

**EXHIBIT 5A**



## **OCC Rules**

Underlined text indicates new text

~~Strikethrough~~ text indicates deleted text

*Chapter III – Financial Requirements*

**RULE 301 – Initial Requirements**

(a) - (c) [no changes]

(d) Every Clearing Member shall have access to sufficient financial resources to meet obligations arising from clearing membership in extreme but plausible market conditions, as determined by the Corporation for purposes of this Rule. Every Clearing Member shall also maintain adequate procedures, including but not limited to contingency funding, to ensure that it is able to meet its obligations arising in connection with clearing membership when such obligations arise.

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*Chapter VI - Margins*

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**RULE 601 - Margin Requirements**

(a) - (f) [no changes]

(g) Required Cash Deposits. In cases when the Corporation forecasts that a Clearing Member's potential settlement obligations, including potential settlement obligations under stressed market conditions, could be in excess of the Corporation's liquidity resources available to satisfy such obligations, the Corporation may require such Clearing Member to satisfy all or part of its margin requirement calculated in accordance with this Rule 601 with cash (as set forth in Rule 604(a)). The Corporation generally requires funding of Required Cash Deposits five business days before the date of the projected settlement obligation but may require funding up to 20 business days before the projected date as facts and circumstances warrant.

**...Interpretations and Policies:**

**.01 - .07** [no changes]

**.08** For purposes of determining whether a Clearing Member's forecasted settlement obligations to the Corporation could exceed the liquidity resources available to the Corporation to satisfy such obligations, the Corporation shall consider, as forecasted settlement obligations, the settlement obligations of the Clearing Member and any Member Affiliates of the Clearing Member, as well as consider as liquidity resources the margin assets remaining on deposit with respect to such accounts that are in the form of U.S. dollars.

\* \* \*

## **RULE 604 - Form of Margin Assets**

(a) – (f) [no changes]

(g) The Corporation may, in its discretion, require Clearing Members to deposit a specified amount of cash to satisfy its margin requirements as a protective measure if such Clearing Member is determined to present increased credit risk and is subject to enhanced monitoring and surveillance under the Corporation’s watch level reporting process. Clearing Members may be required to satisfy such required cash deposits through their daily margin requirements under Rule 601 or through intra-day margin calls under Rule 609.

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## **RULE 608 - Withdrawals of Margin**

In the event that the amount of a Clearing Member’s margin on deposit exceeds the amount required on a particular day, as reported by the Corporation for such day, the Corporation shall authorize the withdrawal of the amount of the excess upon the submission to the Corporation by the Clearing Member between such times as the Corporation may specify of a withdrawal request in such form as the Corporation shall prescribe. Notwithstanding the foregoing, (a) a Clearing Member may not withdraw margin in any form or currency in an amount in excess of the amount of margin of that form or currency deposited in the account from which the withdrawal is made, (b) a Clearing Member may not withdraw margin in any form or currency if such withdrawal ~~would result in the Clearing Member’s reasonably anticipated forecasted settlement obligations to the Corporation, including potential settlement obligations under stressed market conditions,~~ exceeding the liquidity resources available to satisfy such ~~settlement obligations,~~ as determined by the Corporation in its discretion, and (c) the Corporation may, if it deems it advisable for any of the reasons described in Rule 609, reject any withdrawal request. In the event of any such rejection, credit shall continue to be given for any margin deposit in respect of which withdrawal was rejected until such time as the withdrawal of such margin deposit is authorized.

### ***Interpretations and Policies:***

**.01** [no changes]

**.02** For purposes of determining whether a Clearing Member’s ~~reasonably anticipated forecasted settlement obligations to the Corporation w~~ould exceed the liquidity resources available to the Corporation to satisfy such obligations, the Corporation shall consider, as forecasted settlement obligations, the settlement obligations of the Clearing Member and any Member Affiliates of the Clearing Member, as well as consider as liquidity resources the margin assets remaining on deposit with respect to such accounts that are in the form of U.S. dollars ~~and may, in its discretion, consider the amount remaining on deposit with respect to such Clearing Member’s account that are in the form of U.S. Government securities and/or the Corporation’s other~~

available liquidity resources. In situations in which the ~~anticipated~~ forecasted settlement obligations exceed the liquidity resources available to satisfy such obligations, the Corporation shall reject a withdrawal of margin assets in the form of U.S. dollars ~~and, if it has considered such assets in calculating the Corporation's liquidity resources, in the form of U.S. Government securities.~~

