

EXHIBIT 5C



By-Laws

Blue Underlined text indicates additions from SR-OCC-2024-011
(Stock Loan Enhancements)

~~Red Strikethrough~~ text indicates deletions from SR-OCC-2024-011
(Stock Loan Enhancements)

~~Red Double Strikethrough~~ text indicates deletions from SR-OCC-2024-013
(Renaissance Processing Enhancements)

~~Green Strikethrough~~ text indicates deletions proposed for this filing SR-OCC-2025-XXX

THE OPTIONS CLEARING CORPORATION

BY-LAWS

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ARTICLE I – DEFINITIONS

A.

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~~Associated Market Maker~~

~~(14) The term “associated Market Maker” means a person maintaining an account with a Clearing Member as a Market Maker, specialist, stock market maker, stock specialist or Registered Trader that is a Related Person of the Clearing Member and shall include any participant, as such, in an account of which 10% or more is owned by an associated Market Maker, or an aggregate of 10% or more of which is owned by one or more associated Market Makers.~~

~~Adopted January 19, 1994.~~

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B.

~~Backloaded OTC Option~~

~~(1) The term “Backloaded OTC option” means an OTC option for which the premium payment date communicated to the Corporation by the OTC Trade Source is prior to the business day on which such OTC option is submitted to the Corporation for clearing.~~

~~(2)~~ ~~(8)~~ [Renumbered as 1. ~~7.~~; otherwise no change] [Reorganized in alphabetical order by this filing.]

* * *

~~Borrowing Clearing Member~~

~~(4) The term “Borrowing Clearing Member” means any Hedge Clearing Member or Market Loan Clearing Member that borrows Eligible Stock in a Stock Loan.~~

~~(5)~~ ~~(8)~~ [Renumbered as ~~(4)~~ ~~(7)~~. Otherwise, no change.] [Reorganized in alphabetical order by this filing.]

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C.

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Class

~~(11)~~ The term “class” means, when applied to options, all option contracts of the same type and style covering the same underlying interest; provided, however, that ~~OTC options and~~ listed options that would otherwise constitute a single class of options shall constitute separate classes. When applied to futures, the term “class” means all futures covering the same underlying interest.

* * *

Clearing Member

~~(15)~~ The term “Clearing Member” means a person or organization that has been admitted to membership in the Corporation pursuant to the provisions of the By-Laws and Rules. References in the By-Laws or Rules to the term “Clearing Member” preceded by a capitalized reference to an underlying interest or a cleared contract, e.g., a “Stock Clearing Member,” or a “Security Futures Clearing Member,” shall be deemed to be to a Clearing Member approved in accordance with Chapter II of the Rules to clear transactions in options on the specified underlying interest, or in the cleared contract, as applicable, provided that the term “Stock Clearing Member” shall be deemed to include a Clearing Member approved to clear transactions in BOUNDS as well as stock options, the term “Treasury Securities Clearing Member” ~~shall mean~~ means a Clearing Member approved to clear transactions in Treasury Securities options excluding yield-based Treasury options and the term “Index Clearing Member” ~~shall mean~~ means a Clearing Member approved to clear transactions in cash-settled options other than ~~OTC options and~~ flexibly structured options on fund shares that are cash settled. ~~The term “OTC Index Option Clearing Member” means a person that has been approved to clear OTC index options.~~

* * *

~~(27)~~ The term “confirmed trade” means a transaction for the purchase, writing, or sale of a cleared contract, or for the closing out of a long or short position in a cleared contract, that is ~~(i)~~ effected on or through the facilities of an Exchange and submitted to the Corporation for clearance ~~or (ii) affirmed through the facilities of an OTC Trade Source and submitted to the Corporation for clearance.~~

... Interpretations and Policies:

.01 The term ~~“Exchange transaction” was removed from the By-Laws and Rules and replaced with the term “confirmed trade” to reflect the expansion of the Corporation’s clearing activities into OTC options.~~ “Confirmed trade” is a successor term to the term “Exchange transaction.” Any reference to the term “Exchange transaction” or “exchange transaction” in any agreement to

which the Corporation is a party should be interpreted to refer instead to the term “confirmed trade.”

E.

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Eligible Stock

~~(3) The term “Eligible Stock” means any security that is eligible for lending in the Stock Loan/Hedge Program and the Market Loan Program. A security shall be eligible for lending in the Stock Loan/Hedge Program and the Market Loan Program if and only if (i) the security is an equity security that the Depository has determined is eligible for deposit at the Depository, (ii) the Corporation has not determined to terminate all outstanding Stock Loans and/or Market Loans in respect of such security pursuant to the By Laws, (iii) the security is a “covered security” within the meaning of Section 18(b)(1) of the Securities Act of 1933, (iv) in the case of securities which are neither underlying securities nor fund shares that have as their reference index an index that underlies any cleared contract, the security is trading at a market price of at least \$3 per share, as determined by the Corporation. The Corporation may waive requirement (iv) at its discretion upon a determination that other factors, including trading volume, the number of shareholders, the number of outstanding shares, and current bid/ask spreads warrant such result. However, should the market price for a security for which the Corporation has not waived requirement (iv) fall below \$3, no new Stock Loan or Market Loan transactions may be submitted for clearance, but existing positions may be maintained.~~

~~(4) — (23) [Renumbered as (3) — (22). Otherwise, no change.]~~ [Reorganized in alphabetical order by this filing.]

