

SECOND SCHEDULE

EFFECT OF GIVE-UPS ON OCH CONTRACTS AND NCP CONTRACTS

1. Immediately upon the recording by the Options Clearing System of the acceptance of a give-up:-
 - (1) if the requesting and accepting Options Trading Exchange Participants are both SEOCH Participants, the OCH Contract specified in the accepted give-up request by the requesting Options Trading Exchange Participant shall, by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules, be replaced by novation with an OCH Contract on identical terms between the accepting Options Trading Exchange Participant (in its capacity as a SEOCH Participant) and SEOCH;
 - (2) if the give-up request is made by a designated GCP on the instruction of an NCP for whom it clears and the accepting Options Trading Exchange Participant is a SEOCH Participant:-
 - (a) the NCP Contract between the GCP and the NCP specified in the accepted give-up requested by the GCP shall, by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules and the Options Trading Rules, be discharged and of no further force or effect; and
 - (b) an OCH Contract, in the same option series as that NCP Contract, to which that GCP is party shall, by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules, be replaced by novation with an OCH Contract on identical terms between the accepting Options Trading Exchange Participant (in its capacity as a SEOCH Participant) and SEOCH;
 - (3) if the requesting Options Trading Exchange Participant is a SEOCH Participant and the give-up is accepted by a designated GCP on the instruction of an NCP for whom it clears:-
 - (a) the OCH Contract specified in the accepted give-up request by the requesting Options Trading Exchange Participant shall, by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules, be replaced by novation with an OCH Contract on identical terms between SEOCH and the designated GCP; and
 - (b) there shall arise, immediately upon the novation of that OCH Contract and by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules and the Options Trading Rules, an NCP Contract between the NCP and that GCP under which that GCP shall sell to the NCP if the requesting Options Trading Exchange Participant bought under the OCH Contract specified in its accepted give-up request, or buy from the NCP if the requesting Options Trading Exchange Participant sold under that OCH Contract; and
 - (4) if the give-up is requested by a designated GCP on the instruction of an NCP for whom it clears and the give-up is accepted by another designated GCP on the instruction of an NCP for whom that other designated GCP clears:-
 - (a) the NCP Contract between the requesting GCP and its NCP specified in the accepted give-up request by the requesting GCP shall, by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules and the Options Trading Rules, be discharged and of no further force or effect;

- (b) an OCH Contract in the same option series as that NCP Contract, to which that requesting GCP is party shall, by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules, be replaced by novation with an OCH Contract on identical terms between SEOCH and the accepting GCP; and
 - (c) there shall arise, immediately upon the novation of that OCH Contract and by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules and the Options Trading Rules, an NCP Contract between the accepting GCP and its NCP on identical terms to the discharged NCP Contract between the requesting GCP and its NCP.
- 2. Where, pursuant to these Clearing Rules, an OCH Contract of a Defaulting, suspended or resigning SEOCH Participant is given-up, such give-up shall take place by way of novation by operation of Clearing Rule 210 and this Second Schedule to these Clearing Rules. The OCH Contract which is given-up shall be novated into a new OCH Contract on identical terms to that OCH Contract between the SEOCH Participant accepting the give-up and SEOCH.
- 3. If a give-up is not so accepted, the Contracts which had arisen as a consequence of the original Options Contract shall remain in full force and effect, as if the give-up had never been requested.