HKEX INFORMATION SERVICES LIMITED
(A wholly-owned member of the Hong Kong Exchanges and Clearing Limited Group)

Guiding Note for the Use of HKEX Market Data at HKEX Hosting Data Centre
(for Licensed Information Vendors and End-Users)

PURPOSE

HKEX started offering Hosting Services from December 2012. HKEX Information Services Limited (HKEX-IS)'s licensed information vendors (IVs) and end-users (EUs) may receive HKEX real-time market data directly or indirectly via HKEX Service Network (HSN) within the HKEX Hosting Data Centre (HDC). For the purpose of clarification on HKEX-IS pricing policy upon the launch of the HKEX Hosting Services, this document aims to provide guidance to all parties that may access and use HKEX market data within HDC.

DETAILS

1   Please note that there will be **no new fees** for direct connection IVs or EUs accessing and using market data within HDC. If the IV or EU migrates its existing SD Net connections to HSN, all fees will remain unchanged. IVs or EUs may choose to receive market datafeeds via SD Net or HSN. Exchange Participants (EPs) who source market data from Open Gateway (OG) or HKATS API will not be subject to Connection Fee, same as the current arrangement.

2   IVs or EUs with direct connection to HSN will receive datafeeds at a lower latency due to physically co-located with HKEX market data systems. Please note that in this Guiding Note, the datafeed received directly or indirectly from HSN and used within HDC is defined as a *HDC sourced datafeed* and the datafeed received from SDNet is defined as a *SDNet sourced datafeed*. A direct connection IV is allowed to provide *HDC sourced datafeed* and/or *SDNet sourced datafeed* services to its indirect connection IVs and subscribers within HDC.

3   Indirect connection IVs, EPs or subscribers of IVs' datafeed services (including from direct or indirect connection IVs) may also access *HDC sourced datafeed* within the HDC. This group of users who indirectly access *HDC sourced datafeed* will however be deemed to have a direct connection within HDC, subject to the HDC sourced datafeed outperforms in latency as compared to the SDNet sourced datafeed, and will be required to pay a Connection Fee as set out in the Fee Schedule on HKEX website.

4   For the sake of clarity, please note that indirect connection IVs, EPs or IVs' subscribers will **NOT** be deemed to have a direct connection within HDC if they only receive a normal datafeed which does not gain latency improvement from co-location, for example:

      i.   The feed is originated from SD Net (*SDNet sourced datafeed);* or
      ii.   Though the datafeed is originated from HSN, it does not outperform in latency as compared to the *SDNet sourced datafeed*.

      To claim this exemption, IVs must provide report (to the satisfaction of HKEX-IS) in datafeed latency so as to prove that the datafeed does not outperform in latency as compared to the *SDNet sourced datafeed*.

5   Direct connection IVs or EUs who receive **HDC sourced datafeed** from HSN will be entitled to two free indirect connections of **HDC sourced datafeed** from other IVs within HDC. Indirect connection IVs, EPs or IVs' subscribers mentioned in paragraph 3 and who pay the respective Connection Fee are also entitled to two free additional connections for the relevant datafeed.

REPORTING

6   IVs who wish to provide **HDC sourced datafeed** services to their subscribers within HDC or EUs who wish to have **HDC sourced datafeed** services within HDC are required to apply for datafeed service by submitting Service Application to HKEX-IS for consideration. Upon approval, the datafeed service will be added to Schedule 4 – Memorandum of Permitted Purpose of IV's Market Data Vendor Licence Agreement or EU's Market Data End-User Licence Agreement. HKEX-IS will also update the relevant annex in the Agreement.

7   IVs must notify HKEX-IS in writing the commencement dates and the names of the indirect connection licensees who source the **HDC sourced datafeed** within HDC and must obtain prior approval from HKEX-IS on the arrangement.

8   Indirect connection IVs must notify HKEX-IS in writing the commencement dates of sourcing the **HDC sourced datafeed** within HDC and the name of the feed provider, and must obtain prior approval from HKEX-IS on the arrangement.

9   For ease of administration, IVs, EUs, EPs or IVs' subscribers who obtain multiple datafeed services for the **HDC sourced datafeed** from different IVs should submit a completed Declaration Form (obtainable upon request) to indicate upfront who is the designated payment IV for the Connection Fees since IVs are required to collect the Connection Fees from their datafeed users on behalf of HKEX-IS.

