

**CHICAGO MERCANTILE EXCHANGE INC.  
INTEREST RATE SWAPS RISK COMMITTEE  
CHARTER<sup>1</sup>**

**I. Purpose**

The Interest Rate Swaps Risk Committee (“IRS RC” or the “Committee”) has been established by the Board of Directors (“Board”) of Chicago Mercantile Exchange Inc. (“CME”) as a special committee with participation from market participants. The purpose of the Committee is to assist the Board and the Clearing House Oversight Committee in fulfilling their oversight responsibilities over the risk management (excluding operational risk), financial surveillance and clearing member admission functions of the Clearing House as they relate to interest rate swaps (“IRS”) Products (as defined in Chapter 8G of the CME Rulebook).

The IRS RC shall make recommendations and provide reports, as appropriate, with regard to any issue within the IRS RC’s responsibilities and authority, including making recommendations to the Clearing House Oversight Committee for approvals in accordance with this Charter, and reports to the Board.

In fulfilling its responsibilities, the members of the IRS RC shall provide risk-based input and the IRSRC shall prioritize the safety and efficiency of the Clearing House, generally support the stability of the broader financial system and consider legitimate interests of clearing members and customers of clearing members at all times in accordance with prudent risk management standards (including systemic risk mitigation) and best practices in the industry.

**II. Membership & Organization**

- The members of the IRS RC and its Chairperson shall be appointed in accordance with the provisions of the company's Corporate Governance Principles; provided the Chairperson must be a member of the Board of CME. In appointing members to the IRS RC, the Board shall seek a balance of risk management and operational expertise taking into consideration the recommendations from Clearing House management. Members of the IRS RC shall be rotated on a regular basis, taking into consideration member experience, expertise and tenure. Appointments to the Committee recommended by management with support of the Chairperson made in between the annual approval cycle may be approved jointly by the Chairman and Chief Executive Officer and the Chair of the Nominating and Governance Committee.
- The IRS RC shall be comprised of at least:
  - i. one who is a member of the Board of CME, including the Chairperson;
  - ii. one who is neither an employee or director of CME or its affiliates nor an employee or director of any IRS Clearing Member or any of their affiliates, or an employee or director of any customer of an IRS Clearing Member referred to as the “Outside Member”;

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<sup>1</sup> The terms “significant” and “substantive” have the meanings ascribed to them in Appendix D to the Commitment and Signing Authority Policy.

- iii. eight members, referred to as “IRS Clearing Member Committee Members”; provided that the majority of members of the IRS RC shall be IRS Clearing Member Committee Members;
- iv. two who are customers of IRS Clearing Members; and
- v. three who are nominated by CME, referred to as the “CME Committee Members”; provided CME shall have the right to nominate one additional member when the number of IRS Clearing Member Committee Members is eight or more.

CME Committee Members may include any member of the Board of CME and any of the following members of management: the Global Head of Clearing, the Chief Risk Officer of the Clearing House and any individual in the supervisory reporting line of the Global Head of Clearing.

At least a majority of IRS Clearing Member Committee Members shall include employees or directors of an IRS Clearing Member or its affiliate that are selected from those IRS Clearing Members that have the “n” largest average contributions to the IRS Guaranty Fund during the last full calendar quarter prior to appointment (i.e., “majority of the IRS Clearing Member Committee Members”), where “n” is calculated as the number constituting such majority of the IRS RC plus two. Where the majority of the IRS Clearing Member Committee Members do not include employees or directors of IRS Clearing Members or their affiliates that are selected from those IRS Clearing Members that are in the middle third and bottom third of all contributors to the IRS Guaranty Fund during the last full calendar quarter prior to appointment, the IRS Clearing Member Committee Members shall include an employee or director of an IRS Clearing Member or its affiliate that is selected from the those IRS Clearing Members in such middle third and bottom third of contributors to the IRS Guaranty Fund, as applicable.

- Any member of the IRS RC may be removed with or without cause jointly by the Chairman and Chief Executive Officer and the Chair of the Nominating and Governance Committee. A member may resign by giving at least three (3) business days’ written notice of his or her intention to do so to the Chairperson of the IRS RC. Upon a resignation or removal, a replacement shall be considered as soon as practicable thereafter.
- Members that are not employees of CME or its affiliates may be paid an honorarium for attending IRS RC meetings in an amount to be determined by CME. A member eligible for an honorarium may choose to forego being paid his or her honorarium upon written notice to the Chairperson of the IRS RC.

### **III. Committee Meetings, Tasks and Authority**

#### ***General***

- The IRS RC shall meet as often as the Chairperson determines necessary to carry out its duties and responsibilities but no less frequently than four times annually and keep minutes of its proceedings.
- Meetings may be called (i) upon not less than five (5) calendar days’ notice by either the Chairperson or CME, or (ii) upon less notice in the event of an emergency. A request to

convene a meeting of the IRS RC shall include an agenda and copies of any materials or proposals to be discussed, except in the case of a meeting called in the event of an emergency. A quorum of the IRS RC shall be a majority of its members.

