AMENDMENTS TO EURONEXT CLEARING REGULATIONS AND IMPLENTING INSTRUCTIONS

6 AUGUST 2026

1. Introduction of inspection rights within the membership monitoring process

As a leading European central counterparty, Euronext Clearing is committed towards the continuous improving of its risk management arrangements, in line with industry's best standards and regulatory expectations. Over recent years, following the enlargement of its membership base, Euronext Clearing has strengthened and enriched its monitoring framework, introducing new tools and arrangements to enhance the CCP's overall risk framework.

More specifically, on the 24th of October 2022, the company's Board of Directors approved a set of amendments to the Euronext Clearing's Regulations concerning the monitoring of membership requirements, including, amongst others the introduction of explicit information and inspection rights. These enhancements have been implemented under a staged approach, exception made for the introduction of Inspection rights.

Against this background, as part of the continuous improvement of its risk management arrangements, also considering regulatory expectations, Euronext Clearing is now completing the implementation of the above mentioned enhanced monitoring framework, namely by introducing inspection rights within the Regulation. In this context, the occasion is taken to perform certain fine tunings with respect to the text of Article B.2.2.1ter and related implementing Instructions, as originally approved by the above mentioned Board of Directors.

From a general standpoint, the amendments introduce a comprehensive inspection framework within the membership monitoring process, granting Euronext Clearing explicit powers to assess Clearing Members' ongoing compliance with applicable rulebook and regulatory requirements.

Article B.2.2.1ter of the Regulations, defines the scope of inspections and outline the relevant procedural steps. Notably, Clearing Members are requested to cooperate and provide access to information and systems. Ultimately, following the performance of the inspections and on the basis of the findings thereof, Euronext Clearing may adopt, where necessary, corrective or risk-mitigating measures based on inspection outcomes as outlined within the Regulations.

In addition to the above, with the purpose of providing additional flexibility, it is also added that inspections may be conducted both on-site as well as remotely, and may extend to relevant third-party service providers connected to the Clearing Member. New heading B.1.4 of the Instructions provides details concerning the management of the Inspection process by Euronext Clearing.

2. Fine tunings to provisions regulating broker's close-out

Lastly, the occasion is taken to perform certain fine tunings to the wording of Article B.6.2.1quater of the Regulations, regulating liquidation through brokers in case of a Clearing Member's default. In particular, evidence is given to the fact liquidation may occur on a regulated market or, where relevant, off venue. Furthermore, it is specified that, regardless of the execution venue concerned, following execution the Clearing Member may request Euronext Clearing to register the same transaction between the Clearing Member and the CCP in the post trade systems so as to flatten the obligations assumed by the Clearing Member

Article B.6.2.1quater of the Regulations is therefore amended accordingly

3. Amendments to default management framework

Default Fund Segmentation (of the Equity, Financial Derivatives and Commodities Derivatives Default Fund)

Euronext Clearing's current Default Fund framework provides for a **single, mutualised Default Fund** covering clearing activities in **Equity, Financial Derivatives and Commodities Derivatives**, alongside separate and fully segregated Default Funds for the Fixed Income and Power Derivatives clearing services. Under this single Default Fund, losses exceeding the defaulting Clearing Member's own resources and the CCP's skin-in-the-game are mutualised pro rata among all non-defaulting Clearing Members, irrespective of whether the defaulting Clearing Member was active in one or more of the underlying asset class segments.

While this framework ensures a high degree of mutualisation and resilience, it does not distinguish between Clearing Members active in different segments of the Default Fund. As a result, losses arising from the default of a Clearing Member active exclusively in one segment may be mutualised across Clearing Members that were not exposed to the segment in which the default occurred. This outcome may, in certain circumstances, be perceived as insufficiently risk-sensitive.

To address this potential shortcoming and to enhance the **fairness and proportionality of loss allocation** - while fully preserving the mutualistic nature and robustness of the Default Fund - Euronext Clearing has revised the Default Fund waterfall applicable to the Equity & Financial Derivatives and Commodities Derivatives clearing system.

Under the revised framework, and with respect to the Default Fund applicable to the Equity, Financial Derivatives and Soft Commodity Derivatives Sections, Euronext Clearing introduces a **Default Fund Segmentation** mechanism for the sole purpose of allocating losses among non-defaulting Clearing Members. Within this framework, the Default Fund is notionally segmented into two components:

- EQDER, covering Equity and Financial Derivatives; and

- COMDER, covering Soft Commodity Derivatives.