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H.

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Hedge Loan

~~(1) The term “Hedge Loan” means a matched pair of securities contracts for the loan of Eligible Stock made through the Stock Loan/Hedge Program, with one such securities contract being between the Lending Clearing Member and the Corporation as the borrower and the second such securities contract being between the Corporation as the lender and the Borrowing Clearing Member.~~

Holder

~~(2) [Renumbered as (1). Otherwise, no change.]~~ [Reorganized in alphabetical order by this filing.]

I.

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Index Multiplier

(3) The term “index multiplier” (i) as used in reference to an index option contract ~~other than an OTC index option contract~~, means the dollar amount (as specified by the Exchange on which such contract is traded) by which the current index value is to be multiplied to obtain the aggregate current index value, ~~(ii) as used in reference to an OTC index option contract, means the dollar amount (as agreed upon by the parties to such transaction) by which the current index value is to be multiplied to obtain the aggregate current index value~~, and (iii) as used in reference to index futures of any series, means the dollar amount (as specified by the Exchange on which such series is traded) by which the final settlement price in respect of such futures is to be multiplied to obtain the final variation payment. Such term replaces the term “unit of trading,” used in reference to other kinds of options.

* * *

Index Value Determinant

(4) The term “index value determinant,” used in respect of settlement of flexibly structured index option contracts and futures ~~and OTC options~~, means the method for determining the current index value on the expiration date or maturity date as that method is reported to the Corporation by the applicable Exchange ~~or OTC Trade Source~~.

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L.

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~~Lending Clearing Member~~

~~(2) The term "Lending Clearing Member" means any Hedge Clearing Member or Market Loan Clearing Member that lends Eligible Stock in a Stock Loan.~~

Lien

(3) [Renumbered as (2). Otherwise, no change.] [Reorganized in alphabetical order by this filing.]

Limited Cross-Guaranty Agreement

(4) [Renumbered as (3). Otherwise, no change.] [Reorganized in alphabetical order by this filing.]

~~Loan Market~~

~~(5) The term “Loan Market” means an electronic platform included in the Corporation’s Market Loan Program that supports securities lending and borrowing transactions by matching lenders and borrowers based on loan terms that each party is willing to accept.~~

Long Position

~~(6) [Renumbered as (4). Otherwise, no change.]~~ [Reorganized in alphabetical order by this filing.]

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M.

~~(1) — (2)~~ [No change]

~~Market Loan~~

~~(3) The term “Market Loan” means a loan of Eligible Stock that was effected through a Loan Market and accepted by the Corporation in accordance with the By Laws and Rules.~~

~~Market Loan Program~~

~~(4) The term “Market Loan Program” means the Corporation's program for processing and maintaining stock loan positions originated through a Loan Market and effecting required payments in respect of such positions, all as further described in the By Laws and Rules.~~

Margin Assets

~~(5) [Renumbered as (3). Otherwise, no change.]~~ [Reorganized in alphabetical order by this filing.]

Margin Requirement

~~(6) [Renumbered as (4). Otherwise, no change.]~~ [Reorganized in alphabetical order by this filing.]

~~Matched Book Borrowing Clearing Member~~

~~(7) The term “Matched Book Borrowing Clearing Member” shall mean, with respect to any Matched Book Positions, the Hedge Clearing Member that borrows Eligible Stock from a Hedge Clearing Member maintaining Matched Book Positions in that Eligible Stock.~~

~~Matched Book Lending Clearing Member~~

~~(8) The term “Matched Book Lending Clearing Member” shall mean, with respect to any Matched Book Positions, the Hedge Clearing Member that lends Eligible Stock to a Hedge Clearing Member maintaining Matched Book Positions in that Eligible Stock.~~

~~Matched Book Positions~~

~~(9) The term “Matched Book Positions” shall mean Hedge Loan positions in which a single Hedge Clearing Member borrows Eligible Stock from a Matched Book Lending Clearing Member and lends an equal or lesser amount of the same Eligible Stock to a Matched Book Borrowing Clearing Member.~~

~~(10) — (15) [Renumbered as (5) — (10). Otherwise, no change.]~~ [Reorganized in alphabetical order by this filing.]

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O.

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~~Origination Date~~

~~(5) The term “origination date” means the date when the bilateral option was entered into by the parties to such bilateral option, as communicated to the Corporation by the OTC Trade Source.~~

* * *

~~OTC Index Option~~

~~(6) The term “OTC index option” means an “OTC option,” as defined in this Article I, that is an index option.~~

* * *

~~OTC Option~~

~~(7) The term “OTC option” means an “option contract,” as defined in this Article I, with variable terms that are negotiated bilaterally between the parties to such transaction (subject to any specific requirements applicable to such products as set forth in the By-Laws and Rules), and that is affirmed through the facilities of an OTC Trade Source and submitted to the Corporation for clearing as a confirmed trade.~~

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~~OTC Trade Source~~

~~(8) The term “OTC Trade Source” means any electronic messaging system approved by the Corporation through which transactions in OTC options may be affirmed by the parties to such transactions and submitted to the Corporation for clearance.~~

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~~OTC Trade Source Rules~~

~~(9) The term “OTC Trade Source Rule,” when used in respect of any OTC Trade Source, means the rules, agreements, policies and procedures of the OTC Trade Source applicable to users or participants of the OTC Trade Source.~~

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S.

