Appendix 1

**Articles of Association**

**of**

**Shanghai International Energy Exchange co., Ltd**

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# Chapter 1 General Provisions

1. These Articles of Association are made in accordance with the *Company Law of the People’s Republic of China* (the “Company Law”), the *Securities Law of the People’s Republic of China* (the “Securities Law”), the *Regulations on the Administration of Futures Trading*, the *Measures for the Administration of Futures Exchanges* and other relevant rules and regulations, in order to protect the legitimate rights and interests of the Shanghai International Energy Exchange Limited (the “INE” or “the Exchange”), the shareholders and the creditors thereof, and to regulate the organization and conducts of the Exchange.
2. The INE is a self-regulated legal person in the futures market which is established pursuant to *the Company Law*, *the Regulations on the Administration of Futures Trading*, *the* *Measures for the Administration of Futures Exchanges* and other relevant rules and regulations.

The INE is jointly initiated and established by the Shanghai Futures Exchange (“SHFE”) and the Shanghai Futures Information Technology Co., Ltd (“SFIT”).

The registered capital of the Exchange is RMB five (5) billion. Its total equity is divided into RMB common shares of equal value, with each share having a par value of RMB one (1). The SHFE contributes RMB four thousand nine hundred and fifty (4,950) million, accounting for 99% of the Exchange’s equity; and the SFIT contributes RMB fifty (50) million, accounting for 1% of the Exchange’s equity.

1. Registered names of the Exchange:

Name in Chinese: 上海国际能源交易中心股份有限公司；

Name in English: SHANGHAI INTERNATIONAL ENERGY EXCHANGE Co., LTD

1. The Exchange’s domicile: Room 305, 1 Huajing Road, China (Shanghai) Pilot Free Trade Zone.
2. The Exchange’s registered capital shall be paid in full by the initiators within fifteen (15) business days after the incorporation and registration of the Exchange.
3. The Exchange is a company limited by shares of perpetual existence.
4. The Chairman of the Board of Director of the Exchange is the Exchange’s legal representative.
5. The Exchange shall, in accordance with the provisions of *Constitution of The Communist Party of China*, set up a Party organization, accept the leadership of higher Party Committee and the oversight of higher Party's commissions for discipline inspection. The Exchange shall provide necessary support for the Party organization’s activities.
6. As of the effective date, these Articles of Association shall become a legally binding document that regulates the organization and conducts of the Exchange, and the rights and obligations of the Exchange and its shareholders as well as the relationship thereof, and shall be binding on the Exchange, its shareholders, Directors, Supervisors and senior management.

# Chapter 2 Business Scope And Responsibilities

1. The business scope of the Exchange is to: organize and arrange the listing, trading, clearing and delivery of energy derivatives including crude oil, natural gas, petrochemicals, etc., formulate business rules, implement self-regulation, publish market information, and provide technology, venue and facility services.
2. The Exchange is obligated to:
3. provide venues, facilities and services for futures trading;
4. design derivative contracts and arrange the listings thereof;
5. organize and supervise trading, clearing and delivery;
6. provide centralized performance guarantee for futures trading;
7. formulate and improve rules and regulations, strengthen the risk control in futures trading activities and the supervision of Members, Overseas Special Participants (“OSPs”) and the staff of the Exchange, and urge Members and OSPs to reinforce the management of their Clients’ trading activities;
8. formulate and enforce the General Exchange Rules of the Exchange and the implementing rules thereof;
9. publish market information;
10. carry out marketing activities, and provide personnel and business training;
11. regulate the futures business of Members, OSPs, Overseas Intermediaries, Clients, Designated Delivery Storage Facilities, Designated Depository Banks, and other futures market participants;
12. investigate and discipline rule violations; and
13. perform other responsibilities prescribed by the China Securities Regulatory Commission (the “CSRC”).

# Chapter 3 Shares

1. The Exchange shall report to theCSRC about its issuance of any shares.
2. Any shares issued by the Exchange shall be registered with a legal registration authority.
3. The Exchange may increase its capital by issuing RMB common shares or other types of shares to its existing shareholders or other legal persons or individuals within or out of the Chinese Mainland, if it deems necessary for its business operation and development.

In accordance with the laws, the administrative regulations, the ministerial rules and these Articles of Association, the Exchange may, upon the resolutions made at the shareholders’ general meeting, increase its registered capital by offering shares, issuing bonus to existing shareholders, converting capital reserve into capital stock and any other methods prescribed by laws and administrative regulations, and approved by the CSRC.

1. The Exchange may reduce its registered capital.

The Exchange shall reduce its registered capital in accordance with the procedures prescribed by *the Company Law*, other related regulations and these Articles of Association, and report to the CSRC.