The Default Fund Segmentation mechanism applies exclusively to the allocation of losses and does not affect the structure, calculation or sizing of the Default Fund. It is applicable only where the defaulting Clearing Member is active in a single segment of the relevant Default Fund.

The Rules are therefore amended to provide that in case an event of default occurs in respect of a Clearing Member active on only one segment of the single Default Fund covering Equity, Financial and Commodities Derivatives losses are allocated in accordance with the applicable default waterfall **with priority given to the contributions associated with the segment affected by the default**, before any recourse to contributions associated with the other segment. Hence, if the defaulter is active on only one segment, the segmentation logic is activated. In that case, mutualised funded resources allocated to the segment in which the defaulter is active are used first. If such resources are not sufficient to absorb the residual loss, the CCP then access mutualised resources allocated to the other segment or segments, in accordance with the predefined Default Management Waterfall. The same logic also applies, where relevant, to subsequent mutualised layers of the waterfall, including unfunded contributions and additional resources.

The framework also introduces a clear definition of Clearing Member active on a single Segment, meaning a Clearing Member is considered active in a segment only if, at the time of default, it holds open positions in that segment. This ensures that segmentation is triggered on the basis of actual risk exposure rather than mere formal membership.

With respect to its interaction with the **auction mechanism and the related incentive structure**, the Default Fund segmentation mechanism is designed to operate alongside, but distinctly from, the **tranching mechanism** applied for auction incentives. Segmentation operates at the first level of the loss allocation framework and determines which pool of Default Fund resources is accessed first, based on the segment in which the defaulting Clearing Member was active. In this way, segmentation establishes the perimeter of loss mutualisation, ensuring that losses are initially borne by Clearing Members participating in the segment affected by the default.

Once the relevant pool of resources has been identified through segmentation, the tranching mechanism comes into effect within that pool. **Tranching** governs how Default Fund contributions within the selected segment are consumed, by allocating losses across predefined tranches that reflect the outcomes of the default management auctions. In this context, the sequence of loss absorption is linked to auction performance, thereby embedding incentives for Clearing Members to participate effectively and competitively in the auction process.

The two mechanisms therefore address different, yet complementary, dimensions of default management. Segmentation defines where losses are mutualised, while tranching defines how losses are distributed within that mutualisation scope. Together, they ensure that loss allocation is both risk-aligned and incentive-compatible.

Accordingly, the Rules are amended to provide that, where a default is managed through an auction procedure, losses are allocated following the applicable default waterfall, with priority given to the Default Fund contributions of non-defaulting Clearing Members belonging to the segment in which the defaulter was active, before any recourse to contributions associated with other segments. After segmentation has been applied, the relevant tranche percentages are then applied to the segment-specific Default Fund contributions, in line with the auction results and the applicable tranching structure.

This approach further refines the Default Fund loss allocation framework by enhancing risk sensitivity and proportionality, while maintaining the mutualised nature and resilience of the CCP's financial safeguards. The amendments will become effective starting from the 6th of August 2026.

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Below the excerpt of the amendments to Euronext Clearing's Regulations and implementing Instructions

Article A.1.1.1 Definitions

1 The following definitions shall apply to these *Regulations*:

"*Default Fund Segmentation*" means the loss allocation mechanism applied by *Euronext Clearing* with respect to the *Default Fund* relating to the Equity Section, the Financial Derivatives Section and the Soft Commodity Derivatives Section, whereby losses arising from the default of a Clearing Member, once the defaulter's resources have been exhausted, are allocated to non-defaulting Clearing Members on a segmented basis, taking into account the scope of activity of the defaulting Clearing Member pursuant to Article B.4.2.1 of the Regulations.

"*Clearing Member active on a single Segment* " means, in relation to a *Segment* of the Default Fund relating to the Equity, Financial Derivatives Section and Soft Commodity Derivatives Section, a Clearing Member which and at the time of the occurrence of an Event of Default: (i) is admitted to clearing in at least one Market included in that Segment; and ii) has open Positions recorded in Euronext Clearing's system, as at the moment of the declaration of the Event of Default, in respect of contracts cleared by Euronext Clearing and referring exclusively to markets belonging to that Segment.