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Stock Borrow Position

(19) The term "stock borrow position" ~~means the position of a Borrowing Clearing Member in respect of a Stock Loan.~~ has the same meaning as defined in Rule 101.

Stock Future

(20) [No change.]

Stock Loan

~~(21) The term "Stock Loan" means either a "Hedge Loan" or a "Market Loan" or both as the context requires.~~

Stock Loan/Hedge Program

~~(22) The term "Stock Loan/Hedge Program" means the Corporation's program for processing and monitoring Stock Loans and hedging stock loan positions and stock borrow positions against stock option positions, all as further described in the By-Laws and Rules.~~

Stock Loan Position

~~(23)~~(21) The term "stock loan position" ~~means the position of a Lending Clearing Member in respect of a Stock Loan.~~ has the same meaning as defined in Rule 101.

~~(24) — (25) [Renumbered as (22) — (23). Otherwise, no change.]~~ [Reorganized in alphabetical order by this filing.]

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T.

Trade Date

(4) The term "trade date" in respect of any confirmed trade effected on or through the facilities of an Exchange means the day on which such transaction occurred except that the trade date in respect of confirmed trades in cleared contracts that are effected in trading sessions beginning on one calendar day and ending on the next calendar day shall be deemed to be the calendar day on which such trading ends. ~~The term "trade date" in respect of any confirmed trade in OTC options means the day on which such transaction is accepted by the Corporation for clearance.~~

* * *

V.

Variable Terms

(4) The term "variable terms" in respect of a series of option contracts ~~other than OTC options~~ means the name of the underlying interest, the exercise price (or, in respect of a series of delayed start options that does not yet have a set exercise price, the exercise price setting formula and exercise price setting date), the index value determinant and the index multiplier (in the case of a

flexibly structured index option), the cap interval (in the case of a capped option) and the expiration date of such option contract. In addition to these variable terms, flexibly structured options on fund shares may settle physically or settle in cash. The term “variable terms” ~~in respect of a series of OTC options means the terms of such options that are permitted to be negotiated bilaterally between the parties within the range of values specified by the Corporation therefor as set forth in the By-Laws and Rules.~~ “Variable terms,” when used in respect of a series of futures means the name of the underlying interest, the maturity date, the method of determining the final settlement price, and the series marker, if any, and in the case of a flexibly structured index future, the index value determinant and the index multiplier.

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ARTICLE XVII – INDEX OPTIONS AND CERTAIN OTHER CASH-SETTLED OPTIONS

Introduction

By-Laws in this Article are applicable only to cash-settled options that are not specifically addressed elsewhere in these By-Laws, including flexibly structured options that cash settle, Exchange-listed index options, ~~OTC index options~~ and cash-settled commodity options other than binary options or range options (which are governed by the provisions of Article XIV). Section 1 of Article XII is also applicable to cash-settled commodity options. By-Laws in Articles I-XI are also applicable to cash-settled options, in some cases supplemented by one or more By-Laws in this Article, except for By-Laws that have been replaced in respect of such options by one or more By-Laws in this Article and except where the context otherwise requires. Whenever a By-Law in this Article supplements or, for purposes of this Article, replaces one or more By-Laws in Articles I-XI, that fact is indicated in brackets following the By-Law in this Article.

* * *

Definitions

SECTION 1.

A. – B. [No change]

C.

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Class of Options

~~(4)~~ The term “class of options” used in respect of cash-settled options means all such options of the same type and style (and, in addition, in the case of flexibly structured index options ~~and OTC index options,~~ having the same index value determinant) and having the same underlying interest, provided that ~~OTC index options shall constitute a separate class of options from other cash settled options of the same type and style and having the same underlying interest and~~

flexibly structured options that cash settle shall constitute a different class of options from physically settled options on the same underlying interest.

* * *

Current Underlying Interest Value; Current Index Value

(5) The term “current underlying interest value” when used in respect of cash-settled options means the current value or level of the underlying interest at a point in time as reported by the reporting authority. The current underlying interest value in respect of an index option is sometimes also referred to as the “current index value.” Subject to the provisions of Section 5 of this Article, the term “current index value,” in respect of any underlying index on a given day, means the level of such index at the close of trading on such day, or if such day is not a trading day, on the immediately preceding trading day, or, in the case of an index option ~~other than an OTC index option,~~ any multiple or fraction thereof specified by the Exchange, as such value is reported by the reporting authority. Notwithstanding the foregoing, but subject to the provisions of Section 4 of this Article, the current index value for an index underlying a flexibly structured index option ~~or an OTC index option~~ on the expiration date shall be determined in accordance with the index value determinant.

* * *

E.