1. The Exchange shall acquire its own shares in accordance with the procedures prescribed by the CSRC.
2. The shares of the Exchange may be transferred in accordance with the law. Share transfer, or disposition in other means, by the shareholders of the Exchange shall be reported to the CSRC.

The other shareholder(s) shall have the pre-emption right to the shares transferred by a shareholder.

1. Shares of the Exchange shall not be accepted as the underlying of pledge at the Exchange.

If the shareholders of the Exchange set any security rights such as pledge or any other third parties’ rights and interests over their shares of the Exchange, the Exchange shall report to the CSRC.

1. Shares of the Exchange held by the initiators shall not be transferred within one (1) year after the establishment of the Exchange.

# Chapter 4 Shareholders And Shareholders’ General Meeting

## Part I Shareholders

1. The Exchange’s shareholders are entitled to:
2. share profits in proportion to its shareholding ratio;
3. request, convene, preside over and attend by itself or by delegate the shareholders’ general meeting, and vote at such meeting appropriately in accordance with the law;
4. transfer, bestow or pledge the shares they hold in accordance with the laws, the administrative regulations, the ministerial rules and these Articles of Association;
5. provide suggestions or make enquiries on the operations of the Exchange;
6. review these Articles of Association, the shareholders’ register, the register of bonds issued by the Exchange, the minutes of shareholders’ general meetings, the resolutions of the meetings of the Board of Directors, the resolutions of the meetings of the Supervisory Board, and the financial statements; and
7. exercise any other rights prescribed by the laws, the administrative regulations, the ministerial rules and these Articles of Association.
8. If a shareholder requests to access or obtain relevant information or materials as provided in the preceding article, the shareholder shall submit to the Exchange written documents evidencing the type and number of the shares held in the Exchange. The Exchange shall provide the requested information or materials to the shareholder after verifying the identity of such shareholder.
9. A shareholder is entitled to apply to the people’s court for an order to invalidate the resolutions of the Exchange’s shareholders’ general meeting or meeting of the Board of Directors, if such resolutions are in violation of the laws, the administrative regulations or the ministerial rules.

A shareholder is entitled to apply to the people’s court for an order to revoke the resolution of the Exchange’s shareholders’ general meeting or meeting of the Board of Directors within sixty (60) days after the resolution is passed, if the convening procedures or the methods of voting at such meetings are in violation of the laws, the administrative regulations, the ministerial rules or these Articles of Association, or if such resolution is in violation of these Articles of Association.

1. The Exchange’s shareholders shall assume the following obligations:
2. to abide by the laws, the administrative regulations, the ministerial rules and these Articles of Association;
3. to contribute capital according to the number of shares they subscribed for and the method of subscription;
4. not to withdraw their capital contributions from the Exchange except otherwise prescribed by the laws, the administrative regulations and the ministerial rules;
5. not to harm the rights and interests of the Exchange by abusing the shareholder’s rights; not to harm the rights and interests of the Exchange’s creditors by abusing the Exchange’s independent status as a legal person and the shareholder’s limited liability; and
6. any other obligations that should be assumed by the shareholders under the laws, the administrative regulations, the ministerial rules and these Articles of Association.
7. If a shareholder abuses the Exchange’s independent status as a legal person and the shareholder’s limited liability to evade repayment of debts, and thus causes material damages to the interests of the Exchange’s creditors, such shareholder shall be jointly liable for the Exchange’s debts.

Shareholders of the Exchange shall not harm the Exchange’s interests by connection relationship. Shareholders who cause losses to the Exchange due to their violation of rules shall be liable for damages.

## Part II Shareholders’ General Meeting

1. The shareholders’ general meeting, comprised of all shareholders, shall be the highest authority of the Exchange and shall exercise the following functions and powers in accordance with the law:
2. review and approve the Articles of Association, the General Exchange Rules of the Exchange and the amendments thereto;
3. review the Exchange’s annual budget plan and the financial report;
4. review the Exchange’s plans for profit distribution or loss recovery;
5. review the usage of the Exchange’s risk reserve funds;
6. determine the increase or reduction of the Exchange’s registered capital;
7. determine the Exchange’s merger, division, dissolution or liquidation;
8. determine the offering of corporate bonds;
9. elect and replace Directors, or Supervisors who are not staff representatives, and make decisions on matters related to the remuneration of relevant Directors and Supervisors;
10. review and approve work reports prepared by the Board of Directors and the Supervisory Board of the Exchange; and
11. any other functions and powers prescribed in the laws, the administrative regulations, the ministerial rules and these Articles of Association.