Omissis

Article B.2.2.1-*ter* Inspections

1. **In order to assess the *Clearing Member*'s continuous compliance with these *Regulations* and to ensure the proper functioning of the *System,* Euronext Clearing reserves the right to carry out an inspection in respect of the *Clearing Member*.**
2. ***Euronext Clearing* is therefore entitled to examine the *Clearing Member's* risk management and organizational arrangements, technological, ~~and~~ information technology systems and related internal procedures, that the *Clearing***

Member has implemented, in order to ensure compliance with the membership requirements foreseen within these _Regulations_ and any other aspect deemed relevant for the evaluation of the clearing relationship between the Clearing Member and Euronext Clearing.

3. **The inspection may be conducted either (1) on site, at the premises of the _Clearing Member_ ~~or~~ and of third parties providing services to the _Clearing Member_, or (2) remotely. The _Clearing Member_ undertakes to provide Euronext Clearing with all support and information needed to complete such inspections, including ensuring cooperation of relevant third parties and facilitating remote access or connectivity where necessary.**
4. **Upon completion of the inspection and in respect of the findings thereof, Euronext Clearing may take the following measures:**
   a. **issue a written request to comply ~~exactly~~ with the _Regulations_ and _Instructions_ and/or rules of conduct, by taking appropriate corrective measures within the timeframes specified by Euronext Clearing;**
   b. **request increased _Margins_;**
   c. **a suspension from one or more _Sections_ pursuant to Article B.2.2.2.**
5. **The Clearing Member shall not refuse to submit its clearing activity to inspections and to provide the requested information, except where explicitly prevented from doing so by an applicable provision of law or regulation. The Clearing Member may object to the participation of specific representatives, experts or other designated persons by Euronext Clearing to carry out the inspection, where the Clearing Member demonstrates the existence of an actual, direct and material conflict of interest**
6. **Specific _Instructions_ complement these provisions.**

Article B.2.2.1-~~ter~~ **quater** Exemptions

~~1. The provisions specified within Article B.2.2.1-*bis*, shall apply to any *Member* of the *System*, *Public Entities* and Members in respect of which the measures set out under Article B.2.2.1. paragraph 6 have been adopted.~~

1. **The provisions specified within Article B.2.2.1-*bis* and Article B.2.2.1-ter apply to any *Member* of the *System*, except for Members in respect of which the measures set out under Article B.2.2.1. paragraph 6 have been adopted. The provisions of Article B.2.2.1-bis and B.2.2.1-ter do not apply to Special Clearing Members and Public Entities, except in case of objective risk management reasons.**

Omissis

Article B.2.2.2 Suspension

1. *Euronext Clearing* shall suspend from the *System* or from a *Section*, notifying Bank of Italy, Consob and the *Management Company* concerned:
   a) a *Member* in cases where *Euronext Clearing* has received notice of serious breach of contract by the said *Member* in another guarantee and/or settlement system;
   b) a *Clearing Member*, in the event of loss of any one of the requirements indicated at Article B.2.1.2, paragraph 8, or the cessation of effect of the agreement with the *Settlement Agent*, for any reason, unless by way of exception the obligations pertaining to the *Clearing Member* vis-à-vis *Euronext Clearing* are nevertheless fulfilled. To this end, *Euronext Clearing* verifies the possibility of transferring to a different Settlement Agent the positions of the Clearing Member to be settled and the related assets they had deposited with the insolvent Settlement Agent.
   c) when its *General Clearing Member* has been suspended.
2. *Euronext Clearing* may suspend a Member of the System from the System itself or from a Section, or from a membership qualification within a *Section* notifying Bank of Italy, Consob and the Management Company:
   a) in the event of the suspension of the *Member* from trading on a *Market*;
   b) in the event of injunctive proceedings being issued pursuant to articles 51 and 52 of the *CLF* or equivalents issued by the competent supervisory Authority;
   c) if the *Member* fails to provide the information or documents required pursuant to Article B.2.1.5, paragraph 4, sub-paragraph d) and sub-paragraph e) or the information required pursuant to Article B.2.2.1-bis, paragraph 1 and 2;

d) in the event of serious violation of the provisions of *Euronext Clearing*;

e) in the event indicated at Article B.2.2.1, paragraph 4;

f) with respect to a *Clearing Member* being a *Public Entity*, in the case indicated at Article B.2.1.1-bis.

