liquidation Group.

Eurex Clearing AG will allocate the Remainder Amount to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (11), on a pro-rata basis.

(134) Seniorised Hedging Contribution

~~Eleventh~~Thirteenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

[...]

“Liquidation Group Ratio” with respect to this Paragraph (~~41~~13) means the fraction of the available Non-Affected CM Contributions, Non-Affected ISA Direct Clearing Member Contributions or Non-Affected FCM Contributions which may be realised with respect to the Relevant Liquidation Group under this Paragraph (~~41~~13) and which will be determined as follows:

[...]

(~~42~~14) Remaining Seniorised Hedging Contributions

~~Twelfth~~Fourteenth, Eurex Clearing AG will realise the Applicable CM/FCM Remainder Amount of all FCM Clearing Members, Clearing Members and Clearing Agents that are Winning Hedging Auction Participants.

“Applicable CM/FCM Remainder Amount” with respect to this Paragraph (~~42~~14) means the available Non-Affected FCM Contribution, Non-Affected CM Contribution or Non-Affected ISA Direct Clearing Member Contributions of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent which may be realised under this Paragraph (~~42~~14) and which will be determined as the product of (A) the ratio of (AA) the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent and (BB) the aggregate of all Remainder Amounts of all FCM Clearing Members, Clearing Members and Clearing Agents and (B) the Default Fund Secured Claims which have not been discharged. The Applicable CM/FCM Remainder Amount cannot exceed the Remainder Amount of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent.

“Remainder Amount” with respect to this Paragraph (~~42~~14) means with respect to the relevant FCM Clearing Member, Clearing Member, or Clearing Agent the

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aggregate of all remainders of Non-Affected FCM Contribution, Non-Affected CM Contribution or Non-Affected ISA Direct Clearing Member Contribution of the relevant FCM Clearing Member, Clearing Member, or Clearing Agent under all Relevant Liquidation Groups which have been determined but have not been realised pursuant to Paragraph (134).

Eurex Clearing AG will allocate all Applicable CM/FCM Remainder with respect Amounts of all FCM Clearing Members, Clearing Members and Clearing Agents to all Relevant Liquidation Groups, with respect to which not all losses have been discharged under Paragraph (134), on a pro-rata basis.

(153) Further Contributions of non-bidding auction participants

~~Thirteenth~~^{Fifteenth}, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

- (i) the FCM Further Contributions of all FCM Clearing Members that are FCM Non-Bidding Participants with respect to at least one DM Auction in the Relevant Liquidation Group and
- (ii) the CM Further Contributions and Non-Affected ISA Direct Clearing Member Further Contributions of all Clearing Members and Clearing Agents that are CM Non-Bidding Participants with respect to at least one DM Auction in the Relevant Liquidation Group.

“**Liquidation Group Ratio**” with respect to this Paragraph (153) means the fraction of the available FCM Further Contribution, CM Further Contribution and Non-Affected ISA Direct Clearing Member Further Contribution which may be realised under this Paragraph (135) and which will be determined as follows:

- (I) in the case of FCM Further Contribution, the ratio of (A) the part of the requirement to provide FCM Further Contributions of the relevant FCM Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide FCM Further Contributions of the relevant FCM Clearing Member,
- (II) in the case of CM Further Contribution, the ratio of (A) the part of the requirement to provide CM Further Contributions of the relevant Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide CM Further Contributions of the relevant Clearing Member, or
- (III) in the case of Non-Affected ISA Direct Clearing Member Further Contribution, the ratio of (A) the part of the requirement to provide Non-Affected ISA Direct Clearing Member Further Contributions relating to the relevant ISA Direct Clearing Member applicable to such Relevant Liquidation Group and (B) the requirement to provide Non-Affected ISA Direct Clearing Member Further Contributions relating to the relevant ISA Direct Clearing Member.

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(14~~6~~) Further Contributions of FCM Clearing Members and Clearing Members that are not qualifying as non-bidding auction participant

~~Fourteenth~~Sixteenth, Eurex Clearing AG will, with respect to the losses arising from a Relevant Liquidation Group, realise the applicable Liquidation Group Ratio of

[...]

“**Liquidation Group Ratio**” with respect to this Paragraph (1~~6~~4) means the fraction of the available FCM Further Contribution, CM Further Contribution, Non-Affected ISA Direct Clearing Member Further Contribution and Further Dedicated Amount which may be realised under this Paragraph (14) and which will be determined as follows:

[...]

3.2.2 Further requirements with respect to the order of priority

In addition, Eurex Clearing AG considers the following requirements when determining the order of priority in accordance with Number 3.2.1:

(a) With respect to the realisation of the Contributions and the Dedicated Amount under Paragraphs (1) ~~to (16), (2), (3), (4), (5), (6), (7), (9), (11), (13) and (14)~~, the order of priority shall be applied to all Relevant Liquidation Groups simultaneously before, in each case, the respective next paragraph is applied.

(b) If, in the case of Paragraphs (7), (9), (1~~3~~4), (~~13~~15) and (1~~6~~4), with respect to a Relevant Liquidation Group the available

[...]

[...]