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### **RULE 609 - Intra-Day Margin**

(a) Margin Calls. The Corporation may require the deposit of such additional margin (“intra-day margin”) by any Clearing Member in any account at any time during any business day, as such officer deems advisable to reflect changes in (i) the market price during such day of any series of options held in a short position in such account or of any underlying interest underlying any cleared contract (including an exercised option) in such account or of any Loaned Stock that is the subject of a stock loan or borrow position in such account, (ii) the size of such Clearing Member's positions in cleared contracts or stock loan or borrow positions, (iii) the value of securities deposited by the Clearing Member as margin, (iv) the financial position of the Clearing Member, or otherwise to protect the Corporation, other Clearing Members or the general public, or (v) stress test exposures such that a Sufficiency Stress Test (as defined in Rule 1001(a)) identifies an exposure that exceeds 75% of the current Clearing Fund requirement less deficits. ~~Additionally, the Corporation shall require the deposit of intra-day margin by a Clearing Member in the event that the Corporation, in its discretion, determines that the Clearing Member's reasonably anticipated settlement obligations to the Corporation would exceed the liquidity resources available to satisfy such settlement obligations.~~ A Clearing Member shall satisfy a required deposit of intra-day margin in immediately available funds within the time prescribed by such officer or, in the absence thereof, within one hour of the Corporation's issuance of an instruction debiting the applicable bank account of the Clearing Member.

(b) Required Cash Deposits. The Corporation may require the deposit of intra-day margin by a Clearing Member in the form of required cash in the event that the Corporation, in its discretion, determines that the Clearing Member's forecasted settlement obligations, including potential settlement obligations under stressed market conditions, could exceed the liquidity resources available to satisfy such obligations. Any deposit of intra-day margin pursuant to preceding sentence shall be satisfied within one hour of the Corporation's issuance of an instruction debiting the applicable bank account of the Clearing Member unless the Clearing Member is notified by an officer of the Corporation of an alternative time to satisfy such obligation. The Corporation generally requires funding of Required Cash Deposits five business days before the date of the projected settlement obligation but may require funding up to 20 business days before the projected date as facts and circumstances warrant.

### **. . . Interpretations and Policies**

.01 For purposes of determining whether a Clearing Member's ~~reasonably anticipated~~ forecasted settlement obligations to the Corporation ~~w~~ould exceed the liquidity resources available to the

Corporation to satisfy such ~~settlement~~ obligations, the Corporation shall consider, as forecasted settlement obligations, including but not limited to, the settlement obligations of the Clearing Member and any Member Affiliates of the Clearing Member, as well as consider as liquidity resources the margin assets remaining on deposit with respect to such account Clearing Member or Clearing Member Group that are in the form of U.S. dollars ~~and may, in its discretion, consider the amount remaining on deposit with respect to such Clearing Member's account that are in the form of U.S. Government securities and/or the Corporation's other available liquidity resources.~~

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### *Chapter X - Clearing Fund Contributions*

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### **RULE 1001 - Size of Clearing Fund**

(a) [no changes]

(b) *Minimum Clearing Fund Size.* Notwithstanding paragraph (a) of this Rule 1001, in no event shall the size of the Clearing Fund be less than 110% of the size of the committed liquidity facilities of the Corporation plus the ~~Cash~~ Clearing Fund Cash Requirement (as defined in Rule 1002(a)).

(c) [no changes]

(d) *Temporary Increase to Clearing Fund Size.* ~~The Risk Committee, or the Executive Chairman, Chief Executive Officer, or Chief Operating Officer, upon notice to the Risk Committee,~~ Corporation shall have the authority to increase the size of the Clearing Fund at any time for the protection of the Corporation, Clearing Members or the general public. Any such determination ~~by the Executive Chairman, Chief Executive Officer, or Chief Operating Officer~~ to implement a temporary increase in Clearing Fund size would (i) be based upon then-existing facts and circumstances, (ii) be in furtherance of the integrity of OCC and the stability of the financial system, and (iii) take into consideration the legitimate interests of Clearing Members and market participants. Any temporary increase in the Clearing Fund shall be reviewed by the Risk Committee as soon as practical and, if such temporary increase is still in effect, the Risk Committee shall determine whether (A) the increase in the ~~cash~~ Clearing Fund Cash Requirement is no longer required, or (B) OCC's rules should be modified to ensure that OCC continues to maintain sufficient prefunded financial resources

### **RULE 1002 - Clearing Fund Contributions**

(a) *Form and Method of Contributions.* Contributions to the Clearing Fund shall be in cash or in Government securities.

