

Outline of Specifications for Options on Commodity Futures

As of September 21, 2021

Osaka Exchange, Inc.

Item	Details	Remarks
<p>I. Outline of Trading</p> <p>1. Products Available for Trading</p> <p>2. Trading Sessions</p> <p>(1) Trading Sessions and Hours</p> <p>(2) Venue of Trading Sessions</p> <p>3. Contracts and Number Thereof</p> <p>4. Underlying Futures Contract</p> <p>5. Setting of Exercise Prices</p> <p>(1) Initial Setting of Exercise Price Intervals</p> <p>(2) Initial Setting of Exercise Prices</p>	<ul style="list-style-type: none"> - Options on Gold Futures (Put/Call) - The underlier of Options on Gold Futures shall be the price of Gold Standard Futures. - Day session <ul style="list-style-type: none"> ➤ Opening auction: 8:45 a.m. ➤ Regular session: 8:45 a.m. - 3:10 p.m. ➤ Closing auction: 3:15 p.m. - Night session <ul style="list-style-type: none"> ➤ Opening auction: 4:30 p.m. ➤ Regular session: 4:30 p.m. to 5:55 a.m. the next day ➤ Closing auction: 6:00 a.m. the next day - Trading shall be conducted through the trading system. - Options on Gold Futures trading shall be conducted by dividing it into contracts whose last trading day is the trading day that ends one business day before the last trading day of the Gold Standard Futures contract whose price is the underlier of said options. <ul style="list-style-type: none"> ➤ Six contracts, one for each even-numbered month, shall be available for trading. ➤ The trading period of each contract shall be one year. - The underlying futures contract for Options on Gold Futures of a given contract month shall be the Gold Standard Futures contract of the same contract month. - The initial exercise price interval shall be JPY 50. This exercise price interval is set between prices that are integral multiples of JPY 50. - A total of 41 initial exercise prices shall be set for Options on Gold Futures contracts. They shall consist of the exercise price that is closest to the settlement price of the underlying Gold Standard Futures contract one business day before the initial trading day of the options contract, the 20 exercise prices above said exercise 	<ul style="list-style-type: none"> - Osaka Exchange, Inc. (OSE) may temporarily change trading hours when necessary. - OSE may change the number, trading period, initial trading day, and last trading day of contracts when necessary. - OSE may change exercise price intervals when necessary. - The exercise prices shall be limited to the extent that OSE deems appropriate.

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(3) Additional Setting of Exercise Prices	<p>price, and the 20 exercise prices below said exercise price.</p> <ul style="list-style-type: none"> - However, OSE may change the number of exercise prices when necessary. - Additional exercise prices shall be set at JPY 50 intervals so that there are at least 20 consecutive exercise prices above and 20 consecutive exercise prices below the exercise price that is the closest to the settlement price of the underlying Gold Standard Futures contract on the previous business day. 	<ul style="list-style-type: none"> - When necessary, OSE may change the exercise prices and the number of exercise prices that it sets.
6. Trading Method in Trading Sessions	<ul style="list-style-type: none"> - Trading shall be conducted by individual auction. 	
7. Contract Multipliers, Orders, and Price Limits		
(1) Contract Multipliers	<ul style="list-style-type: none"> - The contract multiplier for Options on Gold Futures shall be JPY 100. 	
(2) Orders	<ul style="list-style-type: none"> - Trading participants may submit market orders and limit orders. - Orders (bids and offers) must be made with one of the conditions for validity period or execution volume listed below. <ul style="list-style-type: none"> a. Good for Day (GFD) A condition that causes orders made during a particular day or night session to expire at the end of said session. b. Good Till Date/Good Till Cancel (GTD/GTC) A condition under which orders are valid until the end of the day session on the last day (or one business day earlier if the last day is a non-business day) of a period specified by the trading participant within a period separately specified by OSE (GTD) or until the order is cancelled (GTC). c. Fill and Kill (FAK) A condition which, if an entire order cannot be filled immediately, causes the amount that can be filled immediately to be filled, and the rest to be cancelled. d. Fill or Kill (FOK) A condition which, if an entire order cannot be filled immediately, causes it to be cancelled. - Validity of orders shall be in accordance with the above conditions. 	<ul style="list-style-type: none"> - Conditions for validity period may not be specified for market orders. - A trading participant may not make orders with the Fill or Kill condition in the opening auction or the closing auction.
(3) Tick Size	<ul style="list-style-type: none"> - The tick size for Options on Gold Futures shall be JPY 1. 	
(4) Price Limits	<ul style="list-style-type: none"> - Orders may not exceed the designated price fluctuation range. - The lower limit of the price fluctuation range shall be 	<ul style="list-style-type: none"> - As a general rule, the

