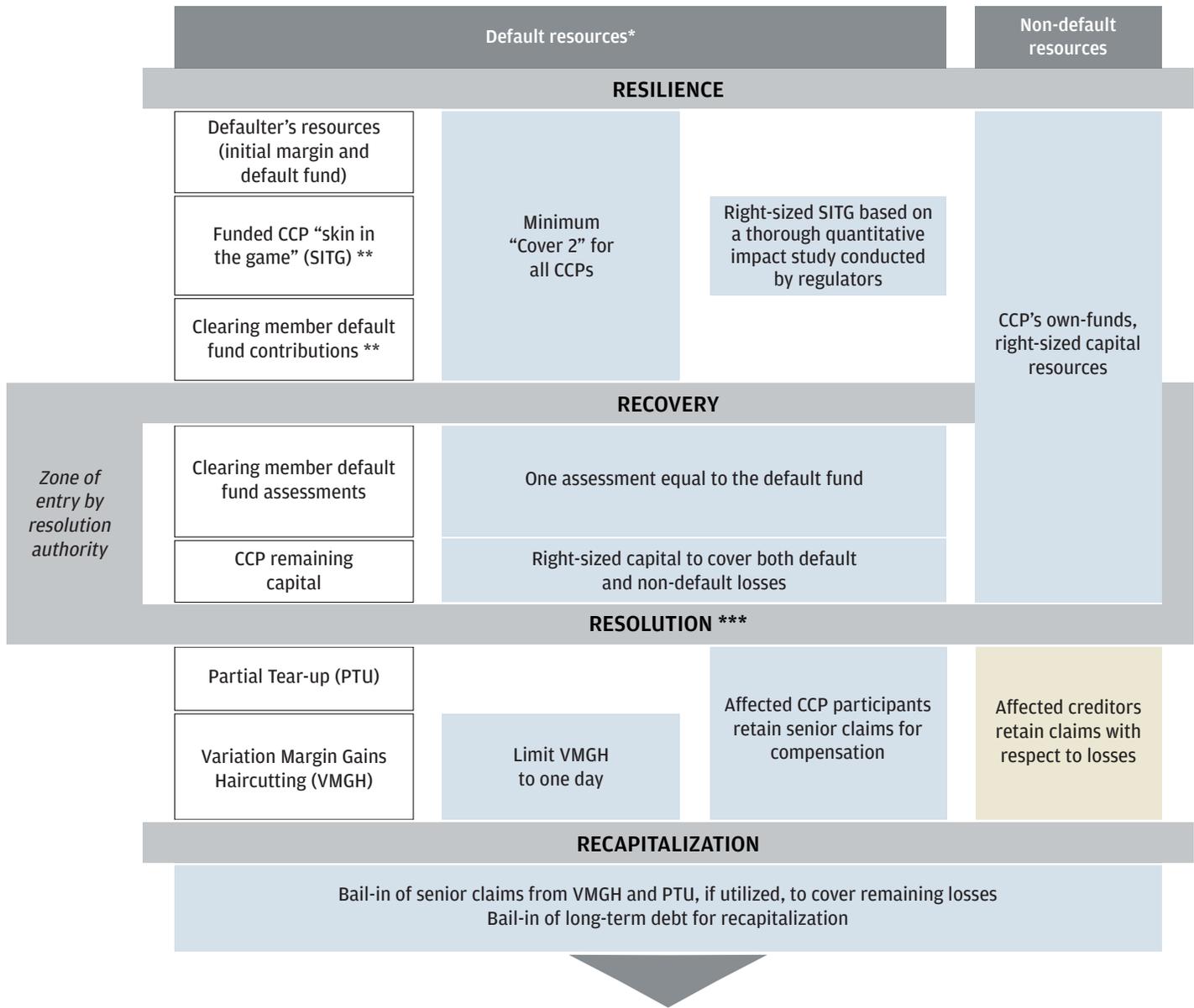


J.P. Morgan’s recommendations: CCP financial safeguards and capital requirements



Change in ownership – new CCP established

KEY	
	= J.P. Morgan recommendations
	= Tools typically used by CCPs
	= Legal recourse for creditors

* Our recommendations reflect the full range of default resources and tools that we believe should be available to CCPs and/or their respective regulatory and/or resolution authorities.

** Assuming that the CCP recovers, at the end of the default management process covering sequential defaults over a reasonable period, the CCP and non-defaulting members would be expected to replenish their respective SITG and default fund contributions.

*** Limited use of PTU may be permitted in recovery but only at the direction and control of the CCP’s regulatory authority. However, use of VMGH should be permissible only in resolution, and only after CCP’s remaining capital has been fully utilized.