(i) ~~Cash Clearing Fund Cash Requirement.~~ ~~Clearing Members shall collectively contribute \$3 billion in cash to the Clearing Fund (“Cash Clearing Fund Requirement”).~~ ~~The Corporation shall periodically set a minimum cash requirement for the Clearing Fund (“Clearing Fund Cash Requirement”) based on analysis of the Corporation’s projected liquidity demands under a variety of stress scenarios; provided that the Clearing Fund Cash Requirement shall not be less than \$3 billion.~~ Each Clearing Member’s proportionate share of the ~~Cash Clearing Fund Cash Requirement~~ shall be equal in percentage to its proportionate share of the Clearing Fund as determined by Rule 1003(a)(y).

~~(A) Temporary Increases in Clearing Fund Cash Requirement.~~ ~~The Executive Chairman, Chief Executive Officer, or Chief Operating Officer, upon providing notice to the Risk Committee,~~ ~~Corporation~~ shall have the authority to temporarily increase the amount of cash required to be maintained in the Clearing Fund, up to an amount that includes the size of the Clearing Fund as determined in accordance with Rule 1001, ~~to respond to changing business or market conditions~~ for the protection of OCC, Clearing Members or the general public ~~in accordance with the Corporation’s policies and procedures.~~ Any determination by the ~~Executive Chairman, Chief Executive Officer, or Chief Operating Officer~~ to implement a temporary increase in the ~~Cash Clearing Fund Requirement~~ would (i) be based upon then-existing facts and circumstances, (ii) be in furtherance of the integrity of OCC and the stability of the financial system, and (iii) take into consideration ~~the legitimate interests of Clearing Members and market participants.~~ Any temporary increase in the ~~Cash Clearing Fund Cash Requirement~~ shall be reviewed by the Risk Committee as soon as practical (but in any event, such review must occur within 20 calendar days of such increase) ~~and, if such temporary increase is still in effect, the Risk Committee shall determine whether (A) the increase in the Cash Clearing Fund Requirement is no longer required, or (B) OCC’s rules should be modified to ensure that OCC continues to maintain sufficient liquidity resources.~~

(ii) *Government Securities.* For purposes of valuing Government securities for calculating contributions to the Clearing Fund, Government securities shall be valued at (1) 99.5% of the current market value for maturities less than one year; (2) 98% of the current market value for maturities between one and five years; (3) 96.5% of the current market value for maturities between five and ten years; and (4) 95% of the current market value for maturities in excess of ten years. For the purposes of this Rule, the current market value of Government securities shall be determined by the Corporation at such intervals as the Risk Committee shall from time to time prescribe, but not less often than monthly, on the basis of the quoted bid price therefor supplied by a source designated by the Corporation. Contributions of Government securities shall be deposited by the Clearing Member in an account of the Corporation in an approved custodian in the name of the Corporation or by such other method as the Corporation may from time to time approve.

(iii) *Assets Denominated in a Foreign Currency.* Notwithstanding any other provision of this Rule 1002 in determining the U.S. dollar amount of clearing fund credit to be given to any foreign currency or asset denominated in a foreign currency, the Corporation may use such exchange rates and apply such “haircuts” as it deems appropriate for its protection.

(iv) Clearing Fund Collateral Substitutions. The Corporation generally requires a two-day notification period for any Clearing Member requesting to substitute Government Securities for cash deposits in excess of such Clearing Member's proportionate share of the Clearing Fund Cash Requirement; provided that, the Corporation may, in its discretion, waive the two-day notification period if the substitution would not result in any Clearing Member's settlement obligations to the Corporation, including potential settlement obligations under stressed market conditions, exceeding the liquidity resources available to satisfy such settlement obligations. For purposes of determining permitted substitution amounts and eligible cash withdrawals during any two-day notification period, deposits of Government Securities or any other non-cash collateral transactions that result in excess Clearing Fund contributions of the Clearing Member will not be deemed to be excess until the completion of the two-day notification period.

