

Options Clearing Rules

CHAPTER 1

DEFINITIONS AND INTERPRETATION

Definitions

101. In these Clearing Rules, unless the context otherwise requires:-

"SEOCH Collateral" means money, bankers' drafts, bank cashiers' orders, securities and other property as may, from time to time, be so designated by the SEOCH Board, in each case in such form as may be required by the SEOCH Board;

CHAPTER 2

CLEARING BY SEOCH

Terms of OCH Contracts

205. The obligations of SEOCH to a SEOCH Participant under each OCH Contract shall be limited exclusively to:-

- (2) any property including, but not limited to, SEOCH Collateral in respect of margin, Premium, securities and amounts standing to the credit of a Defaulting SEOCH Participant available for the purpose of discharging that SEOCH Participant's obligations to SEOCH;

CHAPTER 7

DEFAULT PROCEDURES

Default

703. Steps which may be taken by SEOCH in relation to a Defaulting, suspended or resigning SEOCH Participant, without the need for any prior notice to or consent of that SEOCH Participant, include:-

- (10) subject to Clearing Rule 707, to apply any funds standing to the credit of that SEOCH Participant (including, but not limited to, any Premium, SEOCH Collateral in respect of margin or any Reserve Fund Contributions, the proceeds realised from the closing of long open positions, the proceeds realised from the liquidation of non-cash SEOCH Collateral, the proceeds of the sale of any securities in relation to delivery obligations or funds received under a financial instrument) for the purpose of discharging that SEOCH Participant's obligations in respect of any OCH Contracts to which it is party;