Matters set out in items (1), (5) and (6) of the preceding paragraph are special matters for resolution, which shall be passed with more than two thirds (2/3) of the total votes holding by shareholders (including the shareholder’s proxy) present at the shareholders’ general meeting; and the other matters are ordinary matters for resolution, which shall be passed with more than one half (1/2) of the total votes holding by shareholders (including the shareholder’s proxy) present at the shareholders’ general meeting.

The shareholders’ general meeting may delegate some of the above functions and powers to the Board of Directors as it deems appropriate.

1. Any guarantee provided by the Exchange to a third party shall be reviewed and approved at the shareholders’ general meeting.
2. The shareholders’ general meetings are classified into annual meetings and interim meetings.

The shareholders’ annual general meeting shall be convened once a year within six (6) months after the end of the previous accounting year.

If any of the following circumstances occurs, the Exchange shall convene an interim general meeting within two (2) months after the occurrence thereof:

1. the number of Directors is less than two thirds (2/3) of the number prescribed by *the Company Law* or these Articles of Association;
2. the Exchange’s uncovered losses amount to one third (1/3) of the total paid-up capital;
3. upon request by shareholder(s) individually or in aggregate holding more than ten percent (10%) of the shares in the Exchange;
4. the Board of Directors deems necessary;
5. the Supervisory Board proposes to convene an interim meeting; or
6. other circumstances prescribed by the laws, the administrative regulations, the ministerial rules or these Articles of Association.
7. The shareholders’ general meeting shall be presided over by the Chairman of the Board of Directors.

The first shareholders’ general meeting shall be convened and presided over by the shareholder with the largest capital contribution to the Exchange.

All the Directors, Supervisors, the President and Chief Executive Officer, and the Secretary of the Board of Directors (the “Board Secretary”) shall attend the shareholders’ general meeting, and other members of the senior management may be present as non-voting attendees.

A shareholder may attend and vote at the shareholders’ general meeting in person or by proxy.

1. A shareholder shall vote in proportion to its capital contribution.
2. At the shareholders’ annual general meeting, the Board of Directors and the Supervisory Board shall report their work of the preceding year to the shareholders. Each Independent Director shall also report his or her work.

The Directors, the Supervisors and the senior management shall make explanations in response to the shareholder’s enquiries and suggestions at the shareholders’ general meeting.

1. The Board Secretary shall be responsible for preparing meeting minutes of all matters resolved at the shareholders’ general meeting. The Directors, the Supervisors, the Board Secretary, the convener of the meeting or their respective proxy, and the host of the meeting shall sign on the meeting minutes.

The minutes and the sound recordings of the meeting shall be kept in archive, together with the signature booklet, the power of attorney authorizing the proxy to attend the meeting and the valid materials on voting by other methods, for no less than twenty (20) years.

1. The convener shall ensure the shareholders’ general meeting is held on a continuous basis until the final resolutions are achieved. In the event that the shareholders’ general meeting is suspended or the resolutions cannot be achieved due to special reasons such as force majeure, necessary steps shall be taken so as to resume the shareholders’ general meeting as soon as possible, or directly conclude the current shareholders’ general meeting.
2. The Exchange shall report all documents of shareholders’ general meetings to the CSRC within ten (10) days following the close of the meetings.

# Chapter 5 Board Of Directors

## Part I Directors

1. The term of office of Directors shall be three (3) years. Directors may serve consecutive terms if consecutively selected.

If upon the expiry of a Director’s term of office, a new Director is not timely elected, or a Director resigns during his or her term of office, which both lead to the number of Board members falls below the statutory minimum number, the original Director shall continue to perform the responsibilities as a Director in accordance with the laws, the administrative regulations, the ministerial rules and these Articles of Association until a new Director is elected and takes office.

1. A Director shall abide by the laws, the administrative regulations, the ministerial rules and these Articles of Association, and shall bear the following duties of loyalty to the Exchange:
2. not to take the advantage of authority to take bribery or other illicit income; not to misappropriate the Exchange’s assets;
3. not to deposit the Exchange’s assets or funds into accounts opened in his or her own name or in any third party’s names;
4. not to utilize connection relationship to harm the Exchange’s interest; and
5. any other duties of loyalty prescribed by the laws, the administrative regulations, the ministerial rules and these Articles of Association.

Any income of the Directors arising from the violation of this Article shall belong to the Exchange.

