NOTICE TO MEMBERS

No. **2026-036**

March 19, 2026

SELF-CERTIFICATION

AMENDMENTS TO THE RULES AND RISK MANUAL OF THE CANADIAN DERIVATIVES CLEARING CORPORATION TO INTRODUCE FTSE CANADA BANK CREDIT INDEX FUTURES

On October 24, 2025, the Board of Directors of the Canadian Derivatives Clearing Corporation ("**CDCC**") approved certain amendments to the rules and risk manual of CDCC in order to align with those of the Bourse de Montréal Inc. (the "**Bourse**") and allow for the FTSE Canada Bank Credit Index Futures contracts to flow through clearing, similar to other futures contracts listed by the Bourse and cleared by CDCC.

CDCC wishes to inform the Clearing Members that these amendments have been self-certified pursuant to the self-certification process set forth in the *Derivatives Act* (C.Q.L.R., c I-14.01) and submitted to the Ontario Securities Commission in accordance with the Rule Protocol Regarding the Review and Approval of CDCC Rules by the Commission.

You will find attached hereto the amendments set to come into force and to be incorporated into the version of the rules and risk manual of CDCC that will be made available on the CDCC website at www.cdcc.ca on **April 7, 2026**, after market close.

If you have any questions or concerns regarding this notice, please contact Dima Ghozaiel, Legal Counsel, by email at dima.ghozaiel@tmx.com.

George Kormas
President

PROPOSED AMENDMENTS TO THE RULES BLACKLINE VERSION

CANADIAN DERIVATIVES CLEARING CORPORATION RULES

XX, 2025

PART C - FUTURES

[...]

RULE C-26 - FUTURES CONTRACTS ON CREDIT INDICES

The Sections of this Rule C-26 are applicable only to Futures settling on a future date where the Underlying Interest is an Eligible Credit Index.

Section C-2601 - Definitions

Notwithstanding Section A-102 for the purposes of Futures on Credit indices, the following terms are as defined:

"**Eligible Credit Index**" – means the FTSE Canada Bank Credit Spread Index.

"**Exchange**" – means Bourse de Montréal Inc.

"**Final Settlement Price**" – means the settlement price determined by the Exchange as being the official opening level of the Eligible Credit Index on the day following the last day of trading, multiplied by the appropriate Multiplier.

"**Futures**" – means an undertaking to make settlement in cash on a future date of the difference between the Final Settlement Price and the Trade Price, multiplied by the appropriate Multiplier, pursuant to the standardized terms and conditions set forth in these Rules and in accordance with the by-laws, rules and policies of the Exchange.

"**Multiplier**" – means the multiplier of a Futures on an Eligible Credit Index, as specified by the Exchange.

"**Underlying Interest**" – means the Eligible Credit Index, which is subject of the Futures contract.

"**Underlying Security**" – means any of the securities included in an Eligible Credit Index underlying a class of Futures on an Eligible Credit Index.

Section C-2602 - Final Settlement in Cash Through the Corporation

Unless otherwise specified by the Corporation, settlement of positions held in Series of Futures following the close of trading on the last day of trading shall be made on the first Business Day following the last day of trading. Settlement shall be made by an exchange of cash between the Corporation and each of the short and long Clearing Members. The amount to be paid or received in final settlement of:

(a) each position opened prior to the last trading day is the difference between

(i) the Final Settlement Price, and

(ii) the Settlement Price of the contract on the Business Day before the last trading day,

multiplied by the appropriate Multiplier; and

(b) each position opened on the last trading day is the difference between

(i) the Final Settlement Price, and

(ii) the Trade price of the open contract

multiplied by the appropriate Multiplier.

Section C-2603 - Tender Notices

Rule C-5 shall not apply to Futures on Eligible Credit Indices as they are Cash-settled.

Section C-2604 - Adjustments

No adjustments will ordinarily be made in the terms of Eligible Credit Index Futures in the event that underlying securities are added to or deleted from an Eligible Credit Index or when the relative representation of one or more underlying securities underlying an Eligible Credit Index is changed. However, the Corporation may, at the request of the Exchange, adjust the terms of the affected Credit Index Futures.

Section C-2605 - Unavailability or Inaccuracy of Current Value

(1) If the Corporation determines that the Final Settlement Price for an Eligible Credit Index underlying any series of Eligible Credit Index Futures is unreported or otherwise unavailable for purposes of calculating the Gains and Losses, then, in addition to any other actions that the Corporation may be entitled to take under these Rules, the Corporation may do any or all of the following:

(a) Suspend the Settlement of Gains and Losses. At such times as the Corporation determines that the required Final Settlement Price is available, the Corporation shall fix a new date for Settlement of the Gains and Losses.

(b) Fix the Final Settlement Price in accordance with the best information available as to the correct Final Settlement Price.

(2) The Final Settlement Price as reported by the Exchange shall be conclusively deemed to be accurate except that where the Corporation determines in its discretion that there is a material inaccuracy in the reported Final Settlement Price, it may take such action as it determines in its discretion to be fair and appropriate in the circumstances. Without limiting the generality of the foregoing, the Corporation may require an amended Final Settlement Price to be used for all settlements.

Section C-2606 - Payment and Receipt of Payment of the Trade Price

The settlement value of the maturing contract shall be included with other settlement amounts on the daily Detailed Futures Consolidated Activity Report and the Futures Sub-Accounts Consolidated Activity Report.

Section C-2607 - Disclaimer

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PROPOSED AMENDMENTS TO THE RULES:
CLEAN VERSION

CANADIAN DERIVATIVES CLEARING CORPORATION RULES

XX, 2025

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PROPOSED AMENDMENTS TO THE RISK MANUAL:

BLACKLINE VERSION

RISK MANUAL

XX, 2025

SECTION 7 APPENDIX

(...)

7.5 Margin Interval

The MI is calculated using the following formula for the Historical Risk :

Historical Risk = $\sigma t \times \alpha \times \sqrt{n}$

Where 'n' is the MPOR, $'\alpha'$ is equal to the confidence level equivalent to 99.87% (three standard deviations) of the cumulative normal distribution (applicable to all products except for the CORRA Futures, the S&P/MX International Cannabis Index Futures, the S&P/TSX 60 Dividend Index Futures, ~~and~~ the Bitcoin Price Index Futures, and the FTSE Canada Bank Credit Index Futures) or equal to the confidence value equivalent to 99% of the cumulative student's t-distribution with 4 degrees of freedom (applicable to the CORRA Futures, the S&P/MX International Cannabis Index Futures, the S&P/TSX 60 Dividend Index Futures, ~~and~~ the Bitcoin Price Index Futures, and the FTSE Canada Bank Credit Index Futures). 'σt' is the volatility estimator of the contract's returns and is computed using an exponentially weighted moving average (EWMA) approach.

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