g) in the event Euronext Clearing becomes aware of the occurrence or the treatment of occurrence of a Cyber-Security Event which prevents the Clearing Member to properly ensure its ability to guarantee the availability of its information technology systems.

h) in the cases indicated at Article B.2.2.1-*ter*, paragraph 4;

Omissis

PART B.4 Guarantee System

Chapter B.4.1 Margins

Article B.4.1.1 Initial Margins

1. *Euronext Clearing* calculates *Margins* due by *Clearing Members* at *Margin Account Level.*
2. The Initial *Margins* due to *Euronext Clearing* are calculated on the basis of the following principles:
   a) by assuming variations in the risk factors identified on the basis of statistical analysis and market conditions, taking account of the correlations between *Financial Instruments* that are considered significant;
   b) determining, with a "confidence interval", the amount of potential loss from *Clearing Member*'s *Positions* during a pre-set time span.
3. The methods indicated at paragraph 2 are applied on the *Positions* referenced in each *Margin Account* referred to in Article B.4.1.0.
4. For *Positions in Delivery* of the *Euronext Soft Commodity Derivatives Section, Euronext Clearing* also applies a *Delivery Margin*, calculated pursuant the modalities and timings indicated in the Instructions.

5. Calculation of *Margins* is performed by *Euronext Clearing* separately for each *Section* of the *System. However, Euronext Clearing* shall make a joint calculation of the *Margins* for the *Positions.*

- of the *Equity Section* and the *Financial Derivatives Section,*

in the latter cases, attributing, where necessary, the said *Margins* to the reference *Section* on the basis of a proportionality criteria with respect to the separately determined *Margins*.

6. In the context of risk management procedures and according to non-discriminatory methods, *Euronext Clearing* may differentiate the extent of initial *Margins* applied to *Members*, giving notice to Bank of Italy and Consob. To that end, *Euronext Clearing* may assess qualitative or quantitative elements, which show an increase in the credit risk of the *Participant*, including evidences which may arise from the performance of the activities specified within Article B.2.2.1-*bis* **and B.2.2.1-*ter*.**

Omissis

Chapter B.4.2. Default Funds

Article B.4.2.1 Establishment and contribution

1. *Euronext Clearing* shall establish the following segregated *Default Funds*:

   (a) one relating to the *Equity Section, Financial Derivatives Section* and the *Soft Commodity Derivatives Section*;

   (b) and one relating to the *Bond Section and ICSD Bond Sections*.

Euronext Clearing shall make use of said Default Funds to cover losses deriving from necessary default procedures operations regarding *Clearing Members* and the *Positions* of the relevant *Sections*.

With respect to the *Default Fund* relating to *the Equity Section, Financial Derivatives Section and the Soft Commodity Derivatives Section* referred to in letter (a) above, *Euronext Clearing* applies a *Default Fund Segmentation* mechanism for the purpose of allocating losses among non-defaulting *Clearing Members*, by distinguishing between:

– Segment "EQDER": *Equity* and *Financial Derivatives Segment*;

– Segment "COMDER": *Soft Commodity Derivatives Segment*.

The above described *Default Fund Segmentation* shall apply exclusively to the allocation of losses to non-defaulting *Clearing Members'* contributions, without affecting the structure or calculation of the *Default Fund* itself and shall apply only with respect to *Clearing Members active on a single Segment.*

***Default Fund Segmentation* shall be activated in case an event of default occurs with reference to a *Clearing Member active in a single Segment* of the Default Fund relating to the Equity, Financial Derivatives and Soft Commodity Derivatives Section (either, in the Segment EQDER or in the Segment COMDER). In this context, in case an event of default has been managed by Euronext Clearing through an *Auction* with respect to a *Clearing Member active on a single Segment* of the Default Fund, Euronext Clearing shall allocate losses amongst the non-defaulting Clearing Members' contributions across the tranches set out under Article B.6.2.3-bis with priority to the affected Segment of the Default Fund.**