(b) – (f) [no changes]

**... Interpretations and Policies:**

.01 – .02 [no changes]

**03.** For purposes of Rule 1002(a)(i), a Clearing Member shall satisfy any increase in its required cash contribution pursuant to an increase in ~~Cash~~ Clearing Fund Cash Requirement no later than ~~one hour before the close of the Fedwire on the business day following the Corporation's issuance of an instruction to increase cash contributions~~ the second business day following the day on which notice is provided by the Corporation unless the Clearing Member is notified by an officer of the Corporation of an alternative time to satisfy such obligation.

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**RULE 1006 - Purpose and Use of Clearing Fund**

(a) Conditions for Clearing Fund Use. The Clearing Fund may be used for borrowings pursuant to the authority in Rule 1006(f). The Clearing Fund may also be used to make good losses or expenses suffered by the Corporation, or losses suffered by the Clearing Fund resulting from borrowings pursuant to the authority in Rule 1006(f); (i) as a result of the failure of any Clearing Member to discharge duly any obligation on or arising from any confirmed trade accepted by the Corporation, (ii) as a result of the failure of any Clearing Member (including any Appointed Clearing Member) or of CDS to perform its obligations (including its obligations to the correspondent clearing corporation) under or arising from any exercised or assigned option contract or matured future or any other contract or obligation issued, undertaken, or guaranteed by the Corporation or in respect of which the Corporation is otherwise liable, (iii) as a result of the failure of any Clearing Member to perform any of its obligations to the Corporation in respect of the stock loan and borrow positions of such Clearing Member, (iv) in connection with any liquidation of a Clearing Member's open positions, (v) in connection with protective transactions effected for the account of the Corporation pursuant to Chapter XI of the Rules, (vi)

as a result of the failure of any Clearing Member to make any other required payment or render any other required performance, or (vii) as a result of the failure of any bank or securities or commodities clearing organization to perform its obligations to the Corporation for reasons specified in paragraph (c) of this Rule 1006, ~~or (viii) as a result of a borrowing by the Corporation for liquidity needs for same day settlement pursuant to the authority in Rule 1006(f).~~ Notwithstanding the foregoing, in the event that the Corporation performs a Voluntary Tear-Up or a Partial Tear-Up pursuant to Rule 1111, the Clearing Fund may be used to provide compensation to non-defaulting Clearing Members and their customers as a means of re-allocating the losses, costs and fees imposed upon them as a result of such Voluntary Tear-Up or Partial Tear-Up, but only to the extent that such losses, costs and fees can be reasonably determined by the Corporation.

(b) [no changes]

(c) *Bank or Clearing Organization Failures.* (i) If any bank or securities or commodities clearing organization shall fail to perform any obligation to the Corporation when due because of its bankruptcy, insolvency, receivership, suspension of operations, or any similar event, and the Corporation shall sustain a loss (whether directly or as a trustee, custodian, or secured party) by reason thereof that is not recoverable out of the Clearing Fund pursuant to paragraph (b), the Corporation may, in its discretion, reimburse itself for such loss out of the Clearing Fund pursuant to this paragraph (c), and the amount of any such reimbursement shall be charged proportionately against all Clearing Members' required contributions to the Clearing Fund as calculated at the time.

(ii) With respect to any borrowing by the Corporation for liquidity needs for same day settlement pursuant to the authority in paragraph (e) of this Rule, ~~if such borrowing remains outstanding for a period of less than thirty days, the Corporation may, in its discretion, consider such amount an actual loss to the Clearing Fund and the amount of any such loss shall be charged proportionately against all Clearing Members' required contributions to the Clearing Fund as calculated at the time, provided however, that if such borrowing remains outstanding on the thirtieth day, the Corporation shall consider such amount an actual loss to the Clearing Fund and~~ whenever such amount is considered an actual loss pursuant to paragraph (f) the amount of any such loss shall be charged proportionately against all Clearing Members' required contributions to the Clearing Fund as calculated at the time.