- A motion shall pass upon approval from a majority of the members present. Voting may also be conducted outside a meeting via telephone and/or electronic polling of members; provided approval is received by a majority of the current members of the Committee. Members of management and others may attend meetings to provide information or recommendations, as necessary.
- The IRS RC shall perform its responsibilities in accordance with this Charter and applicable regulatory requirements.

### ***Responsibilities***

### **Risk Management**

#### **Risk Management — Matters Presented to the IRS RC for Guidance**

- The IRS RC shall provide guidance to the Clearing House on risk management issues relating to the financial condition of the clearing membership for IRS Products, including on matters relating to the financial deterioration of any IRS Clearing Member.
- The IRS RC shall review written documentation of the risk-based input provided by the Clearing House Risk Working Group on topics relevant to the Committee consistent with the remit set forth in this Charter.

#### **Risk Management — Matters for Review and Final Approval by the IRS RC**

- The IRS RC shall provide guidance to the Clearing House for the development of the Default Management Guidelines for IRS Clearing Member defaults and approve all substantive changes to such Guidelines.

#### **Risk Management — Matters for Review, Approval and Recommendation to the Clearing House Oversight Committee**

- The IRS RC shall consult on and approve all matters relevant to the Committee, consistent with the remit set forth in this Charter, that could have a significant impact on the risk profile of the Clearing House and recommend such matters to the Clearing House Oversight Committee for approval.
- The IRS RC shall review the adequacy of the financial safeguards for IRS Products, including receiving regular risk reports from Clearing House staff which provide information on the effectiveness of its risk management program, and shall approve all substantive changes and recommend such changes to the Clearing House Oversight Committee for approval.
- The IRS RC shall review the performance bond policies for IRS Products and shall approve all substantive changes and recommend such changes to the Clearing House Oversight Committee for approval.

- The IRS RC shall review and approve all substantive amendments to Chapter 8G and Chapter 900 impacting the Clearing House relating to IRS Products and recommend such changes to the Clearing House Oversight Committee for approval.
- The IRS RC shall review and approve any new IRS Products that significantly impacts the risk profile of the Clearing House and refer such products for approval to the Clearing House Oversight Committee. The staff of the Clearing House shall report to the IRS RC on the launch of any new IRS Products as part of its regular monthly reporting process.
- The IRS RC shall provide guidance on the Clearing House's risk management policies and practices relating to IRS Products, including reviewing such policies and practices at least on an annual basis and shall review and approve any new risk frameworks and substantive changes to existing risk frameworks associated with IRS Products and recommend such changes to the Clearing House Oversight Committee for approval.

### **Clearing Membership**

- Clearing House staff shall present all applications for IRS Clearing Members to the IRS RC for risk-based feedback and such feedback, if any, shall be communicated to the Clearing House Oversight Committee in connection with its review of such applicant for approval as an IRS Clearing Member.
- The IRS RC shall review any changes to the IRS clearing membership requirements and new types of IRS clearing membership and shall approve all related substantive changes and recommend them to the Clearing House Oversight Committee for their approval.
- The IRS RC shall have the authority and powers enumerated in the Exchanges' Rules with respect to clearing members' compliance with clearing membership requirements.

### **General**

- The Committee will meet in Executive Session as often as the Chairperson determines necessary where the Committee will have the opportunity to request that the Chairperson have Clearing House staff present to it on areas of interest, consistent with the remit set forth in this Charter.
- The Committee will undertake the specific responsibilities listed in this Charter and such other matters as contemplated by the CME Rulebook or as the Board or the Clearing House Oversight Committee may from time to time prescribe.

## **IV. Reporting Activities**

- The Chairperson or his or her delegate who is also a member of the CME Board, on behalf of the Committee, shall make verbal reports to the Board on recent activities of the IRS RC.
- The IRS RC shall prepare and adopt a written annual report to the Board summarizing the key activities, conclusions and recommendations of the IRS RC during the previous year.

- The IRS RC shall reassess the adequacy of this Charter no less frequently than annually and submit any recommended changes to the Clearing House Oversight Committee who will then recommend the revised Charter to the full Board for approval.
- The IRS RC shall evaluate its performance on an annual basis and establish criteria for such evaluation. The Committee shall report to the Board regarding the results of its evaluation and provide copies of written evaluations, if any, to the full Board.

**V. Confidentiality**

- The IRS RC and its members shall be responsible for preserving confidential information obtained in performance of the IRS RC's activities. Each Member of the IRS RC shall agree in writing that he or she will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or entity or any other information which may come to his attention in his official capacity as a member of the IRS RC. No person may serve on the Committee until such writing is received by CME.

**VI. Conflicts of Interest**

- Each IRS RC member shall disclose the existence of any conflicts of interest to the Chairperson or the meeting secretary at the beginning of each meeting or upon being aware of a conflict during a meeting and such disclosure shall be recorded. A member shall recuse himself or herself, as appropriate, from consideration of matters on which he or she is conflicted.

**VII. Indemnification**

- Members of the IRS RC are entitled to indemnification from CME as provided in the CME Bylaws and in accordance with Delaware law.

**Established 2010**

**Approved by the IRS Risk Committee: January 22, 2026**

**Approved by the Clearing House Oversight Committee: February 10, 2026**

**Approved by the Board of Directors: May 6, 2026**