

**SGX OPTIONS ON S&P CNX NIFTY INDEX
CONTRACT SPECIFICATIONS**

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1. SCOPE OF CONTRACT SPECIFICATIONS AND DEFINITIONS

These Contract Specifications for the SGX S&P CNX Nifty Index Option Contract (the “**Specifications**”) govern the trading of put and call options on the S&P CNX Nifty Index on the SGX-DT Market. The rules and procedures for trading that are not specifically covered in the Specifications shall be as set forth in the Trading Rules. Capitalised terms used herein and not otherwise defined shall have the meanings ascribed to them under the Trading Rules. For the purposes of the Specifications and unless the context otherwise requires, the following capitalised terms shall have the meanings set forth below:

At-The-Money Strike	Means, with respect to a Trading Day, the exercise price, stated as an integer divisible by one hundred (100) without remainder, nearest to the closing index level of the S&P CNX Nifty Index on the previous Trading Day.
Clearing Rules	Means the Clearing Rules of Singapore Exchange Derivatives Clearing Limited which may be found on the Exchange’s website at http://www.sgx.com
Commencement Day At-The-Money Strike	Means the At-The-Money Strike on the first Trading Day of the Contract Month.
Contract	Means the SGX S&P CNX Nifty Index Option Contract traded on the SGX-DT Market which Underlying is the S&P CNX Nifty Index.
Cooling Off Period	Shall have the meaning specified in the Contract Specifications for the SGX S&P CNX Nifty Index Futures Contract.
Indian Business Day	Means a day on which the National Stock Exchange of India is open for trading.
S&P CNX Nifty Index	Means the free float-adjusted, market capitalisation-weighted index representing a diversified 50 stock index owned and managed by India Index Services & Products Limited.
SGX S&P CNX Nifty Index Futures Contract	Means the Futures Contract traded on the SGX-DT Market which Underlying is the S&P CNX Nifty Index.
Scheduled Last Trading Day	Means the Trading Day which is scheduled in the ordinary course of business as the Last Trading Day pursuant to clause 2.8.1.
Scheduled Penultimate Trading Day	Means the Trading Day which is scheduled in the ordinary course of business as preceding the Scheduled Last Trading Day.
Subsequent Day ATM Strike	Means the ATM Strike on any Trading Day (except the first Trading Day) of the Contract Month.

Trading Rules	Means the Futures Trading Rulebook of the Exchange which may be found on the Exchange's website at http://www.sgx.com
U.S. Dollars or U.S. Cents	Means the lawful currency of the United States of America.

2. TRADING

2.1 Trading Months and Hours

The Contract shall be listed for such Contract Months and scheduled for trading during such hours as may be determined by the Exchange.

2.2 Trading Unit

The trading unit shall be two (2) U.S. Dollars multiplied by the index level of the S&P CNX Nifty Index.

2.3 Minimum Fluctuations

The price of a Contract shall be quoted in index levels. The minimum fluctuation of the Contract shall be one-tenth (0.1) of an index level, equivalent to twenty (20) U.S. Cents per Contract.

2.4 Exercise Prices

2.4.1 Exercise prices shall be stated as an integer divisible by one hundred (100) without remainder, for example, 5,100, 5,200, 5,300, etc.

2.4.2 At the commencement of trading in a Contract Month, the Exchange shall list the Commencement Day ATM Strike put and call options. In addition, each of the next twelve (12) eligible exercise prices above and below the Commencement Day ATM Strike shall be listed for trading.

2.4.3 Thereafter, on each subsequent Trading Day, the Exchange shall list additional options such that the Subsequent Day ATM Strike and the next twelve (12) eligible exercise prices above and below the Subsequent Day ATM Strike are listed for trading.

2.4.4 Notwithstanding clauses 2.4.2 and 2.4.3, the Exchange may, at its sole discretion, on any Trading Day list additional put or call options at such other eligible exercise prices as the Exchange may determine.

2.4.5 No new options shall be listed, however, if there are less than three (3) calendar days remaining to the Expiration Day of the Contract.

2.4.6 The Exchange may modify the provisions governing the establishment of exercise prices as it deems fit.

2.5 Position Limits

Unless otherwise approved by the Exchange and subject to Rule 4.1.18 of the Trading Rules, a Person shall not own or control any combination of SGX S&P CNX Nifty Index Futures

Contract and the Contract that exceeds an equivalent of twenty five thousand (25,000) contracts net in the SGX S&P CNX Nifty Index Futures Contract on the same side of the Market, and in all Contract Months combined.

2.6 Computation of Positions

For the purpose of computing positions for compliance with clause 2.5:

- (a) the futures-equivalent of the Contract is the relevant option delta computed by the Clearing House for the option series; and
- (b) a long call Contract, a short put Contract, and a long SGX S&P CNX Nifty Index Futures Contract are on the same side of the Market. Conversely, a short call Contract, a long put Contract, and a short SGX S&P CNX Nifty Index Futures Contract are on the same side of the Market.

2.7 Trading Halt

Trading in the Contract shall be halted during the Cooling Off Period of the SGX S&P CNX Nifty Index Futures Contract.

2.8 Termination of Trading

2.8.1 Subject to clauses 2.8.2 and 2.8.3:

- (a) the Last Trading Day shall be the last Thursday of the Contract Month, provided that such day is an Indian Business Day; and
- (b) if the last Thursday of the Contract Month is not an Indian Business Day, the Last Trading Day shall be the Indian Business Day preceding the last Thursday of the Contract Month.