1. A Director shall abide by the laws, the administrative regulations, the ministerial rules and these Articles of Association, and shall bear the following duties of care to the Exchange:
2. exercise the rights granted by the Exchange with prudence, care and diligence, so as to ensure that the Exchange’s commercial conducts meet the requirements of the laws, the administrative regulations, the ministerial rules and each economic policy of the PRC, and that its commercial activities do not exceed the business scope stated in the business license;
3. provide relevant information and materials to the Supervisory Board truthfully, and not to obstruct the Supervisory Board from exercising it functions and powers; and
4. any other duties of care prescribed by the laws, the administrative regulations, the ministerial rules and these Articles of Association.
5. If a Director fails to attend meetings of the Board of Directors, or fails to authorize another Director to attend on his or her behalf, for two consecutive times, the Director shall be deemed incapable of performing duties, and the Board of Directors shall suggest the shareholders’ general meeting to dismiss and replace such Director.
6. A Director may resign before the terms of office expire by submitting a written resignation report to the Board of Directors. A Director’s resignation shall take effect upon the delivery of the resignation report to the Board of Directors, except for the circumstance prescribed in Article 34.
7. When a Director’s resignation takes effect or the term of office expires, the Director shall complete all the hand-over procedures to the Board of Directors.
8. Without being provided by these Articles of Association or duly authorized by the Board of Directors, no Director may act on behalf of the Exchange or the Board of Directors in his or her own name. When a Director is acting in his or her own name while nevertheless a third party possibly believes that such Director is acting on behalf of the Exchange or the Board of Directors, such Director shall state his or her position and identify in advance.
9. The Exchange shall have Independent Director(s), who shall be approved by the shareholders’ general meeting.
10. If a Director who causes losses to the Exchange due to his or her violation of the laws, the administrative regulations, the ministerial rules or these Articles of Association while performing his or her duties at the Exchange, such Director shall be liable for damages.

## Part II Board of Directors

1. The Exchange shall set up a Board of Directors. The Board of Directors shall consist of five (5) to nine (9) Directors, including one (1) Chairman of the Board of Directors and one (1) Vice Chairman of the Board of Directors. The Chairman and Vice Chairman of the Board of Directors shall be elected by more than half (1/2) of all the Board Directors. The Chairman of the Board of Directors shall not concurrently serve as the President and Chief Executive Officer of the Exchange.
2. The Board of Directors is accountable to the shareholders’ general meeting, and is entitled to:
3. convene and report work to the shareholders’ general meeting;
4. draft the Articles of Association and the General Exchange Rules of the Exchange and any amendments thereto, and submit such documents to the shareholders’ general meeting for review and approval;
5. draft the Exchange’s plans for profit distribution and loss recovery, and submit them to the shareholders’ general meeting for approval;
6. review the budget plan and the financial report proposed by the President and Chief Executive Officer, and submit them to the shareholders’ general meeting for approval;
7. review and approve the Exchange’s external investment plan
8. draft plans for increasing or reducing the Exchange’s registered capital and for issuing corporate bonds, and submit these plans to the shareholders’ general meeting for approval;
9. to review and approve any plans on the Exchange’s merger, division, dissolution and liquidation, and submit them to the shareholders’ general meeting for approval;
10. supervise the President and Chief Executive Officer’s implementation of resolutions passed by the shareholders’ general meeting and the meeting of the Board of Directors;
11. determine the Exchange’s set-up of internal organization and special committees;
12. determine the approval and revocation of the Exchange’s Membership and qualification of Overseas Special Participants (“OSP”s);
13. determine disciplinary actions on conducts subject to rule violation;
14. determine changes in the name, domicile or business venues of the Exchange;
15. review and approve the implementing rules and measures formulated pursuant to these Articles of Association and the General Exchange Rules of the Exchange;
16. review and approve the plan on the usage of the Exchange’s risk reserve funds;
17. review and approve the development plan and the annual work plan of the Exchange proposed by the President and Chief Executive Officer;
18. organize the audit of the Exchange’s annual financial reports, and determine the appointment and replacement of accounting firms;
19. review and approve the incentive measures of the Exchange; and
20. exercise any other functions and powers prescribed by the laws, the administrative regulations, the ministerial rules and these Articles of Association, or conferred by the shareholders’ general meeting.

The Board of Directors may, as it deems appropriate, authorize the President and Chief Executive Officer to exercise part of the above functions and powers.

1. The Board of Directors shall determine the limits of authority for external investment, purchase and sale of assets, mortgage of assets, , entrusted asset management and related-party transactions, and establish strict review and decision-making procedures; organize relevant experts and professionals to review significant investment projects, and submit them to the shareholders’ general meetings for approval.
2. The Board of Directors shall determine the remuneration, reward and punishment of the President and Chief Executive Officer, the Executive Vice President, and other members of the senior management.
3. The Chairman of the Board of Directors is entitled to:
4. preside over Board meetings and the routine work of the Board;
5. organize and coordinate the work of special committees;
6. review the implementation of the Board’s resolutions and report it to the Board; and
7. perform any other duties and powers conferred by the Board.