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<p>8. Temporary Trading Halts</p> <p>(1) Static Circuit Breaker (SCB)</p>	<p>obtained by subtracting the price limit from the reference price, and the upper limit shall be obtained by adding the price limit to the reference price.</p> <ul style="list-style-type: none"> - The price limits for Options on Gold Futures shall be the prices for each range of reference prices as specified in the table below. <table border="1" data-bbox="434 472 1082 788"> <thead> <tr> <th data-bbox="434 472 683 602">Reference Price (X)</th> <th data-bbox="683 472 809 602">Price Limits on Orders</th> <th data-bbox="809 472 946 602">First Expanded Price Limit</th> <th data-bbox="946 472 1082 602">Second Expanded Price Limit</th> </tr> </thead> <tbody> <tr> <td data-bbox="434 602 683 649">X < JPY 10</td> <td data-bbox="683 602 809 649">JPY 200</td> <td data-bbox="809 602 946 649">JPY 350</td> <td data-bbox="946 602 1082 649">JPY 500</td> </tr> <tr> <td data-bbox="434 649 683 696">JPY 10 ≤ X < JPY 40</td> <td data-bbox="683 649 809 696">JPY 300</td> <td data-bbox="809 649 946 696">JPY 450</td> <td data-bbox="946 649 1082 696">JPY 600</td> </tr> <tr> <td data-bbox="434 696 683 743">JPY 40 ≤ X < JPY 100</td> <td data-bbox="683 696 809 743">JPY 400</td> <td data-bbox="809 696 946 743">JPY 550</td> <td data-bbox="946 696 1082 743">JPY 700</td> </tr> <tr> <td data-bbox="434 743 683 788">X ≥ JPY 100</td> <td data-bbox="683 743 809 788">JPY 550</td> <td data-bbox="809 743 946 788">JPY 700</td> <td data-bbox="946 743 1082 788">JPY 850</td> </tr> </tbody> </table> <ul style="list-style-type: none"> - The expansion of upper or lower price limits on orders due to the triggering of the Static Circuit Breaker shall be as follows. <ul style="list-style-type: none"> a. When the upper or lower price limit on orders is expanded for the first time on the trading day in question The upper or lower price limit on orders shall be expanded by adding or subtracting the first expanded price limit as specified in the table above (i.e., the price limit on orders plus JPY 150) to or from the reference price. b. When the upper or lower price limit on orders has been expanded once on the trading day in question The upper or lower price limit on orders shall be expanded by adding or subtracting the second expanded price limit as specified in the table above (i.e., the price limit on orders plus JPY 300) to or from the reference price. - OSE may change the price limits on orders if necessary. - When the Static Circuit Breaker is triggered for a Gold Standard Future, Options on Gold Futures whose underlier is the price of said Gold Standard Future shall be halted temporarily for the same duration as said Gold Standard Future. - When trading is temporarily halted for the reason mentioned above, the price limits on orders for Options on Gold Futures whose underlier is the price of said Gold Standard Future shall be expanded as specified by OSE. - For details on other related matters, please refer to the "Static Circuit Breaker Rules" document. 	Reference Price (X)	Price Limits on Orders	First Expanded Price Limit	Second Expanded Price Limit	X < JPY 10	JPY 200	JPY 350	JPY 500	JPY 10 ≤ X < JPY 40	JPY 300	JPY 450	JPY 600	JPY 40 ≤ X < JPY 100	JPY 400	JPY 550	JPY 700	X ≥ JPY 100	JPY 550	JPY 700	JPY 850	<p>reference price of an option on commodity futures shall be its settlement price (i.e., the price specified by Japan Securities Clearing Corporation (JSCC) as its settlement price; the same shall apply hereinafter) on the previous trading day.</p>
Reference Price (X)	Price Limits on Orders	First Expanded Price Limit	Second Expanded Price Limit																			
X < JPY 10	JPY 200	JPY 350	JPY 500																			
JPY 10 ≤ X < JPY 40	JPY 300	JPY 450	JPY 600																			
JPY 40 ≤ X < JPY 100	JPY 400	JPY 550	JPY 700																			
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(2) Immediately Executable Price Range (Dynamic Circuit Breaker)	<ul style="list-style-type: none"> - When a trade for an option contract on commodity futures is to be executed outside the designated price fluctuation range around a designated reference price, OSE shall temporarily halt trading (including strategy trading) for said contract for an appropriate period. (This is called the Dynamic Circuit Breaker (DCB), and the designated reference price is called the "DCB Reference Price".) - The designated price fluctuation range (hereinafter referred to as "DCB Price Range") and DCB Reference Price shall be as follows. <table border="1" data-bbox="448 667 1080 840" style="margin-left: 40px;"> <thead> <tr> <th data-bbox="448 667 632 792" rowspan="2">DCB Reference Price</th> <th colspan="3" data-bbox="632 667 1080 723">DCB Price Range</th> </tr> <tr> <th data-bbox="632 723 788 792">Opening Auction</th> <th data-bbox="788 723 935 792">Regular Session</th> <th data-bbox="935 723 1080 792">Closing Auction</th> </tr> </thead> <tbody> <tr> <td data-bbox="448 792 632 840">Last Price</td> <td data-bbox="632 792 788 840">±JPY 120</td> <td data-bbox="788 792 935 840">±JPY 40</td> <td data-bbox="935 792 1080 840">±JPY 80</td> </tr> </tbody> </table>	DCB Reference Price	DCB Price Range			Opening Auction	Regular Session	Closing Auction	Last Price	±JPY 120	±JPY 40	±JPY 80	<ul style="list-style-type: none"> - The "appropriate period" shall be 30 seconds, as a general rule. - When OSE deems it appropriate in light of the trading status, the DCB Reference Price shall be a price specified by OSE on a case-by-case basis. - "Last Price" is defined as the last traded price of the trading session (excluding strategy trades).
DCB Reference Price	DCB Price Range												
	Opening Auction	Regular Session	Closing Auction										
Last Price	±JPY 120	±JPY 40	±JPY 80										
9. Exercise													
(1) Exercise Day	<ul style="list-style-type: none"> - The exercise day for options contracts on commodity futures shall be one business day after the last trading day. - When an option on commodity futures is exercised, it shall be settled at its option settlement price one business day after the exercise day. - Options on commodity futures shall expire at 5:00 p.m. on the exercise day if no exercise notice has been made before then. 												
(2) Option Settlement Price	<ul style="list-style-type: none"> - The option settlement price shall be the opening price of the Gold Standard Future of the same contract month as the option on the option's exercise day (the price of said future that has no traded price on the option's exercise day shall be specified by OSE). 												
10. Restrictions on Trading	<ul style="list-style-type: none"> - When OSE deems that trading conditions are or are likely to become abnormal, it may implement the following measures against trading or accepting orders from customers. <ul style="list-style-type: none"> a. Reducing price limits b. Moving up the date and time for posting margin c. Increasing the margin amount d. Restricting the use of securities as margin e. Lowering the assessment rate of collateral securities f. Receiving deposits for payment for transactions before their settlement dates g. Restricting or prohibiting options on commodity futures trading (e.g., prohibiting proprietary trading) h. Position limits 												
II. J-NET Trading	<ul style="list-style-type: none"> - For details, please refer to the "Outline of J-NET Trading Rules" document. 												