(iii) For purposes of this Rule 1006(c), the share of any deficiency to be borne by each Clearing Member (other than the suspended Clearing Member(s)) shall be a fraction, the numerator of which shall be the sum of the fixed amount and variable amount calculated pursuant to Rule 1003 for such Clearing Member (or its initial contribution if applicable) and the denominator of which shall be the sum of the fixed amounts, variable amounts and any initial contributions across all Clearing Members (other than the suspended Clearing Member(s)). To the extent that a loss resulting from any of the events referred to in this paragraph is recoverable out of the Clearing Fund pursuant to paragraph (b), the provisions of paragraph (b) shall control, and this paragraph (c) shall be inapplicable



(d) – (e) [no changes]

(f) *Borrowings.* ~~If~~The Corporation may take possession of cash or securities deposited by Clearing Members as contributions to the Clearing Fund and securities in which cash contributions to the Clearing Fund have been invested by the Corporation and use such assets to meet obligations, losses and/or liquidity needs arising from the circumstances described in (i) through (iii) below or to borrow or otherwise obtain funds through any means determined to be reasonable by the Executive Chairman, Chief Executive Officer or the Chief Operating Officer of the Corporation in his discretion (including, without limitation, pledging such assets as security for loans and/or using such assets to effect repurchase, securities lending or other transactions) if: (i) the Corporation deems it necessary or advisable to borrow or otherwise obtain funds ~~from third parties~~ in order to meet obligations arising out of the default or suspension, or in anticipation of the potential default or suspension, of a Clearing Member or any action taken by the Corporation in connection therewith pursuant to Chapter XI of the Rules or otherwise; ~~or~~ (ii) the Corporation sustains a loss reimbursable out of the Clearing Fund pursuant to paragraph (c) but elects to borrow or otherwise obtain funds ~~from third parties~~ in lieu of immediately charging such loss to the Clearing Fund; or (iii) the Corporation reasonably believes it necessary to borrow to meet its liquidity needs for same-day settlement as a result of the failure of any bank or securities or commodities clearing organization to achieve daily settlement, ~~and in any case the Corporation determines that it will be unable to borrow or otherwise obtain such funds on acceptable terms on an unsecured basis; then the Corporation may take possession of cash or securities deposited by Clearing Members as contributions to the Clearing Fund and securities in which cash contributions to the Clearing Fund have been invested by the Corporation and use such assets to borrow or otherwise obtain funds through any means determined to be reasonable by the Executive Chairman, Chief Executive Officer, or the Chief Operating Officer of the Corporation in his discretion (including, without limitation, pledging such assets as security for loans and/or using such assets to effect repurchase, securities lending or other transactions); provided, in~~ To the extent the Corporation has borrowed or otherwise obtained funds using securities deposited by Clearing Members as contributions to the Clearing Fund or securities in which cash contributions to the Clearing Fund have been invested, the Corporation may refuse any Clearing Member substitution request regarding such securities. In the case of any such borrowing or transaction effected under the circumstances specified in clause (i) or clause (iii) above, that the funds obtained through such transaction will be used solely for the purposes described in clause (i) or clause (iii), as applicable. The funds obtained by the Corporation pursuant to this paragraph (f), irrespective of how such funds are applied, shall not be deemed to be charges against the Clearing Fund for a period not to exceed thirty days, and, during said period, shall not affect the amount or timing of any charges otherwise required to be made against the Clearing Fund pursuant to this Chapter X. If all or a part of any borrowing of cash from the Clearing Fund or any transaction effected by the Corporation pursuant to this paragraph (f) is thereafter determined by the Corporation, in its discretion, on any Business Day, to represent an actual loss to the Clearing Fund, a loss to the Corporation reimbursable out of the Clearing Fund, or all or a part of any such transaction remains outstanding after thirty days (or on the first Business Day thereafter if the thirtieth calendar day is not a Business Day), the Corporation, at the close of business of the thirtieth day (or on the first Business Day thereafter), on such Business Day shall consider the amount of Clearing Fund assets used to

support the Corporation's obligations under the outstanding borrowing or transaction as an actual loss to the Clearing Fund and immediately allocate such loss in accordance with this Chapter X.

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