The Vice Chairman of the Board shall assist the Chairman in performing duties.

1. The Board meeting shall be convened and presided over by the Chairman. In the event of being unable to discharge the duties for some reasons, the Chairman shall designate a Vice Chairman or a Director to act on his or her behalf. If the Chairman is unable to or fails to perform his or her duties, the Vice Chairman shall convene and preside over the Board meeting. If the Vice Chairman is unable to or fails to perform such duties, more than half (1/2) of the Directors shall jointly elect one (1) Director to convene and preside over the Board meeting.

The convening and deliberation rules of the Board meeting shall follow the stipulations in these Articles of Association.

Within ten (10) days after the close of a Board meeting, the Board shall report the resolutions and other documents of meeting to the CSRC.

1. The Board Meetings shall be convened at least twice per year. All the Directors and Supervisors shall be notified of the meeting ten (10) days in advance.

Shareholder(s) with more than one tenth (1/10) of voting rights or more than one third (1/3) of the Directors or the Supervisory Board may propose to convene an interim Board meeting. The Chairman of the Board shall convene and preside over interim Board meetings within five (5) days following the receipt of such proposals.

1. A Board meeting is valid only if attended by more than half (1/2) of all the Directors. Resolutions adopted at the meeting shall be valid only if consented by more than half (1/2) of all the Directors.

Each Director shall have one vote on each matter to be resolved at the Board meeting.

1. The voting methods at the Board meeting include: open ballot, closed ballot, voting by a show of hands or other methods.

Voting at interim Board meetings may be conducted via video conferencing or other means of communication, provided that the Directors’ opinions are sufficiently expressed.

1. A Director shall be present at the Board meeting in person. If a Director is unable to attend for any reason, he or she may designate another Director in writing to attend such meeting on his or her behalf. The written designation shall indicate the name of the delegate, the matter delegated, the scope of the authority, and the period of validity, and shall be signed by the principal or affixed with the principal’s seal. The Director who attends the meeting on another Director’s behalf shall excise the rights of the Director within the scope of authorization. Any Director who neither attends a Board meeting nor authorizes another Director to attend on his or her behalf shall be deemed to have given up his or her voting rights at such meeting.
2. The Board of Directors shall prepare minutes of any decisions made on matters discussed at each meeting. The minutes shall be signed by all Directors present at the meeting.

Minutes of Board meetings shall record the ways of voting and the results of each matter for resolution.

Minutes of Board meetings shall be kept in the Exchange’s archives for no less than twenty (20) years.

1. Special committees, including the strategy and plan committee and the remuneration committee, shall be established under the Board of Directors.

Special committees shall assist the Board in performing its duties. Each special committee is accountable to the Board, and its duties shall be prescribed by the Board.

1. The Exchange may have a Board Secretary, who shall be appointed or dismissed by the Board.

The Board Secretary is responsible for matters including the preparation of shareholders’ general meetings and Board meetings, documents retention, and the management of the Exchange’s shareholder materials.

# Chapter 6 Senior Management

1. The Exchange shall have one (1) President and Chief Executive Officer and a number of Executive Vice Presidents. The President and Chief Executive Officer shall be appointed or dismissed by the Board. The Executive Vice Presidents shall be appointed or dismissed by the Board based on the nomination of the President and Chief Executive Officer.

The President and Chief Executive Officer shall be a Director. Each term of office shall be three (3) years, and no more than two (2) consecutive terms shall be served.

The President and Chief Executive Officer, the Executive Vice Presidents and the Board Secretary are members of the senior management, who shall possess necessary qualifications specified in the laws and regulations.

1. Provisions in these Articles of Association on a Director’s duties of loyalty and care shall also apply to the senior management.
2. The President and Chief Executive Officer is accountable to the Board of Directors, and is entitled to:
3. organize the implementation of rules and resolutions passed at the shareholders’ general meetings and the Board meetings;
4. preside over the Exchange’s routine work;
5. draft implementing rules and measures pursuant to these Articles of Association and the General Exchange Rules of the Exchange;
6. draft plans on the usage of risk reserve funds;
7. draft and execute the Exchange’s approved development plan and annual work plan;
8. draft and execute the Exchange’s approved external investment plans;
9. draft the Exchange’s budget plan and financial report;
10. draw plans on the Exchange’s merger, division, dissolution and liquidation ;
11. to draft plans on the changes of name, domicile or business venues of the Exchange;
12. determine to take the measures of forced position reduction;
13. draft plans on the Exchange’s organizational structure, and the appointment and dismissal of the Exchange’s employees;
14. determine the remuneration, reward and punishment of the Exchange’s employees; and
15. perform any other duties prescribed by administrative regulations, ministerial rules and these Articles of Association or the Board.