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III. Give-Ups	<ul style="list-style-type: none"> - For details, please refer to the "Outline of Give-Up Rules" document. 	
IV. Position Transfer	<ul style="list-style-type: none"> - Trading participants may transfer unsettled positions in their proprietary and their customer accounts to other trading participants. - Positions in contracts that have reached their last trading day may not be transferred after said last trading day. - Positions in options on commodity futures shall be transferred by using zero as the contract price of the unsettled positions. 	<ul style="list-style-type: none"> - JSCC shall specify the particulars pertaining to position transfers by clearing participants (which are entities that are qualified to be counterparties in JSCC's Financial Instruments Obligation Assumption Business; the same shall apply hereinafter).
V. Margin and Settlement	<ul style="list-style-type: none"> - For details, please refer to the "Outline of Margin and Settlement Rules for Futures and Options" document. 	
VI. Trading Participant Fees	<ul style="list-style-type: none"> - For details, please refer to the "Overview of Trading Participant Fees" document. 	
VII. Other		
1. Information Distributed by the Market Information System	<ul style="list-style-type: none"> - The following information shall be distributed by the Market Information System. <ul style="list-style-type: none"> a. Opening/High/Low/Closing (O/H/L/C) prices and tick data b. Trading volume and value of each contract c. Total trading volume and value d. Unsettled positions (open interest) of each contract e. Total open interest f. Exercise volume of each contract g. Best quote prices and sizes h. Multiple quote prices and sizes i. Settlement prices j. Option settlement prices k. Number of executions for each contract - The Market Information System distributes the information on O/H/L/C prices and trading volume separately for the day and night sessions. 	<ul style="list-style-type: none"> - When OSE notifies, discloses, and reports the O/H/L/C prices and trading volume of each contract pursuant to Article 130 and Article 131 of the Financial Instruments and Exchange Act (the "Osaka Exchange Daily Report"), it shall do so on a trading day basis.
2. Disclosure of Trading by Type of Investor	<ul style="list-style-type: none"> - OSE shall disclose the weekly and monthly trading volume and value of sales and purchases by type of investor. 	
3. Position Limits and Reporting on the Details of Positions	<ul style="list-style-type: none"> - For details, please refer to the "Operational Procedures Related to the Handling of Commodity Futures and Options Positions" document. 	
Supplementary Provisions	<ul style="list-style-type: none"> - These specifications are subject to change depending on market conditions. 	