2. The total amount of each *Default Fund* is determined periodically by *Euronext Clearing* and notified by the methods set out in Article A.1.1.4, paragraph 2.
3. The *Default Fund mentioned in paragraph 1, letter a)* for the *Equity Section, Financial Derivatives Section and Soft Commodity Derivatives Section* is made up exclusively of the payments of *Clearing Members* to the said *Sections.* The *Default Fund* mentioned in paragraph 1, letter b) for the *Bond Section* and *ICSD Bond Section* is made up exclusively of the payments of *Clearing Members* to the said *Sections.*
4. The payments indicated at paragraph 3 are established in the manner indicated by *Euronext Clearing* on the basis of *Initial Margins* paid, for the respective *Sections,* by *Clearing Members* in a reference period. The *Initial Margins* considered also include those relating to *Positions* registered in the "client" accounts. *Euronext Clearing* establishes a minimum contribution to the *Default Fund.*
5. Methods for calculation, adjustment, and depositing of the payments indicated at paragraph 4 are indicated in the *Instructions*.
6. The adjustment of cash payments takes place under the terms indicated at Article B.5.1.1, paragraph 5.

7. *Special Clearing Members*, Central Banks of the European Union and the Ministry of Economy and Finance do not participate to *Default Fund* and therefore they cannot be requested to pay any financial resources as a contribution to the *Default Fund* pursuant to Article B.4.2.5 and Article B.6.2.3 of the *Regulations* in the event of activation of a default procedure pursuant to Chapter B.6.2.

PART B.6 Default

Omissis

Article B.6.2.3. Costs for management of default procedures of a *Clearing Member*

1. Subject to subsequent recovery actions against the party in default, where the default procedure indicated at Article B.6.2.1 is triggered, *Euronext Clearing* shall allocate the losses and costs in the following order:

   a) to the *Collateral* posted to fulfil *Margins* obligations and payments to the *Default Funds* in accordance with Article A.1.1.5, deposited by the *Member* in default, if applicable, any sum resulting from the activation of *Central Bank Guarantee* and to the sums arising from the closing of the *Positions*;

   b) to the guarantee, if deposited by the defaulting *Member*, indicated at Article B.2.1.2, paragraph 5;

   c) to the assets of *Euronext Clearing* within the limits of the amount calculated in compliance with article 35 of the Regulation no. 153/2013 of the European Commission, implementing article 45 of the *EMIR Regulation* and published on its internet website: www.euronext.com/it/posttrade/euronextclearing);

   d) to the contributions of the other *Clearing Members* to the Default fund guaranteeing the *Section*, or *Sections,* concerned, pro rata to the payments made and limited to the losses and costs incurred in relation exclusively to the *Positions* of said *Section,* or *Sections,* where applicable, pursuant the order described in Article B.6.2.3 bis, paragraph 2. **In the event of a default event opened with respect to a *Clearing Member active on a single Segment* of the Equity and Derivatives Default Fund, the allocation shall be further segmented between Segment EQDER (Equity and Financial Derivatives) and Segment COMDER (Soft Commodity Derivatives) in accordance with Article B.4.2.1 of the Regulations, with prior allocation of costs and losses to the Segment corresponding to the defaulter's cleared Positions***;*

   e) to the assets of *Euronext Clearing*, within the limits of the amount calculated in compliance with article 9, paragraph 14 and 15 of *CCPRR Regulation* and related Commission Delegated Regulation and published on its internet website: www.euronext.com/it/posttrade/euronextclearing);

f) to the additional resources paid by the *Clearing Members* pursuant to Article B.4.2.5 pro rata to their contribution to the *Default Fund* guaranteeing the *Section*, or *Sections,* concerned, where applicable, pursuant the order described in Article B.6.2.3 bis, paragraph 2. **In case of the *Equity and Derivatives Section,* the allocation shall be further segmented between *Segment A* (Equity and Financial Derivatives) and *Segment B* (Soft Commodity Derivatives) in accordance with Article B.4.2.1 of the Rules, with prior allocation of costs and losses the segment corresponding to the defaulter's cleared Positions.**