(1)—(2) [No change]

Expiration Date

(3) The term “expiration date” in respect of cash-settled options expiring prior to February 1, 2015, other than flexibly structured options ~~or OTC index options,~~ means the Saturday following the third Friday of the expiration month, and in respect of cash-settled options expiring on or after February 1, 2015, other than flexibly structured options ~~or OTC index options,~~ means the third Friday of the expiration month, or if such Friday is a day on which the Exchange on which such option is listed is not open for business, the preceding day on which such Exchange is open for business, except that in respect of a class or series of option contracts that is identified by an Exchange as having an expiration date that is a business day other than the third Friday of the expiration month, the term “expiration date” ~~shall mean~~ means such date as identified by the Exchange at or prior to the time of inception of trading of the class or series provided that such date is not a date specified by the Corporation as ineligible to be an expiration date. ~~The expiration date of an OTC index option shall be determined as set forth in Section 6 of this Article.~~

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~~Expiration Time~~

~~(4) The term “expiration time” in respect of an OTC index option contract means 7:00 P.M. Central Time (8:00 P.M. Eastern Time).~~

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R.

~~(1)~~—~~(2)~~ [No change]

Reporting Authority

~~(3)~~ The term “reporting authority” in respect of cash-settled options other than ~~OTC index options and~~ flexibly structured options on fund shares that are cash settled means the institution or reporting service designated by an Exchange as the official source for the current value of a particular underlying interest or reference variable. Unless another reporting authority is identified by the listing Exchange for a class of cash-settled options, the listing Exchange will be the reporting authority. ~~In respect of OTC index options, the reporting authority shall be the institution or reporting service designated by the Corporation as the official source for the current value of a particular underlying interest or reference variable.~~ In respect of flexibly structured options on fund shares that are cash settled, the reporting authority shall be the institution or reporting service used by the Corporation for the value of the underlying interest for physically settled equity options.

* * *

S.

Series of Options

~~(4)~~ The term “series of options” used in respect of cash-settled options ~~other than OTC index options~~ means all such options of the same class with the same exercise price (or, in the case of delayed start options that do not yet have a set exercise price, the same exercise price setting formula and exercise price setting date), cap price (if any), unit of trading (if any), expiration date, and multiplier; provided that if an Exchange shall adopt a rule superseding Section 1 C.(5) of this Article, index options ~~(other than OTC index options)~~ to which such Exchange rule applies shall be deemed to be of a different series than otherwise identical index options to which such rule does not apply. ~~In respect of OTC index options, the term “series of options” means all such options of the same class and having identical variable terms.~~

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OTC Index Options

SECTION 6:

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~~(f) Clearing Members’ Representations and Warranties. Upon the submission of a confirmed trade in OTC index options to the Corporation for clearing, each Clearing Member for whose account the transaction is submitted shall be deemed to represent and warrant to the Corporation that: (i) the offer and sale of the OTC index options that are the subject of such transaction are exempt from the registration requirements of the Securities Act of 1933; (ii) such transaction has been effected by the Clearing Member in accordance with, the Clearing Member’s participation in such transaction is in compliance with, and the Clearing Member will continue with respect to~~

~~such transaction to comply with, all applicable laws and regulations including, without limitation, all applicable rules and regulations of the Securities and Exchange Commission SEC, and the rules of the Financial Industry Regulatory Authority, Inc. and any other regulatory or self-regulatory organization to which the Clearing Member is subject; (iii) in respect of OTC index options on any S&P Index, the Clearing Member has read and understands the disclaimer language set forth below in item 03 of the Interpretations and Policies following this Section 6; (iv) in the case where the transaction is effected for the account of a customer, the customer is an “Eligible Contract Participant” as defined in Section 3a(65) of the Securities Exchange Act of 1934, as amended; (v) unless the Corporation notifies Clearing Members that the OTC Options will no longer be offered and sold pursuant to Rule 506 of Regulation D under the Securities Act of 1933, as amended, the Clearing Member has not offered or sold the OTC Options to any person that is not an “accredited investor,” as defined in Rule 501(a) under Regulation D and has otherwise complied with applicable conditions to the exemption set forth in Rule 506; and (vi) unless the Corporation notifies Clearing Members that such restriction no longer applies, the Clearing Member has not offered or sold the OTC Options by any form of general solicitation or general advertising that, at the time of such activities, is or may be deemed to constitute general solicitation or general advertising, as described in Rule 502(c) of Regulation D. The Clearing Member shall indemnify and hold the Corporation harmless from any claim, liability or expense, including reasonable attorneys’ fees, which may arise or be asserted as a result of any such representation and warranty being false or of any action brought against OCC alleging that any such representation and warranty is false, other than any claim, liability or expense that (a) results primarily from the gross negligence or willful misconduct of the Corporation or (b) results from conduct of the Corporation that causes the offer or sale of the OTC Options to become subject to the registration provisions of Section 5 of the Securities Act of 1933, as amended.~~

Article XXI

Stock Loan/Hedge Program [Reserved]

Introduction

~~By-Laws in this Article are applicable only to the Stock Loan/Hedge Program. In addition, the By-Laws in Articles I-XI are also applicable to the Stock Loan/Hedge Program, in some cases supplemented by one or more By-Laws in this Article, except for By-Laws that have been replaced in respect of the Stock Loan/Hedge Program by one or more By-Laws in this Article and except where the context otherwise requires. Whenever a By-Law in this Article supplements or, for purposes of this Article, replaces one or more By-Laws in Articles I-XI, that fact is indicated in brackets following the By-Law in this Article.~~

Definitions — SECTION 1.