In the event of being unable to discharge his or her responsibilities for any reason, the President and Chief Executive Officer shall designate one Executive Vice President to perform on his or her behalf.

1. The President and Chief Executive Officer may resign before his or her term of office expires.
2. If a member of the senior management violates laws, regulations, ministerial rules or these Articles of Associations when performing his or her duties, and thus causes losses to the Exchange, such member shall be liable for the compensation.

# Chapter 7 Supervisory Board

1. The Exchange shall have a Supervisory Board, which shall be comprised of no less than three (3) members. The Supervisory Board shall have one (1) Chairman, and the Chairman shall be elected by more than half (1/2) of all the supervisors.

Directors or senior management shall not concurrently serve as Supervisors.

The Supervisory Board shall include representative(s) from the shareholders and a proper proportion of staff representative(s). The proportion of the staff representative(s) in the Supervisory Board shall not fall below one third (1/3). A Supervisor who is a shareholder representative shall be elected by the shareholders’ general meeting, and a staff representative shall be elected by the Exchange’s staff through the staff representatives’ general meeting, the staff’s general meeting or other ways.

The term of office for each Supervisory Board is three (3) years. A Supervisor may serve consecutive terms if re-elected upon the expiry of term of office.

If, upon the expiry of a Supervisor’s term of office, a new Supervisor is not timely elected, or a Supervisor resigns during his or her term of office, in each event, causing the number of Supervisors to fall below the quorum, the original Supervisor shall continue to perform the duties of a Supervisor in accordance with the laws, the administrative regulations, the ministerial rules and these Articles of Association until a new Supervisor is elected and takes office.

1. The Supervisory Board is entitled to:
2. inspect the financial condition of the Exchange;
3. supervise Directors and senior management of the Exchange on their compliance with the relevant laws, administrative regulations, ministerial rules and policies, as well as these Articles of Association, the General Exchange Rules of the Exchange and the implementing rules thereof;
4. make suggestions for the dismissal of Directors and senior management who violate laws, administrative regulations, ministerial rules, these Articles of Association or resolutions of the shareholders’ general meeting;
5. require Directors and senior management to rectify if their behaviors harm the interest of the Exchange;
6. propose to convene an interim shareholders’ general meeting; convene and preside over the shareholders’ general meeting if the Board fails to perform its duties prescribed by these Articles of Association;
7. submit proposals to the shareholders’ general meeting;
8. bring a lawsuit against Directors and senior management personnel in accordance with Article 152 of *the Company Law*; and
9. conduct investigations if the Exchange performs poorly in its operation ; appoint accounting firms, law firms or other professional agencies to assist with its work if necessary, at the cost of the Exchange.
10. Meetings of the Supervisory Board shall be convened and presided over by the Chairman of the Supervisory Board. If the Chairman fails to perform his or her duties, more than one half (1/2) of the Supervisors shall elect one (1) Supervisor to convene and preside over the meeting.

A Supervisor may propose to convene an interim meeting of the Supervisory Board.

1. Any resolution adopted at the meeting of the Supervisory Board shall be valid only if consented to by more than one half (1/2) of all the supervisors.

The Supervisory Board shall keep meeting minutes of all resolutions discussed at each meeting. Supervisors present at the meetings shall sign on the meeting minutes.

The Supervisory Board shall formulate the rules of procedure for the meeting of the Supervisory Board, and define the methods of deliberation and the voting procedures of the Supervisory Board so as to ensure the efficiency and the decision-making process of the Supervisory Board.

1. Within ten (10) days after a meeting ends, the Supervisory Board shall file with the CSRC a copy of all resolutions adopted at the meeting and other meeting documents.
2. A supervisor may be present as a non-voting attendee at the meeting of the Board of Directors, and may make enquiries or suggestions on matters resolved by the Board of Directors.
3. Provisions in these Articles of Association on a Director’s duties of loyalty and care shall also apply to the Supervisors.
4. If a Supervisor violates laws, administrative regulations, ministerial rules or these Articles of Associations when performing his or her duties, and thus causes losses to the Exchange, such supervisor shall be liable for the damages.

# Chapter 8 Basic Business Systems

1. Futures trading shall be conducted through the Exchange by centralized and public way in accordance with relevant rules, or in other ways approved by the CSRC.
2. The Exchange shall regulate all futures trading activities and control market risks by implementing margin requirements, all-member clearing , risk reserve, daily mark-to-market, price limit, position limit, hedge quota management, large trader position report, forced position liquidation, a risk warning, etc.

