

Key facts of Eurex Clearing OTC CDS pricing & governance

Pricing Scheme

- Competitive pricing structure with incentives for volume users
- Implied cap of 170 EUR per trade
- Rebate scheme based on monthly volume cleared

Governance

- Up to 90% ownership of NewCo Credit by users
- Sharing of net revenues with NewCo Credit
- User governed CDS product scope

Attractive pricing concept for OTC CDS

Attractive pricing at trade level

Volume per trade in mn EUR	Price in EUR per million cleared
<= 10	6
>10; <=25	4
>25; <= 50	2
>50	0

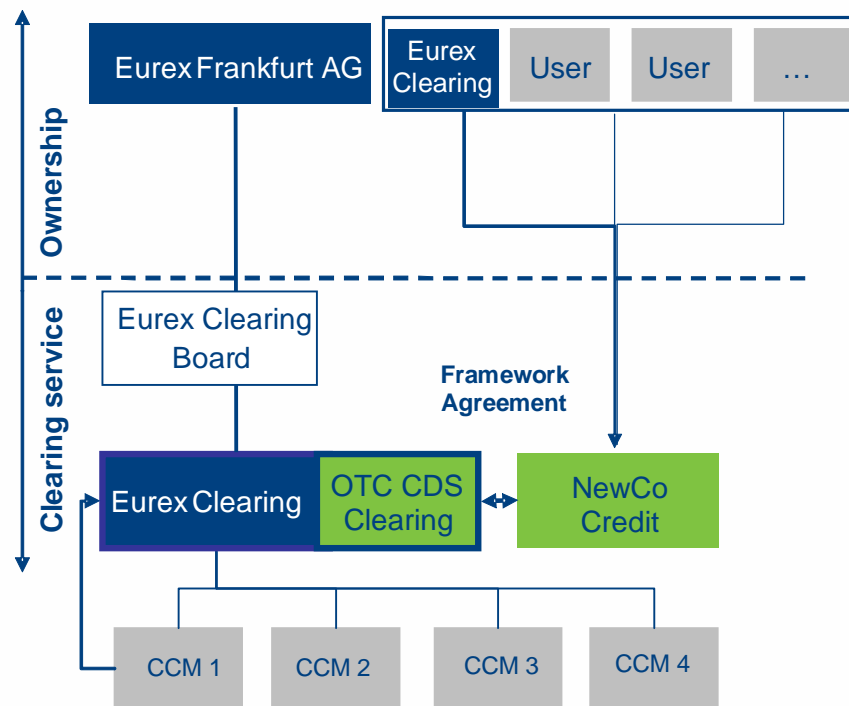
- **Implied cap of 170 EUR per trade**
- Example: trade size € 15 mn
€ 10 mn charged with 6 €/mn and
€ 5 mn charged with 4 €/mn amounting to
80 €/trade

Incentive concept at CCM level

- CCMs rebate scheme as percentage discount will be added based on monthly cleared volume
- Levels and thresholds will be defined taking current and expected volume levels into account

OTC Clearing Solution for CDS | Governance Model and Pricing Structure

NewCo Credit will receive a share of CDS net clearing revenues and will govern Eurex Clearing CDS product scope



- Users will own up to 90% in NewCo Credit. CCM is separate from ownership.
- Sharing of net CDS revenues with NewCo Credit
- NewCo Credit will advise Eurex Clearing on its CDS clearing offering and govern Eurex Clearing's CDS product scope
- One vote per eligible user for first 24 months; thereafter based on economic stake held in NewCo Credit

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Major cornerstones of NewCo Credit investment proposal

Eurex Clearing offers up to 90% economic stake in NewCo Credit based on the following conditions:

- 30% net revenue sharing between Eurex Clearing and NewCo Credit
- The investor will have to make an initial investment to receive the call options:
 - The call options are each eligible for receiving a 1% stake in NewCo Credit based on reaching volume targets
 - The initial investment is 250,000 EUR per call option and the volume target is 5bn EUR average monthly clearing volume per call option received
 - The initial investment will be refundable in two stages if the call options would be exercised
 - Back loading of historical trades would be for free for all NewCo Credit investors
- Allocation of options for NewCo Credit will be conducted as follows:
 - Two lead investors will receive the number of options they sign up for, thereafter Eurex Clearing will initiate an investment process, whereby:
 - Each interested user has to submit its binding interest until a certain date (deadline to be defined)
 - An interested user can apply for options eligible to receive a minimum of 5% and up to a maximum of 20% economic stake in NewCo Credit
 - In the case of an over-subscription the economic stakes will be allocated pro-rata, the initial investment and the volume thresholds will be adjusted accordingly
- Exercise of call options in two stages depending on achieving volume targets:
 - Phase I: Up to 50% of call options held by an investor are exercisable 12 months after launch, if average monthly volume target is achieved for last 9 months
 - Phase II: Up to 50% of the remaining call options held by an investor are exercisable 24 months after launch, if average monthly volume targets are achieved for last 12 months