~~A.—B.~~

~~Reserved.~~

~~C.~~

~~Collateral~~

~~(1) The term "Collateral" means the amount in U.S. dollars deposited by a Borrowing Clearing Member with a Lending Clearing Member upon initiation of a Stock Loan as security for the obligations of the Borrowing Clearing Member in respect of the Stock Loan, as such amount may be adjusted from time to time through mark-to-market payments made by the Borrowing Clearing Member and the Lending Clearing Member pursuant to Rule 2204.~~

~~D.~~

~~Depository~~

~~(1) The term "Depository" means The Depository Trust Company.~~

~~E.—K.~~

~~Reserved.~~

~~L.~~

~~Loaned Stock~~

~~(1) The term "Loaned Stock" means Eligible Stock transferred by a Lending Clearing Member to a Borrowing Clearing Member upon initiation of a Stock Loan, and any securities issued in exchange for such securities by reason of a reorganization, recapitalization, merger, consolidation or other corporate action of the issuer, and non-cash distributions described in Rule 2206 in respect of all such securities.~~

~~M.~~

~~Marking Price~~

~~(1) The term "marking price", as used in respect of any Loaned Stock shall have the meaning given to it in Article I of the By-Laws~~

~~Mark-To-Market Payment~~

~~(2) The term "mark to market payment," as used in respect of any Stock Loan, means a payment made by a Lending Clearing Member or Borrowing Clearing Member to the Corporation or by the Corporation to a Lending Clearing Member or Borrowing Clearing Member pursuant to Rule 2204.~~

~~N.—R.~~

~~Reserved.~~

~~S.~~

Settlement Date

~~(1) The term "settlement date" in respect of the termination of Stock Loans has the meaning set forth in Rule 2208.~~

Settlement Price

~~(2) The term "settlement price" in respect of a Stock Loan means the amount of Collateral specified by the Lending Clearing Member in its instructions to initiate the Stock Loan as described in Rule 2202. The term "settlement price," in respect of the termination by either a Lending Clearing Member or a Borrowing Clearing Member of a Stock Loan or portion thereof, means the amount of Collateral required to be returned by the Lending Clearing Member on the settlement date.~~

Stock Loan

~~(3) The term "Stock Loan" as used in this Article XXI of the By-Laws and in Chapter XXII of the Rules refers only to "Hedge Loans" and not to "Market Loans" (as those terms are defined in Article I of the By-Laws).~~

Stock Loan Business Day

~~(4) The term "stock loan business day" means any day on which the Corporation and the Depository are open for business.~~

~~T.—Z.~~

~~Reserved.~~

~~[Section 1 of this Article adds certain definitions relevant to the Stock Loan/Hedge Program.]~~

Role of the Corporation

~~SECTION 2 (a) Commencing at the time at which the Corporation accepts a Stock Loan as described in Rule 2202, the role of the Corporation in respect of the Stock Loan shall be that of a principal, and the Corporation shall have the position of borrower to the Lending Clearing Member and lender to the Borrowing Clearing Member. Without limiting the generality of the foregoing: (i) the rights of the two Clearing Members that are parties to a Stock Loan to receive mark-to-market payments, and their obligations to make mark-to-market payments, shall be as against the Corporation, and not as against each other; and (ii) in the event of a termination of a Stock Loan in accordance with the Rules (with the exception of a termination by offset as provided in Rule 2208(e) or Rule 2212), the right of the Lending Clearing Member to receive the Loaned Stock and the obligation of the Lending Clearing Member to pay the settlement price shall be as against the Corporation, and the obligation of the Borrowing Clearing Member to deliver the Loaned Stock and the right of the Borrowing Clearing Member to receive the settlement price shall be as against the Corporation. In addition to the foregoing:~~

~~(1) stock loan positions of a Clearing Member established as a result of Stock Loans relating to the same Eligible Stock in which the Clearing Member is the Lending Clearing Member shall be aggregated for position reporting purposes, but shall not be netted against any stock borrow position which the Clearing Member may be carrying relating to the same Eligible Stock for any purpose other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members or the voluntary termination by offset and re-matching of Matched Book Positions in accordance with Rule 2208(e); and~~

~~(2) stock borrow positions of a Clearing Member established as the result of Stock Loans relating to the same Eligible Stock in which the Clearing Member is the Borrowing Clearing Member shall be aggregated for position reporting purposes, but shall not be netted against any stock loan position which the Clearing Member may be carrying relating to the same Eligible Stock for any purpose other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members or the voluntary termination by offset and re-matching of Matched Book Positions in accordance with Rule 2208(e);~~

~~(b) Upon acceptance of a Stock Loan, the Corporation shall create a stock loan position in the account designated by the Lending Clearing Member, identifying the Eligible Stock that is the subject of the Stock Loan, the number of shares loaned, the amount of Collateral received from the Borrowing Clearing Member and the identity of the Borrowing Clearing Member, and shall create a stock borrow position in the account designated by the Borrowing Clearing Member, identifying the Eligible Stock that is the subject of the Stock Loan, the number of shares borrowed, the amount of Collateral delivered to the Lending Clearing Member and the identity of the Lending Clearing Member. The Corporation shall identify stock loan and stock borrow positions resulting from Hedge Loans separately from positions resulting from Market Loans.~~

