

**Options Clearing Rules**

**CHAPTER 5**

**EXERCISE, DELIVERY AND SETTLEMENT**

**Exercise**

503A. The Options Clearing System will not automatically generate exercise requests in respect of in-the-money contracts on behalf of SEOCH Participants except on an expiry day. On an expiry day, the Options Clearing System will automatically generate exercise requests in respect of each and every open long position in expiring contracts which meets the exercise criterion prescribed (i) by the relevant SEOCH Participant, or (ii) if no such exercise criterion is prescribed by the SEOCH Participant, by SEOCH. An Options Trading Exchange Participant may elect, or if it is an NCP, may instruct any of its designated GCP, to deny such automatically generated exercise requests for any expiring contracts via DCASS in accordance with the Operational Clearing Procedures at any time prior to the System Input Cutoff Time on the expiry day. Those automatically generated exercise requests not so denied are deemed as exercise requests entered by that SEOCH Participant and shall become irrevocable and binding in accordance with these Clearing Rules.