

Options Trading Rules

CHAPTER 1

DEFINITIONS AND INTERPRETATION

Definitions

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

"HKSCC Rules" has the same meaning as in the Exchange Rules;

Interpretation

103. Subject to Options Trading Rule 101, any definitions of words defined in the Exchange Rules, Clearing Rules, HKSCC Rules, the Ordinance, the Companies Ordinance or the Articles shall, if not inconsistent with these Options Trading Rules or with the subject or context, apply to these Options Trading Rules.

CHAPTER 3

OPTIONS EXCHANGE PARTICIPANTS' OBLIGATIONS

Compliance with the Options Trading Rules

301. Each Options Exchange Participant shall at all times:-

- (2) comply with the decisions, directions, directives, guidelines, determinations, findings of fact and/or interpretation of the Board and/or any other person or body of persons in the exercise or performance of any right, power, privilege, discretion, function, duty or obligation conferred on them by or pursuant to these Options Trading Rules, the

Operational Trading Procedures, the Clearing Rules, the Operational Clearing Procedures, the Exchange Rules and, to the extent applicable, the HKSCC Rules.

CHAPTER 4

OPTIONS EXCHANGE PARTICIPANTS AND THEIR CLIENTS

Options Broking Agreement

- 401C. For the avoidance of doubt, an Options Broker Exchange Participant that has entered into an Options Broking Agreement with an Options Trading Exchange Participant will be a client of that Options Trading Exchange Participant for the purposes of these Options Trading Rules, the Operational Trading Procedures, the Clearing Rules, the Operational Clearing Procedures and, to the extent applicable, the Exchange Rules and the HKSCC Rules.

CHAPTER 7

DEFAULT PROCEDURES

Default

702. Without prejudice to the generality of Options Trading Rule 701, the Exchange may assume that an Options Exchange Participant is or appears to be unable, or likely to become unable, to meet its obligations in respect of its Exchange Traded Options Business:-
- (1) where that Options Exchange Participant, as a direct or indirect result of conducting its Exchange Traded Options Business, is in breach of any of the Exchange Rules, these Options Trading Rules, Clearing Rules, or where that Options Exchange Participant is also a participant in CCASS, the HKSCC Rules;

SIXTH SCHEDULE

STANDARD CONTRACT

6. **Settlement:** All underlying securities to be transferred following exercise of an Options Contract shall be transferred in accordance with the Rules on or before such day as may be specified in the Rules, free of any security interest of any person, except, where applicable, that of SEOCH. Unless otherwise permitted by the Exchange and SEOCH, a transfer of underlying securities following exercise of an Options Contract shall be made through CCASS in accordance with the Rules and the HKSCC Rules.