

Options Trading Rules

CHAPTER 3

OPTIONS EXCHANGE PARTICIPANTS' OBLIGATIONS

Continuing Obligations

302. Each Options Trading Exchange Participant shall at all times:-

- (4) have arrangements in place for the clearing of all OCH Contracts arising from its Exchange Traded Options Business either:-
 - (a) by being, and maintaining its status as, a SEOCH Participant; or
 - (b) by having a valid, binding and effective Clearing Agreement with a GCP pursuant to which that GCP agrees to clear the OCH Contracts of that Options Trading Exchange Participant.

Unless or until the Options Trading Exchange Participant is or becomes a SEOCH Participant or has a valid, binding and effective Clearing Agreement with a GCP, it shall not be allowed to trade Options Contracts on or through the facilities of the Exchange;

Resignation as an Options Exchange Participant

314. If an Options Exchange Participant, in its capacity as an Exchange Participant, gives notice to the Board to relinquish all of the Stock Exchange Trading Rights registered in its name at that time, it shall, upon giving any such notice, be treated as having given notice of resignation as an Options Exchange Participant and Options Trading Rules 311 and 312 shall apply accordingly.

CHAPTER 5

THE OPTIONS TRADING SYSTEM

NCPs and GCPs

539A. Each NCP shall give prior notice to the Exchange in writing of the termination of its Clearing Agreement with the GCP through whom any resulting OCH Contract is cleared before it is actually terminated, unless the GCP has already given notice to terminate the Clearing Agreement to SEOCH in accordance with the Clearing Rules.

CHAPTER 8

DISCIPLINARY

Situations Calling for Disciplinary Action

802. In addition to the situations calling for disciplinary action against an Options Exchange Participant pursuant to the Exchange Rules, the Exchange may take disciplinary action in relation to an Options Exchange Participant:-

- (4) if the Options Exchange Participant knowingly disseminates, or carelessly allows to be disseminated, false, misleading or inaccurate market information which affects or tends to affect the market price of any Options Contract or the market price of any other securities;
- (5) if, in the opinion of the Exchange, it uses the Options System for any purpose other than bona-fide conduct of Exchange Traded Options Business;
- (6) if the Options Exchange Participant fails to provide information requested by an exchange, clearing house, regulatory authority or an organization with whom HKEx or the Exchange has entered into an information sharing arrangement or agreement;
or
- (7) if the Options Exchange Participant fails to give notice of termination of Clearing Agreement under Options Trading Rule 539A.