

# SEOCH PARTICIPANTSHIP AGREEMENT

By and between

**THE SEHK OPTIONS CLEARING HOUSE LIMITED**

and

---

Dated on

---

**THE SEHK OPTIONS CLEARING HOUSE LIMITED**

**PARTICIPANTSHIP AGREEMENT**

THIS AGREEMENT is made on \_\_\_\_\_.

BETWEEN:

- (1) THE SEHK OPTIONS CLEARING HOUSE LIMITED (hereinafter referred to as “SEOCH”) whose registered office is situated at 8/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

AND

- (2) \_\_\_\_\_ (hereinafter referred to as “the SEOCH Participant Applicant”) whose registered office is situated at \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WHEREAS:--

- (A) SEOCH requires any person wishing to become an SEOCH Participant to enter into an agreement in this form.
- (B) The SEOCH Participant Applicant has applied to SEOCH to become an SEOCH Participant on the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE IT IS AGREED as follows:--

1. (a) The terms and expressions used herein shall have the same meaning as in the Clearing Rules and Options Trading Rules (hereinafter referred to as the “Rules”) unless a meaning has been specifically ascribed to them herein.
- (b) References herein to the Rules shall, where the context so permits, include the Operational Clearing and Trading Procedures.
2. The SEOCH Participant Applicant shall, as of the date of this Agreement, become an SEOCH Participant and shall abide by and be bound by all of the provisions of the Rules of SEOCH. If the SEOCH Participant Applicant ceases to be an SEOCH Participant, the SEOCH Participant Applicant shall nonetheless continue to be bound by the Rules as to all matters and transactions effected by it whilst an SEOCH Participant.
3. The SEOCH Participant Applicant shall be bound by any amendment to the Rules with respect to any matter, dealing or transaction of the SEOCH Participant Applicant occurring at or subsequent to the time such amendment takes effect as fully as though such amendment were a part of the Rules on the date hereof.
4. The SEOCH Participant Applicant, in relation to all matters, dealings and transactions with SEOCH shall be liable to SEOCH as a principal.

5. (a) The SEOCH Participant Applicant shall pay to SEOCH its contribution to the Reserve Fund in the amount notified to the SEOCH Participant Applicant by SEOCH in writing.
5. (b) The amount of contribution to the Reserve Fund payable by the SEOCH Participant Applicant shall be subject to adjustments from time to time in accordance with the Rules. A replenishment of the contribution to the Reserve Fund may be required to be paid by the SEOCH Participant Applicant in accordance with the Rules. The contribution or any replenishment by the SEOCH Participant Applicant shall be dealt with in accordance with the Rules (including, without limitation, the return of the contribution to the SEOCH Participant Applicant upon termination of this Agreement).
6. The books and records of the SEOCH Participant Applicant's SEOCH related activities shall at all times be open to inspection by the duly authorized representatives of SEOCH or The Stock Exchange of Hong Kong Limited ("the Exchange") or Hong Kong Exchanges and Clearing Limited ("HKEX"), and SEOCH shall be furnished with all such information in respect of the SEOCH Participant Applicant's SEOCH related activities as SEOCH may require from the SEOCH Participant Applicant from time to time.
7. The SEOCH Participant Applicant hereby agrees that SEOCH, the Exchange and HKEX do not accept any liability whatsoever, and no claim may be brought against it or its employees, in respect of any error in, or interruption or suspension of the operation of, the Options System, except in the case of willful misconduct. In particular, neither SEOCH, the Exchange, HKEX nor any person from whom SEOCH has obtained a license, directly or indirectly, in connection with use of the Options System shall have any liability in connection with, or arising out of, any ability or inability to use the computer programs involved in the functioning of the Options System (whether based in contract, tort, misrepresentation, warranty or other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim).
8. The SEOCH Participant Applicant shall, in relation to its participation in SEOCH, comply with all the applicable laws, all rules and regulations thereunder, and all rules of the Exchange.
9. The SEOCH Participant Applicant hereby represents and warrants to SEOCH as follows:-
  - (i) that all information provided to SEOCH in relation to its application to become an SEOCH Participant and all information subsequently to be provided will be correct and accurate; and
  - (ii) that the execution of this Agreement and the performance of the terms have been duly authorized and constitute the binding and enforceable obligation on its part and do not violate the constitution, or partnership agreement, if any, of the SEOCH Participant Applicant or any law, regulation or other agreement.
10. If the SEOCH Participant Applicant is a partnership or consists of more than one person, the obligations and liabilities of the SEOCH Participant Applicant hereunder shall be binding on each partner or person, as the case may be, on a joint and several basis.
11. The SEOCH Participant Applicant shall within 16 Business Days of the end of each month of the calendar year unless such time period is expressly extended by SEOCH, submit to SEOCH a Monthly Reporting Statement in the form prescribed by SEOCH. Provided that if requested by the Board of Directors of SEOCH, the SEOCH Participant Applicant shall submit a Monthly Reporting Statement to SEOCH within such a shorter period after the end of a month as the Board may stipulate.