2.8.2 If, at any time in the course of or after the close of trading on the day preceding the Scheduled Penultimate Trading Day, or anytime thereafter, it comes to the knowledge of the Exchange that either the Scheduled Penultimate Trading Day or the Scheduled Last Trading Day will not in fact be an Indian Business Day, then the Last Trading Day shall be the next Indian Business Day that follows the Scheduled Penultimate Trading Day.

2.8.3 If, at any time in the course of or after the close of trading on the day preceding the Scheduled Penultimate Trading Day, or anytime thereafter, it comes to the knowledge of the Exchange that both the Scheduled Penultimate Trading Day and the Scheduled Last Trading Day will not in fact be Indian Business Days, then the Last Trading Day shall be the next Indian Business Day that follows the Scheduled Penultimate Trading Day.

3. EXERCISE OF OPTION

3.1 Exercise of Option by Buyer

The Contract is a European Style Option that may be exercised by the Buyer only at expiration.

3.2 Exercise of Option Upon Termination of Trading

A Contract that is in-the-money shall, in the absence of contrary instructions delivered to the Clearing House by 9.30 p.m. on the Expiration Day by the Clearing Member representing the Buyer of the Contract, be exercised automatically. A Contract is in-the-money if the Final Settlement Price lies above the exercise price in the case of a call Contract, or below the exercise price in the case of a put Contract.

3.3 Assignment

Exercised Contracts shall be assigned by the Clearing House, through a process of random selection, to Clearing Members with short Open Positions in the same series. A Clearing Member to which an exercised Contract is assigned shall be notified thereof as soon as practicable after such exercised Contract is assigned by the Clearing House.

4. CLEARING AND SETTLEMENT

4.1 Cash Settlement

Settlement under the Specifications shall be by cash settlement.

4.2 Final Settlement Price

The Final Settlement Price shall be the official closing index level of the S&P CNX Nifty Index rounded to two decimal places on the Expiration Day.

4.3 Alternative Resolution of Final Settlement Price

Notwithstanding clause 4.2, the Exchange and the Clearing House may, where the Final Settlement Price prescribed in clause 4.2 is not available, resolve that the Final Settlement Price shall be determined by other means in accordance with Rule 4.1.20 of the Trading Rules. The decision of the Exchange and the Clearing House shall be binding upon all parties to the Contract.

4.4 Final Settlement

Clearing Members holding Open Positions in the Contract at the time of termination of trading in the Contract shall make payment to or receive payment from the Clearing House in accordance with Rules 4.3.2 and 4.3.3 of the Trading Rules, based on a settlement price equal to the Final Settlement Price.

4.5 Other Rules and Procedures for Clearing and Settlement

The rules and procedures for clearing and settlement that are not specifically covered in the Specifications shall be governed by the Clearing Rules.

5. REQUIREMENTS FOR TRADING

The Exchange has entered into a licence agreement with India Index Services & Products Limited (“IISL”) to be permitted to use certain stock indices to which IISL owns rights in and to and the proprietary data contained therein in connection with the listing, trading, marketing and clearing of derivative securities linked to such indices.

Standard & Poor’s (“S&P”) is a division of The McGraw-Hill Companies, Inc., a New York corporation. Among other things, S&P is engaged in the business of developing, constructing,

compiling, computing and maintaining various equity indices that are recognised worldwide as benchmarks for U.S. stock market performance. "Standard & Poor's®" and "S&P®" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by IISL in connection with the S&P CNX Nifty Index. IISL may further license the S&P trademarks to third parties, and has sub-licensed such marks to the Exchange in connection with S&P CNX Nifty Index and Contract. The S&P CNX Nifty Index is not compiled, calculated or distributed by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in products that utilise S&P CNX Nifty Index as a component thereof, including the Contract.

The Contract is not sponsored, endorsed, sold or promoted by IISL or S&P. None of the Exchange, IISL or S&P makes any representation or warranty, express or implied, to the owners of the Contract or any member of the public regarding the advisability of investing in securities generally or in the Contract particularly or the ability of the S&P CNX Nifty Index to track general stock market performance in India. The relationship of S&P and IISL to the Exchange is only in respect of the licensing of certain trademarks and trade names of their index which is determined, composed and calculated by IISL without regard to the Exchange or the Contract. Neither S&P nor IISL has any obligation to take the needs of the Exchange or the owners of the Contract into consideration in determining, composing or calculating the S&P CNX Nifty Index. Neither S&P nor IISL is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Contract to be issued or in the determination or calculation of the equation by which the Contract is to be converted into cash. Neither IISL nor S&P has any obligation or liability in connection with the administration, marketing or trading of the Contract.

The Exchange, S&P and IISL do not guarantee the accuracy and/or the completeness of the S&P CNX Nifty Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. Neither S&P nor IISL makes any warranty, express or implied, as to results to be obtained by the Exchange, owners of the Contract, or any other person or entity from the use of the S&P CNX Nifty Index or any data included therein. The Exchange does not make any warranty, express or implied, as to results to be obtained by the owners of the Contract, or any other person or entity from the use of the S&P CNX Nifty Index or any data included therein. The Exchange, IISL and S&P make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, the Exchange, IISL and S&P expressly disclaim any and all liability for any damages or losses arising out of or related to the Contract, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.