

Bold and underlined text indicates proposed new language.

~~Bold and strikethrough text~~ indicates proposed deleted language.

**FIXED INCOME CLEARING CORPORATION
GOVERNMENT SECURITIES DIVISION RULEBOOK**

MARGIN COMPONENT SCHEDULE

[Changes to this Schedule, as amended by File No. SR-FICC-2025-017, are available at www.dtcc.com/legal/sec-rule-filings. These changes have been approved by the SEC but have not yet been implemented. By no later than *[Insert date 60 Business Days after approval.]*, these changes will be implemented, and this legend will be automatically removed from this Schedule.]

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Section 5 – Definitions and Calculations of Clearing Fund Components

Backtesting Charge

The term “Backtesting Charge” means an additional charge that may be added to a Netting Member’s Required Fund Deposit or Segregated Customer Margin Requirement to mitigate exposures to the Corporation caused by settlement risks that may not be adequately captured by the Corporation’s portfolio volatility model. The Corporation may assess this charge on the start of the day portfolio of a Netting Member or Segregated Indirect Participant (~~the “Regular Backtesting Charge”~~) and/or its intraday portfolios (~~the “Intraday Backtesting Charge”~~), as needed, to enable the Corporation to achieve its backtesting coverage target. The ~~Regular Backtesting Charge and the Intraday Backtesting Charge~~ may apply to Netting Members or Segregated Indirect Participants that have 12-month trailing backtesting coverage (as such coverage is calculated for purposes of calculating the Backtesting Charge) below the 99 percent backtesting coverage target, excluding deficiencies attributable to Blackout Period exposures. The ~~Regular Backtesting Charge and the Intraday Backtesting Charge, as applicable~~, shall generally be equal to the third largest deficiency of the Netting Member or Segregated Indirect Participant that occurred during the previous 12 months. Deficiencies attributable to Blackout Period exposures would be included only during the Blackout Period. The Corporation may in its discretion adjust such charge if the Corporation determines that circumstances particular to the settlement activity of a Netting Member or Segregated Indirect Participant and/or market price volatility warrant a different approach to determining or applying such charge in a manner consistent with achieving the Corporation’s backtesting coverage target.

In calculating a Netting Member’s or Segregated Indirect Participant’s backtesting coverage (for purposes of calculating the Backtesting Charge) and in calculating any applicable Backtesting Charge, the Corporation would not include amounts already collected from that Netting Member or Segregated Indirect Participant as (i) a Backtesting Charge, and (ii) other components of the Required Fund Deposit or Segregated Customer Margin, as applicable, on an intraday basis pursuant to this Margin Component Schedule.

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