12. Unless otherwise provided in the Clearing Rules, all notices, requests, demands or other communications from SEOCH to the SEOCH Participant Applicant may be given orally, in writing, in person or by post, by electronic or wire transmission, by telephone or facsimile, or by any means of computer data transmission.
13. The SEOCH Participant Applicant agrees that it shall indemnify SEOCH and a recognized exchange controller which is the controller of SEOCH against any liability resulting from the receipt, approval or execution of facsimile instructions to SEOCH from the SEOCH Participant Applicant.
14. In case any one or more of the provisions of this Agreement may be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not be affected or prejudiced thereby.
15. This Agreement shall be governed by and construed and interpreted in accordance with the laws of Hong Kong and the SEOCH Participant Applicant hereby submits to the jurisdiction of the courts of Hong Kong in respect of all matters and disputes arising under or in connection with this Agreement.

SIGNED : \_\_\_\_\_  
for and on behalf of the  
SEOCH Participant Applicant

Name : \_\_\_\_\_

Title : \_\_\_\_\_

SIGNED : \_\_\_\_\_  
for and on behalf of THE SEHK OPTIONS  
CLEARING HOUSE LIMITED

## MONTHLY REPORTING STATEMENT

To : The SEHK Options Clearing House Ltd  
 21/F One Exchange Square  
 8 Connaught Place, Central  
 Hong Kong

Attention: Clearing Risk Management

From : SEOCH Participant Name : \_\_\_\_\_

Participant ID: \_\_\_\_\_

We, \_\_\_\_\_, hereby declare that to the best of our knowledge and belief the information stated below is true and correct. The firm has/has not\* complied with Clearing Rule 403 of The SEHK Options Clearing House Ltd at all times during the month ended \_\_\_\_\_.

DAY MONTH YEAR

\* Delete if not applicable. Provide full details where a positive confirmation of compliance with the rule is not made.

All amounts in HK\$'000

(1) Liquid capital as at \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_.

DAY MONTH YEAR

(As per the computed liquid capital amount reported in the financial return filed under the Financial Resources Rules (FRR))

(2) Liquid capital required under Clearing Rule 403

Higher of the :-

(a) floor requirement

- HK\$5,000,000 for Direct Clearing Participant
- HK\$20,000,000 for General Clearing Participant

or

(b) required liquid capital under the FRR  
 (As per the amount reported in the financial return filed under the FRR)

Liquid capital required under Clearing Rule 403

(3) Excess/(Deficiency) in liquid capital  
 (amount in item(1) less amount in item (2))

SIGNED : \_\_\_\_\_  
 for and on behalf of the SEOCH Participant  
 (with company chop)

Name: : \_\_\_\_\_

Title : \_\_\_\_\_

Tel : \_\_\_\_\_

## **NOTES TO EXECUTION OF THE SEOCH PARTICIPANTSHIP AGREEMENT**

1. Pursuant to Clearing Rule 303, to be eligible for registration as an SEOCH Participant, an applicant for SEOCH Participantship (the “Applicant”) must enter into an agreement with SEOCH as prescribed by SEOCH from time to time (the “SEOCH Participantship Agreement”).
2. The SEOCH Participantship Agreement must be signed by director(s) of the Applicant. The Applicant shall sign two sets of the SEOCH Participantship Agreement and place the company chop on them, and include a certified extract of the resolution of its board of directors authorising the signatories to sign the SEOCH Participantship Agreement. It is necessary for this board resolution to be certified by a director or the company secretary of the Applicant as a true extract from its board minutes.
3. Upon receipt of the SEOCH Participantship Agreement, SEOCH will execute it and return a copy to the Applicant.