

# FCM Default Rules of Eurex Clearing AG

As of 01.05.2023

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AMENDMENTS ARE MARKED AS FOLLOWS:  
 INSERTIONS ARE UNDERLINED,  
 DELETIONS ARE CROSSED OUT.

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[...]

#### 4 Default Management Process

[...]

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#### 4.2 DM Hedging Transactions

[...]

##### (2) Hedging Auctions

[...]

##### (viii) Residual Hedging Auction Settlement

(a) If during a Hedging Auction only some (but not all) Hedging Auction Units have been successfully auctioned in accordance with the DM Auction Rules (each Hedging Auction Unit which has not been so auctioned a “Residual Hedging Auction Unit”), Eurex Clearing AG shall offer to each FCM Non-Bidding Hedging Auction Participant to enter with Eurex Clearing AG into the Pro Rata Share of the DM Hedging Transactions of the relevant Residual Hedging Auction Units without undue delay after the Hedging Auction, at its Hedging Auction Pro Rata Share of the highest Auction Price (as defined in the DM Auction Rules) for any Hedging Auction Unit that was accepted by Eurex Clearing AG for an Hedging Auction Unit in the respective Hedging Auction (the “Residual Hedging Auction Unit Price”).

The “Hedging Auction Pro Rata Share” of an FCM Non-Bidding Hedging Auction Participant shall be the ratio of (A) the Residual Hedging Auction Units for which the FCM Non-Bidding Hedging Auction Participant provided an invalid or no Mandatory Hedging Bid in the relevant Hedging Auction and (B) the total number of valid Mandatory Hedging Bids which all FCM Non-Bidding Hedging Auction Participants and Non-Bidding Hedging Auction Participants failed to provide in the relevant Hedging Auction.

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(b) If after the offer in accordance with Paragraph (a) Residual Hedging Auction Units are still remaining, Eurex Clearing AG may offer any remaining Residual Hedging Auction Units to each FCM Non-Bidding Hedging Auction Participant at a price determined by Eurex Clearing AG on the basis of the then prevailing market conditions.

(c) If an FCM Non-Bidding Hedging Auction Participant accepts any offer pursuant to Paragraph (a) or (b) (each a “Residual Hedging Auction Settlement”), a DM Hedging Transaction shall be established between Eurex Clearing AG and such FCM Clearing Member based on the economic details agreed between them. Upon the establishment of the DM Hedging Transaction pursuant to the preceding sentence, the Contributions of such FCM Clearing Member shall not be juniorised pursuant to Paragraph (vii) above.

If the Residual Hedging Auction Settlement results in a split of the relevant DM Auction Transactions in accordance with the relevant Hedging Auction Pro Rata Share of any FCM Non-Bidding Hedging Auction Participant, Eurex Clearing AG shall, in its reasonable discretion, be entitled to round up the Hedging Auction Pro-Rata Share of such FCM Non-Bidding Hedging Auction Participant and to accordingly allocate DM Hedging Transactions to such FCM Non-Bidding Hedging Auction Participant as part of the Residual Hedging Auction Settlement.

If all FCM Non-Bidding Hedging Auction Participants accepted the offers submitted by Eurex Clearing AG pursuant to Paragraphs (a) and (b) and if Eurex Clearing AG is not able to allocate DM Hedging Transactions to all of FCM Non-Bidding Hedging Auction Participants due to the rounding up of any Hedging Auction Pro-Rata Shares, the Contributions of all FCM Non-Bidding Hedging Auction Participants, which have accepted an offer, shall not be juniorised pursuant to Paragraph (vii) above.

Eurex Clearing AG shall use best efforts to find a fair and proportionate (*verhältnismäßig*) distribution of the DM Hedging Transactions between the relevant FCM Non-Bidding Hedging Auction Participants.

Each FCM Non-Bidding Hedging Auction Participant is required to take all such steps, to make all further statements and to comply with all such formalities as may be reasonably required or desirable to perfect or more fully evidence the Residual Hedging Auction Settlement made.

(ix) In addition to the Residual Hedging Auction Settlement, ~~E~~each FCM Non-Bidding Hedging Auction Participant shall have the option to partly or fully remedy the juniorisation of its Contribution pursuant Paragraph (vii) above, by providing the winning Bid (in accordance with the DM Auction Rules) in DM Auctions to which the FCM Non-Bidding Hedging Auction Participant was invited by Eurex Clearing AG as FCM Mandatory Participant (“Remedied Juniorised Hedging Contribution”).

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[...]

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- (ix) If a Hedging Auction Participant provides a winning Mandatory Hedging Bid in a Hedging Auction as determined by Eurex Clearing AG in accordance with the DM Auction Rules (“**Winning Hedging Auction Participant**”), the Contributions of such Winning Hedging Auction Participant shall be partly or fully seniorised (“**Seniorised Hedging Contributions**”).

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- (xi) If the applicable Auction Format (as defined in the DM Auction Rules) is “Multi Unit – Pay as you bid” or “Single Unit – Pay as you bid” in accordance with the DM Auction Rules, Eurex Clearing AG shall, with respect to any particular Auction Unit, be obliged to accept the highest valid bid.

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