# Chapter 9 Financial Accounting System And Internal Control System

1. The Exchange shall formulate a financial accounting system in accordance with the laws, administrative regulations, ministerial rules and the provisions of relevant state authorities.
2. The Exchange shall file its annual financial accounting reports to the CSRC within four (4) months following the end of every accounting year.

The annual financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations, and ministerial rules.

1. Except for the statutory account books, the Exchange shall not set up other account books. No assets of the Exchange may be deposited into any individual’s account.
2. When the Exchange distributes its profit-after-tax of the current year, it shall draw ten percent (10%) of the profits as the Exchange’s statutory reserve. If the accumulative statutory reserve is more than fifty percent (50%) of the Exchange’s registered capital, such drawing shall be stopped.

If the Exchange’s statutory reserve is not enough to make up for the losses of the previous year, the current year’s profits shall first be used for making up the losses before drawing for the statutory reserve as stated in the preceding paragraph.

After drawing statutory reserve from profit-after-tax, the Exchange may, subject to the resolution of the shareholders’ general meeting, draw discretionary reserve from the profit-after-tax.

After the losses are made up and the statutory reserve is drawn, subject to the resolution of the shareholders’ general meeting, the Exchange’s profit-after-tax may be distributed pro rata to the shareholders.

The Exchange’s distribution of profits to its shareholders shall be reported to the CSRC.

1. The Exchange’s statutory reserve shall be used to make up for the losses, expand the business and operations, or increase the capital of the Exchange.
2. After the profit distribution plan is approved by the shareholders’ general meeting of the Exchange and reported to the CSRC, the Board of Directors of the Exchange shall complete the distribution of dividends (or shares) within two (2) months after the shareholders’ general meeting.
3. The Exchange may charge commission fees, information fees and other fees.
4. In order to ensure the normal operation of the market and to prevent and mitigate market risks, the Exchange shall draw risk reserve funds in accordance with relevant rules.
5. The Exchange shall establish an effective internal control system in accordance with rules of relevant competent authorities on the internal control of the Exchange.
6. The Exchange shall clearly define the objectives, duties and responsibilities of each department and position, and establish corresponding rules on authorization, examination and tiered accountability, so as to ensure the performance of these duties within the scope of authorization.
7. The Exchange shall establish and improve specific internal management systems such as financial management, asset management, IT security management and human resource management, etc.
8. The Exchange shall establish a check-and-balance mechanism and a supervisory mechanism among related departments and positions, and an internal audit department that is exclusively responsible for supervision and examination.
9. The Exchange shall appoint accounting firms with securities and futures business qualifications to audit financial statements, conduct net asset verification and provide other related consulting services.
10. The appointment and audit fees of accounting firm shall be determined by the Board of Directors.
11. The Exchange shall undertake to provide the accounting firms authentic and complete accounting documents, accounting books, financial accounting reports and other accounting materials, and shall not refuse to provide, conceal, or misrepresent the above materials.
12. When the Board of Directors of the Exchange is voting to decide whether to dismiss or discontinue appointing an accounting firm, the accounting firm is allowed to state its opinions.

# Chapter 10 Change, Termination And Liquidation

1. The merger and division of the Exchange are subject to the CSRC’s approval. The merger of the Exchange may take the forms of absorption or new establishment.
2. The creditor’s rights and debts of each merging party upon the merger of the Exchange shall be assumed by the acquiring company or the newly-established company after merger.
3. When the Exchange is to undergo division, its assets shall be divided accordingly, and its creditor’s rights and debts shall be assumed by the companies resulting from the division.
4. When the Exchange needs to reduce its registered capital, a balance sheet and a schedule of assets shall be prepared.

After capital reduction, the Exchange’s registered capital shall not fall below the statutory minimum capital amount.

1. Any merger or division of the Exchange or change in its registered items shall be filed with the industrial and commercial registration authority in accordance with laws; any establishment of a new Exchange shall be registered in accordance with laws.

Any increase or reduction of the registered capital of the Exchange shall be filed with the industrial and commercial registration authority pursuant to procedures set out in pertinent laws and regulations.

1. The Exchange shall be dissolved if:
2. the shareholders’ general meeting determines to dissolve the Exchange;
3. the CSRC mandates closure of the Exchange.

Dissolution as provided in Article 91 (1) shall be reported to the CSRC.

1. Public announcement shall be made with respect to the termination of the Exchange due to merger, division or dissolution.

A liquidation team shall be set up to liquidate the assets of the Exchange that is terminated.

