

Options Clearing Rules

CHAPTER 2

CLEARING BY SEOCH

OCH Contracts and NCP Contracts

202. (3) In the event that an Options Trading Exchange Participant or its GCP (if the Options Trading Exchange Participant is an NCP) has been notified by SEOCH or the Exchange that a Block trade executed by the Options Trading Exchange Participant on the Options Trading System is not valid or has not satisfied all the criteria applicable to the Block Trade or the Block Trade will not be registered or cleared by SEOCH for any reason or in the event that the Options Trading Exchange Participant or its GCP (if the Options Trading Exchange Participant is an NCP) fails to pay or otherwise satisfy any Special Block Trade Margin required by SEOCH by the stipulated time, the Exchange in conjunction with SEOCH will, without being required to give further notice to the Options Trading Exchange Participant or its GCP, delete the Block Trade from the Options System as if the Block Trade had never been executed.

CHAPTER 6

RISK MANAGEMENT AND PAYMENT PROCEDURES

Special Block Trade Margin

- 615A.(1) If in the opinion of SEOCH or the Exchange, the executed price of a Block Trade is not fair and reasonable or a significant deviation exists between the executed price and the prevailing market price or between the executed price and the theoretical price determined by SEOCH, or if a Block Trade is executed at such a price that an Intra-day Margin would have been demanded had the trade been executed or as if it has been executed as a normal trade in the Central Orderbook, SEOCH may, within 30 minutes after the Block Trade is executed or after a trade adjustment request in respect of such Block Trade is submitted, demand a Special Block Trade Margin from the relevant SEOCH Participant.

- (3) A Block Trade will not be subject to the process of substitution and novation in accordance with the First Schedule to these Clearing Rules unless any Special Block Trade Margin in respect of the Block Trade has been ~~satisfied, paid or otherwise considered by SEOCH to have been satisfied by the prescribed time.~~ Any trade adjustment request in respect of a Block Trade will not be accepted by SEOCH unless any Special Block Trade Margin arising from such trade adjustment has been paid or otherwise considered by SEOCH to have been satisfied by the prescribed time.