~~(c) The Corporation may at any time terminate the outstanding Stock Loans relating to one or more particular Eligible Stocks upon a determination by the Corporation, in its sole discretion, that such action is warranted by reason of the lack of substantial volume in such Stock Loans, the impending termination of business on the part of the Corporation, the inability of the Corporation~~

~~from time to time to maintain in effect satisfactory arrangements with the Depository, or other circumstances in which the Corporation in its sole discretion determines that such action is necessary or appropriate for the protection of the Corporation, its Clearing Members or the public. The Corporation may effect a termination pursuant to this paragraph (c) by giving written notice thereof to all affected Hedge Clearing Members specifying the date on which such termination is to become effective, which date shall be a stock loan business day at least one stock loan business day after the date of such notice.~~

~~... Interpretations and Policies:~~

~~.01 If a Lending Clearing Member and a Borrowing Clearing Member complete the termination of a Stock Loan at a price other than the correct settlement price for the termination, the Corporation will treat the termination as having been completed at the correct settlement price. If the records of the Corporation show that a Lending Clearing Member and a Borrowing Clearing Member are party on a particular day to two or more Stock Loans between them in respect of a particular Eligible Stock but having different termination settlement prices (this might occur because one or more of the Stock Loans was initiated on that day) and the Lending Clearing Member and the Borrowing Clearing Member complete the termination of a Stock Loan at a price other than the correct settlement price for the termination of any of the Stock Loans, the Corporation will determine which of the Stock Loans will be deemed to have been terminated in accordance with its procedures as in effect from time to time, and will treat the termination as having been completed at the correct settlement price for that Stock Loan. In any of these events, the records of the Corporation shall be dispositive as between the Corporation and each of the two Hedge Clearing Members, the Lending Clearing Member and the Borrowing Clearing Member will be responsible for reconciling the discrepancy between the actual price and the settlement price utilized by the Corporation among themselves and, notwithstanding paragraph (a) of this Section, the Corporation shall have no responsibility to either the Borrowing Clearing Member or the Lending Clearing Member to reconcile the discrepancy.~~

~~Agreements of Borrowing Clearing Member~~

~~SECTION 3. The Clearing Member that is the Borrowing Clearing Member in respect of a Stock Loan agrees with the Corporation that: (a) upon the acceptance of the Stock Loan by the Corporation, the resulting stock borrow position of the Borrowing Clearing Member shall be created and subsequently maintained in accordance with Section 2 of this Article XXI, (b) so long as such stock borrow position is thereafter maintained, the Borrowing Clearing Member shall make all required margin deposits with the Corporation in accordance with Rule 2203 and all required mark to market payments to the Corporation in accordance with Rule 2204, and (c) with the exception of a termination by offset as provided in Rule 2208(e) or Rule 2212, in the event that the Lending Clearing Member, the Borrowing Clearing Member or the Corporation terminates the Stock Loan, the Borrowing Clearing Member shall deliver the Loaned Stock, against payment of the settlement price, in accordance with the By-Laws and the Rules. In the event of a conflict between the records of the Corporation and any records generated by the Borrowing Clearing Member regarding a Stock Loan and resulting stock borrow positions, the records generated by the Corporation will prevail and the Borrowing Clearing Member shall~~

~~remain liable for all obligations associated with such stock borrow positions maintained on the records of the Corporation.~~

Agreements of Lending Clearing Member

~~SECTION 4. The Clearing Member that is the Lending Clearing Member in respect of a Stock Loan agrees with the Corporation that: (a) upon the acceptance of the Stock Loan by the Corporation, the resulting stock loan position of the Lending Clearing Member shall be created and subsequently maintained in accordance with Section 2 of this Article XXI, (b) so long as such stock loan position is thereafter maintained, the Lending Clearing Member shall make all required margin deposits with the Corporation in accordance with Rule 2203 and all required mark-to-market payments to the Corporation in accordance with Rule 2204, and (c) with the exception of a termination by offset as provided in Rule 2208(e) or Rule 2212, in the event that the Borrowing Clearing Member, the Lending Clearing Member or the Corporation terminates the Stock Loan, the Lending Clearing Member shall pay the settlement price, against delivery of the Loaned Stock, in accordance with the By-Laws and the Rules. In the event of a conflict between the records of the Corporation and any records generated by the Lending Clearing Member regarding a Stock Loan and resulting stock loan positions, the records generated by the Corporation will prevail and the Lending Clearing Member shall remain liable for all obligations associated with such stock loan positions maintained on the records of the Corporation.~~

Maintaining Stock Loan and Stock Borrow Positions in Accounts

~~SECTION 5. Notwithstanding the provisions of Section 3 of Article VI of the By-Laws, stock loan positions and stock borrow positions resulting from Stock Loans may be maintained in any of a Hedge Clearing Member's accounts with the Corporation. For the purposes of Section 3 of Article VI of the By-Laws, stock loan positions resulting from Stock Loans shall be deemed to be "securities" and stock borrow positions resulting from Stock Loans shall be deemed to be "funds," and the authority of the Corporation to close out "positions" in any account shall include the authority to close out such stock loan positions and stock borrow positions.~~