Any remaining losses following the actions set out under the preceding points will be allocated by *Euronext Clearing* pro rata to the *Clearing Members* participating to the *Default fund* guaranteeing the *Section*, or Sections, concerned up to a maximum amount equal to 50% of the payment of the additional resources pursuant to Article B.4.2.5, pursuant the order described in Article B.6.2.3 bis, paragraph 2. **In the event of a default event opened with respect to a *Clearing Member active on a single Segment* of the *Equity and Derivatives Default Fund*, the allocation shall be further segmented between Segment EQDER (Equity and Financial Derivatives) and Segment COMDER (Soft Commodity Derivatives) in accordance with Article B.4.2.1 of the *Regulations*, with prior allocation of costs and losses to the Segment corresponding to the defaulter's cleared Positions.**

2. In the event of default of a *Clearing Member*:

   a) the assets held in the *Clients Collateral Accounts* shall not be used for allocation of losses related to the liquidation of *Positions* registered in the *House Position Account* and any existing sub-accounts;

   b) the assets held in the *House Collateral Account* shall be used, where necessary, for the allocation of losses related to the liquidation of the *Positions* registered *within the Clients Position Accounts* pursuant to Article B.3.1.2 and any existing sub-accounts;

3. At the end of the procedures indicated in this Article, any balances of the defaulting *Clearing Member* in excess of the amount

necessary to cover any losses sustained shall be returned by *Euronext Clearing* to the *Clearing Member* itself, with indication of the assets of each *Client Collateral Account* pursuant to Article B.4.3.0, where in managing the default procedure *Euronext Clearing* did not succeed in transferring the relevant positions and assets pursuant to Article B.6.2.1bis.

Chapter B.6.2 Default procedure

Omissis

Article B.6.2.1-quater Liquidation via Clearing members or by appointed brokers

1. Euronext Clearing may liquidate the Positions referring to the defaulting Clearing Member ~~on the market~~, through one or more brokers **on the Market, and/or, where appropriate, through OTC and other off-venue transactions**

2. Appointed brokers shall act in their own name and for the account of Euronext Clearing. Brokers may execute the mandate awarded by *Euronext Clearing* also through other parties.

3. In order to ensure coverage across the range of its cleared *Financial Instruments*, *Euronext Clearing* may appoint an adequate number of *Clearing Members* for each *Section of the System* or specific asset class, to liquidate the *Positions* referring to the defaulting *Clearing Member* **pursuant paragraph 1**~~on the *Market*~~*.* The appointment made by *Euronext Clearing* shall be based on the yearly average of contributions referred to in Article B.4.2.1 of each *Clearing Member*. *Euronext Clearing* may also consider the historical House activity of the *Clearing Member* on the *Section, or Sections* concerned, including the extent of markets covered by each *Clearing Member*. When lacking historical data, *Euronext Clearing* shall consider other relevant factors with the purpose of guaranteeing adequate coverage.

4. Appointed *Clearing Members* shall act in their own name and for the account of *Euronext Clearing* and may execute the mandate awarded by *Euronext Clearing* also by appointing third parties

to act as a broker. With respect to *Markets* where execution on behalf of third parties is not envisaged, *Clearing Members* may act in their own name ~~and subsequently~~**. Following execution, the Clearing Member may request Euronext Clearing to** register the same transaction between the *Clearing Member* and the CCP in the post trade systems to flatten the obligations assumed by the *Clearing Member* ~~on the *Market*~~*.* Euronext Clearing shall maintain and update the list of appointed *Clearing Members* to act as brokers and update it on a regular basis.

5. In the event of a default of a *Clearing Member*, in case of failure of performance of the assignment relating to the closure of ~~*Contractual*~~ *Positions* ~~on the *Market*~~ awarded by *Euronext Clearing*, *Euronext Clearing* reserves the right to adopt any measures in respect of *Clearing Members* as expressly provided in accordance to these *Regulations*, exception made for the case where the relevant *Clearing Member*, acting as broker, provides objective and documented reasons to justify the failure of performance.
6. To ensure preparedness, *Euronext Clearing* may organize on a regular or ad hoc basis, tests which may include also the participation of appointed *Clearing Members*, including, where applicable, brokers. In the event the identified brokers fail to participate to tests, *Euronext Clearing* reserves the right to adopt any measures in respect of *Clearing Members* as expressly provided in accordance to these *Regulations*.