1. The liquidation team shall exercise the following duties and powers in the course of liquidation:
2. identify the Exchange’s assets, and prepare a balance sheet and a schedule of assets respectively;
3. notify creditors through notice or public announcement;
4. handle the Exchange’s ongoing businesses related to liquidation;
5. pay off all taxes owed and taxes incurred in the course of liquidation;
6. clear up creditor’s rights and debts of the Exchange;
7. dispose the remaining assets of the Exchange after full repayment of debts; and
8. participate in civil actions on behalf of the Exchange.
9. The liquidation procedures shall be conducted in accordance with relevant provisions of *the Company Law*.
10. After identifying the Exchange’s assets and preparing the balance sheet and schedule of assets, the liquidation team shall prepare a liquidation plan, which shall be submitted to the CSRC for approval, and then to the shareholders’ general meeting or the people’s court for ratification.

After paying for liquidation expenses, salaries, social insurance and statutory compensation of the staff, and taxes owed, the Exchange shall distribute the remaining assets to the shareholders in proportion to their shareholding ratios.

In the course of liquidation, the Exchange shall continue to exist, but may not conduct businesses irrelevant to liquidation. Before the liquidation of the Exchange’s assets as prescribed in the preceding paragraph, such assets shall not be distributed to the shareholders.

1. If the liquidation team finds that the Exchange does not have sufficient assets to repay its debts after asset identification and preparation of the balance sheet and schedule of assets, the team shall report to the CSRC, and then file a bankruptcy petition with the people’s court in accordance with the law.

Once the Exchange is declared bankrupt by the people’s court, the liquidation team shall refer the liquidation to the people’s court.

1. Upon completion of the Exchange’s liquidation, the liquidation team shall prepare a liquidation report, which shall be submitted to the shareholders’ general meeting or the people’s court for ratification. Such report shall also be submitted to the industrial and commercial registration authority for the de-registration of the Exchange, and make a public announcement of the Exchange’s termination.
2. Members of the liquidation team shall faithfully perform their duties and carry out their liquidation obligations in accordance with the law.

Members of the liquidation team shall not take advantage of their authorities to accept bribery or other illegal income, and shall not misappropriate the Exchange’s assets.

A member of the liquidation team who causes loss to the Exchange or its creditors due to intentional misconduct or gross negligence shall be liable for damages.

1. If the Exchange is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with laws on enterprise bankruptcy.

# Chapter 11 Amendments To These Articles

1. Under any of the following circumstances, the Exchange shall amend these Articles of Association:
2. stipulations of these Articles of Association contradict the provisions of laws, administrative regulations and ministerial rules;
3. the stipulations in these Articles of Association are inconsistent with the change of circumstance of the Exchange; or
4. the shareholders’ general meeting decides to amend these Articles of Association.
5. Any amendment to these Articles of Association by resolution of the shareholders’ general meeting shall be reported to the CSRC for approval. If any company registration item is involved, the Exchange shall complete the registration of such amendment in the industrial and commercial registration authority in accordance with the law.
6. The Board of Directors shall amend these Articles of Association in accordance with the resolution of the shareholders’ general meeting on the amendment of these Articles of Association and the CSRC’s review opinions.

# Chapter 12 Miscellaneous

1. The notices of the Exchange are delivered by the following methods:
2. in person;
3. by mail;
4. by electronic message;
5. by public circular;
6. other methods prescribed by the Exchange.
7. If notified by public circular, once the circular is published, all the recipients are deemed to have received the notice on the first day of the circular publication.
8. The notice to convene a shareholders’ general meeting, a meeting of the Board of Directors and a meeting of the Supervisory Board shall be delivered by mail, electronic message or in person.
9. If a notice of the Exchange is delivered in person, the recipient shall sign (or affix seal) on the receipt, and the effective date shall be the day of delivery; if sent by mail, the notice shall be deemed delivered on the fifth (5th) business day of dispatch in the PRC and the tenth (10th) business day of dispatch outside the PRC.

If a notice is given by electronic message, the notice shall be deemed delivered on the day the notice enters the recipient’s designated electronic messaging system; if no electronic messaging system is designated, the date of delivery shall be the first time the notice enters any system of the recipient.

1. These Articles of Association are written in Chinese. In case of any discrepancy between these Articles of Association and versions in any other languages or any different version of articles of associations, the latest Chinese version approved by and registered with the registration authority shall prevail.
2. The terms “more than” and “within” shall be deemed to include the number that follows; while the term “fall below” shall be deemed to exclude the number that follows.
3. The Board of Directors of the Exchange reserves the right to interpret these Articles of Association.
4. These Articles of Association shall come into force after being passed by the shareholders’ general meeting and approved by the CSRC.