~~[Section 5 of this Article supplements Section 3 of Article VI of the By-Laws.]~~

--- Interpretations and Policies:

~~.01 Until such time as the Corporation determines that appropriate regulatory approvals have been obtained, a Hedge Clearing Member is not permitted to allocate stock loan or stock borrow positions resulting from Stock Loans to any proprietary X-M account, non-proprietary X-M account, internal nonproprietary cross-margining account or segregated futures account.~~

Article XXIA Market Loan Program

Introduction

~~By-Laws in this Article are applicable only to the Market Loan Program. In addition, the By-Laws in Articles I-XI are also applicable to the Market Loan Program, in some cases supplemented by one or more By-Laws in this Article, except for By-Laws that have been replaced in respect of the Market Loan Program by one or more By-Laws in this Article and except where the context otherwise requires. Whenever a By-Law in this Article supplements or, for purposes of this Article, replaces one or more By-Laws in Articles I-XI and Section 1 of Article XXI, that fact is indicated in brackets following the By-Law in this Article.~~

Definitions**SECTION 1.****~~A.~~ B.**

~~Reserved.~~

~~C.~~**Collateral**

~~(1) The term "Collateral" means, in respect of a Market Loan, the amount in U.S. dollars a Borrowing Clearing Member is required to transfer to the Corporation's account at the Depository, which the Corporation in turn instructs the Depository to transfer to the Lending Clearing Member, as security for the obligations of the Borrowing Clearing Member in respect of the Market Loan, as such amount may be adjusted from time to time through mark-to-market payments made by the Borrowing Clearing Member and the Lending Clearing Member pursuant to Rule 2204A. The Collateral requirement applicable to a Market Loan shall be the mark-to-market value of the Loaned Stock multiplied by a percentage (no less than 100%) specified by the relevant Loan Market.~~

~~D.~~**Depository**

~~(1) The term "Depository" shall have the meaning given to it in Article XXI of the By-Laws.~~

Dividend Equivalent Payment

~~(2) The term "dividend equivalent payment" means, in respect of a Market Loan, a payment to be made by the Borrowing Clearing Member to the Lending Clearing Member to reflect any cash dividend or distribution made with respect to the Loaned Stock during the term of a Market Loan.~~

~~E.~~ K.

~~Reserved.~~

L.

Loaned Stock

(1) The term "Loaned Stock" means, in respect of a Market Loan, Eligible Stock that is the subject of the Market Loan and any securities issued in exchange for such Eligible Stock by reason of a reorganization, recapitalization, merger, consolidation or other corporate action of the issuer, and any non-cash distributions described in Rule 2206A in respect of the Loaned Stock.

M.

Mark-to-Market Payment

(1) The term "mark-to-market payment," as used in respect of any Market Loan, means a payment made by a Lending Clearing Member or Borrowing Clearing Member to the Corporation or by the Corporation to a Lending Clearing Member or Borrowing Clearing Member pursuant to Rule 2204A.

Marking Price

(2) The term "marking price" shall have the meaning given to it in Article XXI of the By-Laws.

N.—Q.

Reserved.

R.

Rebate

(1) The term "rebate," as used in respect of any Market Loan, means a fee payable from the Lending Clearing Member to the Borrowing Clearing Member (or, if the rebate rate is negative, from the Borrowing Clearing Member to the Lending Clearing Member), expressed as a rate based on the amount of cash Collateral held by the Lending Clearing Member.

Recall

(2) The term "recall," as used in respect of any Market Loan, means the process by which the Lending Clearing Member may initiate the termination of the Market Loan, or any portion thereof, by submitting a notice to the applicable Loan Market calling for the return of all or any portion of the Loaned Stock.

Return

(3) The term "return," as used in respect of any Market Loan, means the process by which the Borrowing Clearing Member may initiate the termination of the Market Loan, or any portion thereof, by submitting a notice to the Loan Market indicating its intention to return all or any portion of the Loaned Stock.

S.

Settlement Price

~~(1) The term "settlement price," as used in respect of a Market Loan, means the amount of Collateral specified in the instructions submitted by the Corporation to the Depository to effect such Market Loan. The term "settlement price," in respect of the termination of a Market Loan or portion thereof, means the amount of Collateral required to be returned by the Lending Clearing Member on the settlement date.~~

~~Stock Loan Business Day~~

~~(2) The term "stock loan business day" shall have the meaning given to it in Article XXI of the By-Laws.~~

~~T.—Z.~~

Reserved

~~[Section 1 of this Article adds certain new definitions relevant to the Market Loan Program and replaces, for purposes of Market Loans, the definitions of the same terms in Article I, Section 1 and Article XXI, Section I of the By-Laws.]~~

~~Role of the Corporation~~

~~SECTION 2. Commencing at the time at which the Corporation accepts a Market Loan as described in Rule 2202A, the role of the Corporation in respect of such Market Loan shall be that of a principal, and the Corporation shall have the position of borrower to the Lending Clearing Member and lender to the Borrowing Clearing Member. Without limiting the generality of the foregoing: (i) the rights and/or obligations of a Clearing Member that is party to such Market Loan to receive and/or pay mark-to-market payments, dividend equivalent payments and rebate payments shall be as against the Corporation; and (ii) in the event of termination of such Market Loan in accordance with the Rules, the right of the Lending Clearing Member to receive the Loaned Stock and the obligation of the Lending Clearing Member to pay the settlement price shall be as against the Corporation, and the obligation of the Borrowing Clearing Member to deliver the Loaned Stock and the right of the Borrowing Clearing Member to receive the settlement price shall be as against the Corporation.~~