Omissis

Article B.6.2.3-bis Incentive measures related to auctions

1. In order to ensure an adequate level of participation within an auction, the following incentivization measures apply, which complement the provisions set forth in Article B.6.2.3.
2. In case an event of default has been managed by *Euronext Clearing* through an auction, in respect of the resources mentioned in letter d) and f) of Article B.6.2.3, including the residual recovery loss allocation tool provided for within the last part of paragraph 1, Euronext Clearing shall allocate losses amongst the non-defaulting *Clearing Members*' contributions in the following order:
   i. a junior tranche – being used first for the purpose of loss allocation;

ii. a standard tranche – being used following the depletion of the contributions included within the junior tranche above;

iii. a senior tranche - being used last, following the depletion of the contributions included within the junior and senior tranche;

Where an event of default occurs with respect to a *Clearing Member active on a single Segment* of the *Default Fund* relating to the Equity, Financial Derivatives and Soft Commodity Derivatives Section (either Segment EQDER or Segment COMDER), the *Default Fund Segmentation* mechanism shall apply in accordance with Articles B.4.2.1 and B.6.2.3 of the Regulations.

In such circumstance, where the default has been managed by *Euronext Clearing* through an *Auction* procedure, *Euronext Clearing* shall allocate losses amongst the contributions of non-defaulting *Clearing Members* across the tranches set out under paragraph 2 above with priority to the contributions associated with the *Segment* of the *Default Fund* affected by the default, before any allocation to contributions relating to the other Segment.

CHAPTER B.1 Membership

Omissis

Heading B.1.4 Inspection procedure

Omissis

Article B. 1.4.1 Inspection procedure

1. **In accordance with Article B.2.1.1-ter of the *Regulations*, Euronext Clearing reserves the right to carry out an inspection of the *Clearing Member*, following the procedure described in the following paragraphs.**

2. **To that end, Euronext Clearing contacts, by any means, the legal representative and, where relevant, authorised signatory, to communicate that *Euronext Clearing* intends to carry out an inspection. Euronext Clearing will give notice to the *Clearing Member* at least five *Euronext Clearing Open Days* preceding the inspection. For the purposes of the inspection, Euronext Clearing may avail itself of external service providers solely for support purposes. In any event, responsibility for and conduct of the inspection shall remain exclusively with Euronext Clearing.**

3. **In case the *Clearing Member* outsources its clearing activities, wholly or partially, the third party provider shall also submit itself to Euronext Clearing's inspections in the same circumstances as those applicable to the C*learing Member*. The latter shall take all necessary steps to inform the third party of the inspection and ensure its cooperation.**

4. **In case of on site inspections, The *Clearing Member* will grant those persons specifically delegated by Euronext Clearing, access to any of its premises or to any other premises where its clearing activities are being performed. These delegated persons may request, from any of the *Clearing Member's* employees or persons acting for and/or on its behalf, any document or information deemed necessary to fulfil their task and may also ask to interview**

any of the *Clearing Member*'s employees or persons acting for and/or on its behalf.

5. **If deemed appropriate, Euronext Clearing may organize one or more further meetings, in order to follow the progress of the activities so far performed and/or to define the remaining points to be addressed.**

6. **Where, pursuant to Article B.2.2.1-ter, paragraph 3, Euronext Clearing performs a remote inspection, it may, through secure electronic means, access, examine and review any documents, records, systems, data or other relevant information necessary for the purposes of the inspection and may remotely interview any of the *Clearing Member*'s employees or persons acting for and/or on its behalf. The Clearing Member shall ensure the accessibility of such information and systems, promptly provide the requested documentation in electronic form, and ensure the cooperation of its personnel and any relevant third parties.**

7. **Once all activities have been performed, Euronext Clearing will produce a draft report, which is shared with the *Clearing Member*, which may make comments within ~~five~~ 10 *Euronext Clearing's Open Days* from its receipt. Those comments will be attached to the report.**

8. **Euronext Clearing will finalize the report mentioned above, taking into account the comments received, if any. The final report is then shared promptly with the *Clearing Member*. The *Clearing Member* reserves the right to answer this report, within ~~10~~ 15 *Euronext Clearing's Open Days* from receipt.**

9. **Further to the answer to the report, follow up meetings may be organized by Euronext Clearing, if appropriate.**

10. **On the basis of the report mentioned in the preceding paragraphs and in respect of the findings thereof, Euronext Clearing is entitled to take any of the measures mentioned within Article B.2.2.1-*ter* of the *Regulations*.**