10 Alternatively, IVs, EUs, EPs or IVs' subscribers who obtain multiple datafeed services for the **HDC sourced datafeed** may apply to claim the over-paid Connection Fees from HKEX-IS on a quarterly basis. The applicant is required to submit a completed Claim Form (obtainable upon request) to HKEX-IS within 30 days of the end of each applicable quarter. HKEX-IS will reimburse the additional Connection Fees to the applicant in approximately 30 days from the end of the subsequent quarter after reconciling with the relevant Monthly Subscription and/or Individual User Reports. Any retrospective claims filed beyond the submission deadline may not be considered.

11 IVs and EUs must report to HKEX-IS in the respective Monthly Subscriber Report and Monthly Individual User Report of the commencement dates, the unique datafeed or system ID assigned and the names of the subscribers who access and use th**e HDC sourced datafeed** service within HDC.

Proper Internal Record Keeping

12 IVs/EUs are required to keep clear and proper audit trails on the usages and location of the datafeed, systems and data center for HKEX-IS audit purposes. Upon request, the IV/EU must be able to demonstrate, to the satisfaction of HKEX-IS, that they are in full compliance with the Guiding Note for the Use of HKEX Market Data at HKEX Hosting Data Centre.
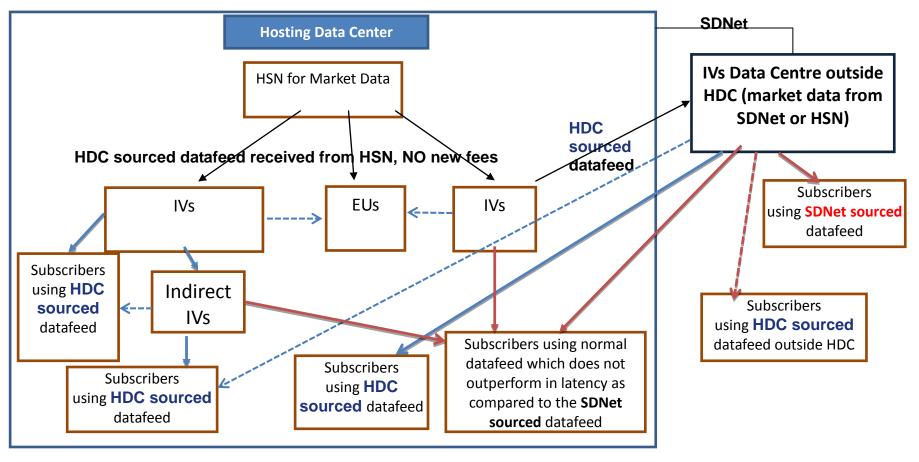
On-site Inspection

13 HKEX-IS shall have the right to inspect the internal systems, the records and the data center of the IV/EU in order to establish that they are fully compliance with the Policy. We also reserve the right to charge the deemed Connection Fees together with the interest if, in our reasonable belief, the IVs, EUs, EPs or IVs' subscribers are in violation of the Guiding Note for the Use of HKEX Market Data at HKEX Hosting Data Centre herein.

HKEX-IS reserves the right to change any information in this Guiding Note at any time without prior notice. If IVs/EUs want to apply or have any questions, comments or doubts regarding this Policy, please contact the Data Licensing & Marketing Team of Market Data Department via MarketData@hkex.com.hk.

Appendix - Diagram on the Use of HKEX Market Data at HKEX Hosting Data Centre

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Appendix - Diagram on the Use of HKEX Market Data at HKEX Hosting Data Centre

SDNet

Hosting Data Center

HSN for Market Data

IVs Data Centre outside HDC (market data from SDNet or HSN)

HDC sourced datafeed

HDC sourced datafeed received from HSN, NO new fees

IVs

EUs

IVs

Subscribers using **SDNet sourced** datafeed

Subscribers using **HDC sourced** datafeed

Indirect IVs

Subscribers using **HDC sourced** datafeed outside HDC

Subscribers using **HDC sourced** datafeed

Subscribers using **HDC sourced** datafeed

Subscribers using normal datafeed which does not outperform in latency as compared to the **SDNet sourced** datafeed

No new market data fees

Deemed Connection Fee applies **(HDC sourced datafeed)**

Free of two additional connections for **HDC sourced datafeed**

No deemed Connection Fees **(SDNet sourced datafeed)**

No deemed Connection Fees outside HDC