~~Agreement of Borrowing Clearing Member~~

~~SECTION 3. The Clearing Member that is the Borrowing Clearing Member in respect of a Market Loan agrees with the Corporation that: (i) upon the acceptance of the Market Loan by the Corporation, the resulting stock borrow position of the Borrowing Clearing Member shall be created and subsequently maintained in accordance with Section 5 of this Article XXIA, (ii) so long as such stock borrow position is thereafter maintained, the Borrowing Clearing Member shall make all required payments to the Corporation including margin deposits, mark-to-market payments, dividend equivalent payments and rebate payments (in the case of a negative rebate), all in accordance with the By-Laws and Rules, and (iii) in the event that the Market Loan is terminated, the Borrowing Clearing Member shall deliver the Loaned Stock, against payment of the settlement price, in accordance with the By-Laws and Rules. In the event of a conflict between the records of the Corporation and any records generated by the Borrowing Clearing~~

Member regarding a Stock Loan and resulting stock borrow positions, the records generated by the Corporation will prevail and the Borrowing Clearing Member shall remain liable for all obligations associated with such stock borrow positions maintained on the records of the Corporation.

Agreement of Lending Clearing Member

SECTION 4. The Clearing Member that is the Lending Clearing Member in respect of a Market Loan agrees with the Corporation that: (i) upon the acceptance of the Market Loan by the Corporation, the resulting stock loan position of the Lending Clearing Member shall be created and subsequently maintained in accordance with Section 5 of this Article XXIA, (ii) so long as such stock loan position is thereafter maintained, the Lending Clearing Member shall make all required payments to the Corporation including margin deposits, mark-to-market payments and rebate payments (in the case of a positive rebate), all in accordance with the By Laws and Rules, and (iii) in the event that the Market Loan is terminated, the Lending Clearing Member shall pay the settlement price, against delivery of the Loaned Stock, in accordance with the By Laws and Rules. In the event of a conflict between the records of the Corporation and any records generated by the Lending Clearing Member regarding a Stock Loan and resulting stock loan positions, the records generated by the Corporation will prevail and the Lending Clearing Member shall remain liable for all obligations associated with such stock loan positions maintained on the records of the Corporation.

Maintaining Stock Loan and Borrow Positions in Accounts

SECTION 5. (a) Upon acceptance of a Market Loan as described in the Rules, the Corporation shall create a stock loan position in the account designated by the Lending Clearing Member, identifying the Eligible Stock that is the subject of the Market Loan, the number of shares loaned and the amount of Collateral received, and shall create a stock borrow position in the account designated by the Borrowing Clearing Member, identifying the Eligible Security that is the subject of the Market Loan, the number of shares borrowed and the amount of Collateral delivered. The Corporation shall identify stock loan and stock borrow positions resulting from Market Loans separately from stock loan and stock borrow positions resulting from Hedge Loans. In addition to the foregoing:

(1) stock loan positions of a Clearing Member established as a result of Market Loans relating to the same Eligible Stock in which the Clearing Member is the Lending Clearing Member shall be aggregated (separately for Market Loans effected through each Loan Market) for position reporting purposes, but shall not be netted against any stock borrow position which the Clearing Member may be carrying relating to the same Eligible Stock for any purposes other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members; and

(2) stock borrow positions of a Clearing Member established as the result of Market Loans relating to the same Eligible Stock in which the Clearing Member is the Borrowing Clearing Member shall be aggregated (separately for Market Loans effected through each Loan Market)

~~for position reporting purposes, but shall not be netted against any stock loan position which the Clearing Member may be carrying relating to the same Eligible Stock for any purpose other than (i) as described in Rule 601 with respect to determining the Clearing Member's margin obligations to the Corporation and (ii) as may be permitted pursuant to the Rules with respect to suspended Clearing Members.~~

~~(b) Notwithstanding the provisions of Section 3 of Article VI of the By-Laws, stock loan and stock borrow positions resulting from Market Loans may be maintained in any of a Market Loan Clearing Member's accounts with the Corporation. For the purposes of Section 3 of Article VI of the By-Laws, stock loan positions resulting from Market Loans shall be deemed to be "securities" and stock borrow positions resulting from Market Loans shall be deemed to be "funds," and the authority of the Corporation to close out "positions" in any account shall include the authority to close out such stock loan and stock borrow positions.~~

~~[Section 5 of this Article supplements Section 3 of Article VI of the By-Laws.]~~

~~***... Interpretations and Policies: ...***~~

~~01 Until such time as the Corporation determines that appropriate regulatory approvals have been obtained, a Market Loan Clearing Member is not permitted to allocate stock loan or stock borrow positions resulting from Market Loans to any proprietary X-M account, non-proprietary X-M account, internal non-proprietary cross-margining account or segregated futures account.~~