Outline of Specifications for Options on Commodity Futures

As of November 5, 2024

Osaka Exchange, Inc.

Item	Details	Remarks
I. Outline of Trading		
1. Products Available for Trading	− Options on Gold Futures (Put/Call) − The underlier of Options on Gold Futures shall be the price of Gold Standard Futures.	
2. Trading Sessions		
(1) Trading Sessions and Hours	− Day session ➢ Opening auction: 8:45 a.m. ➢ Regular session: 8:45 a.m. - 3:40 p.m. ➢ Closing auction: 3:45 p.m. − Night session ➢ Opening auction: 5:00 p.m. ➢ Regular session: 5:00 p.m. to 5:55 a.m. the next day ➢ Closing auction: 6:00 a.m. the next day	− Osaka Exchange, Inc. (OSE) may temporarily change trading hours when necessary.
(2) Venue of Trading Sessions	− Trading shall be conducted through the trading system.	
3. Contracts and Number Thereof	− 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. ➢ Six contracts, one for each even-numbered month, shall be available for trading. ➢ The trading period of each contract shall be one year.	− OSE may change the number, trading period, initial trading day, and last trading day of contracts when necessary.
4. Underlying Futures Contract	− 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.	
5. Setting of Exercise Prices		
(1) Initial Setting of Exercise Price Intervals	− The initial exercise price interval shall be JPY 50. This exercise price interval is set between prices that are integral multiples of JPY 50.	− OSE may change exercise price intervals when necessary.
(2) Initial Setting of Exercise Prices	− 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	− The exercise prices shall be limited to the extent that OSE deems appropriate.

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	price, and the 20 exercise prices below said exercise price. – However, OSE may change the number of exercise prices when necessary.	
(3) Additional Setting of Exercise Prices	– 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.	– When necessary, OSE may change the exercise prices and the number of exercise prices that it sets.
6. Trading Method in Trading Sessions	– Trading shall be conducted by individual auction.	
7. Contract Multipliers, Orders, and Price Limits		
(1) Contract Multipliers	– The contract multiplier for Options on Gold Futures shall be JPY 100.	
(2) Orders	– 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. 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.	– 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	– The tick size for Options on Gold Futures shall be JPY 1.	
(4) Price Limits	– Orders may not exceed the designated price fluctuation range. – The lower limit of the price fluctuation range shall be	– As a general rule, the

<table>
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<tr><td></td><td>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.

– 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>
<tr><th>Reference Price (X)</th><th>Price Limits on Orders</th><th>First Expanded Price Limit</th><th>Second Expanded Price Limit</th></tr>
<tr><td>X < JPY 10</td><td>JPY 200</td><td>JPY 350</td><td>JPY 500</td></tr>
<tr><td>JPY 10 ≤X < JPY 40</td><td>JPY 300</td><td>JPY 450</td><td>JPY 600</td></tr>
<tr><td>JPY 40 ≤ X < JPY 100</td><td>JPY 400</td><td>JPY 550</td><td>JPY 700</td></tr>
<tr><td>X ≥ JPY 100</td><td>JPY 550</td><td>JPY 700</td><td>JPY 850</td></tr>
</table>

– The expansion of upper or lower price limits on orders due to the triggering of the Static Circuit Breaker shall be as follows.
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.</td><td>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.</td></tr>
<tr><td>8. Temporary Trading Halts

(1) Static Circuit Breaker (SCB)</td><td>– 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.</td><td></td></tr>
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<tr><td>(2) Immediately Executable Price Range (Dynamic Circuit Breaker)</td><td>– 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>
<tr><th rowspan="2">DCB Reference Price</th><th colspan="3">DCB Price Range</th></tr>
<tr><th>Opening Auction</th><th>Regular Session</th><th>Closing Auction</th></tr>
<tr><td>Last Price</td><td>±JPY 120</td><td>±JPY 40</td><td>±JPY 80</td></tr>
</table></td><td>– 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).</td></tr>
<tr><td>9. Exercise</td><td></td><td></td></tr>
<tr><td>(1) Exercise Day</td><td>– 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.</td><td></td></tr>
<tr><td>(2) Option Settlement Price</td><td>– 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).</td><td></td></tr>
<tr><td>10. Restrictions on Trading</td><td>– 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.
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</td><td></td></tr>
<tr><td>II. J-NET Trading</td><td>– For details, please refer to the "Outline of J-NET Trading Rules" document.</td><td></td></tr>
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Item	Details	Remarks
III. Give-Ups	– For details, please refer to the "Outline of Give-Up Rules" document.	
IV. Position Transfer	– 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.	– 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	– For details, please refer to the "Outline of Margin and Settlement Rules for Futures and Options" document.	
VI. Trading Participant Fees	– For details, please refer to the "Overview of Trading Participant Fees" document.	
VII. Other		
1. Information Distributed by the Market Information System	– The following information shall be distributed by the Market Information System. 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.	– 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	– 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	– For details, please refer to the "Operational Procedures Related to the Handling of Commodity Futures and Options Positions" document.	
Supplementary Provisions	– These specifications are subject to change depending on market conditions.	