

Operational Clearing Procedures for Options Trading Exchange Participants

9. MARGIN REQUIREMENT

9.5 Interest, Costs and Charges On Cash Delivered As Margin Collateral

Interest may be payable or levied at such positive or negative rate, and costs and charges may be levied at such amount, on cash provided for margin requirements and other cash amounts ~~as provided at a rate prescribed~~ determined by SEOCH from time to time ~~(see in accordance with Appendix I)~~. The total amount of interest earned or charged, and the costs and charges levied, up to and including the last day of the month will be posted to or deducted from the SEOCH Participants' respective CCMS Collateral Accounts on the first Business Day of the following month.

10. MONEY SETTLEMENT

10.4 Cash Delivery/Redelivery Procedures

10.4.1 Cash Redelivery Procedures by SEOCH Participants

10.4.1.2 Approved Currencies other than Applicable Settlement Currencies

If a SEOCH Participant wishes to request for the redelivery of any cash amount in an approved currency referred to in Appendix H₁, which is other than an applicable Settlement Currency referred to in 10.1, the following procedures apply:

- i. the SEOCH Participant should check if there is a surplus cash balance in the approved currency in its CCMS Collateral Account;
- ii. the SEOCH Participant may request the redelivery of any excess amount in the approved currencies provided to SEOCH by notifying SEOCH of its intention in writing or by other means acceptable to SEOCH by 11:00 a.m. on each Business Day, which should also be a Bank Business Day in the country or each of the countries where the SEOCH Participant's bank is located and where the approved currency other than applicable Settlement Currency is cleared; and
- iii. in the event that SEOCH, in its sole discretion, accepts the request to redeliver such excess amount, the request will be processed by SEOCH as soon as practicable. The redelivery of the requested excess amount will not be effected on the same day as the date of the request as set out in 10.4.1.2 (iii) (a) and (b) below, and interest at such positive or negative rate may be paid or charged, and costs and charges may be levied, by SEOCH on the excess amount being redelivered ~~at such positive or negative rate as~~ SEOCH it may determine from time to time in accordance with Appendix I prevailing bank savings rates until the redelivery is effected. The value date for the redelivery of excess amount is as follows:

APPENDIX I. INTEREST AND ACCOMMODATION CHARGE STRUCTURE

Interest and Accommodation Charge Structure

1. APPROVED CURRENCIES

INTEREST PAYABLE ~~OR CHARGED~~ TO ~~OR~~ AND COSTS AND CHARGES LEVIED ON SEOCH PARTICIPANTS

<p>Margin requirement covered by cash) Cash other than Reserve Fund) Contributions)</p>	<p>to be determined by SEOCH from time to time in accordance with prevailing bank savings rates <u>HKD</u> <u>Interest payable shall be calculated based on the prevailing 1 month Hong Kong Interbank Offered Rate (HIBOR), as adjusted by a factor of 0.5 and a 0.25% spread, provided that if the calculated amount is less than zero, the amount payable shall be set at zero.</u></p> <p><u>Any approved currency, other than HKD, which is not a Negative Interest Rate Currency</u> <u>Interest payable or charged shall be calculated from time to time based on prevailing bank savings rates.</u></p> <p><u>Any approved currency, other than HKD, which is a Negative Interest Rate Currency</u> <u>Interest and costs charged shall be calculated at a rate of 0.25% plus any costs incurred by SEOCH (including any negative yield, swap costs and charges imposed by banks), as may be reduced by any positive return thereon received by SEOCH.</u></p>
<p>Variable Contributions to the Reserve Fund made in cash)</p>	<p>to be determined by SEOCH from time to time in accordance with the <u>based on</u> prevailing deposit rates</p>

2. ACCOMMODATION CHARGES PAYABLE BY SEOCH PARTICIPANTS

<p>Margin Requirement covered by Securities Collateral/ Exchange Fund Bills/Notes/ Other non-cash collateral</p>	<p>— to be determined by SEOCH from time to time in its absolute discretion</p>
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