

Operational Clearing Procedures for Options Trading Exchange Participants

7. COLLATERAL

7.4 Exchange Fund Bills/Notes

7.4.3 Interest Payment of EFBN

Where interest is paid to SEOCH in relation to EFBN which are the subject of cover for margin or Variable Contribution requirement provided by a SEOCH Participant, SEOCH will pay to the SEOCH Participant by crediting the relevant CCMS Collateral Account of the SEOCH Participant on the same Business Day, a sum equivalent to the amount of such interest that the SEOCH Participant would have been entitled to receive had the EFBN not been provided to SEOCH and had been retained by the SEOCH Participant on the interest payment date, less any withholding tax that may be required to be deducted pursuant to any applicable tax laws and regulations.

7.4.4 Maturity Redemption of EFBN

Where redemption money is paid to SEOCH upon maturity of any EFBN which is the subject of cover for margin or Variable Contribution requirement provided by a SEOCH Participant, unless otherwise notified to the contrary by SEOCH, SEOCH will pay to the SEOCH Participant, by crediting the relevant CCMS Collateral Account of the SEOCH Participant on the Business Day following maturity of the EFBN, a sum equivalent to the amount of such redemption money that the SEOCH Participant would have been entitled to receive had the EFBN not been provided to SEOCH and had been retained by the SEOCH Participant on the redemption money payment date, less any withholding tax that may be required to be deducted pursuant to any applicable tax laws and regulations. SEOCH will, on the same day, debit the matured EFBN from the CCMS Collateral Account of the SEOCH Participant.