

Operational Clearing Procedures for Options Trading Exchange Participants

7. COLLATERAL

7.1 Bank Guarantees

SEOCH has the final discretion in deciding whether to accept a particular eligible bank guarantee from a particular SEOCH participant as collateral. SEOCH reserves the right to modify the list of approved banks at any time and determine the maximum amount of guarantees that may be accepted from any bank. Notwithstanding the foregoing, SEOCH will not accept a guarantee issued by any bank which holds or controls (whether directly or indirectly) 20 percent or more of the issued shares or voting power of a SEOCH Participant or which, in SEOCH's absolute opinion, is closely associated with or related to the SEOCH Participant.

7.2 Securities Collateral

SEOCH has the final discretion in deciding whether and how much of a particular issue of securities to accept as General Collateral from a particular SEOCH participant. SEOCH reserves the right to modify the list of approved securities at any time and determine the maximum amount of securities that may be accepted from an issuer. Notwithstanding the foregoing, SEOCH will not accept, as General Collateral, any securities issued by an issuer which holds or controls (whether directly or indirectly) 20 percent or more of the issued shares or voting power of a SEOCH Participant or which, in SEOCH's absolute opinion, is closely associated with or related to the SEOCH Participant.