**Appendix 2**

 **Delivery Rules of the Shanghai Futures Exchange**

# (Amended)

**Article 103** Packaging:

 (i) Domestic product (SCR WF) shall be wrapped in polyethylene film and placed in a polypropylene bag. Each pack shall have a net weight of thirty-three and three-tenths (33.3) kilograms, with thirty (30) packs forming a metric ton. No more or less clause shall be applied to weight. The size of a pack shall be six hundred and seventy (670) multiplied by three hundred and thirty (330) with the product multiplied by two hundred (200) millimeters. The surface of the pack shall carry the specifications of the commodity, including the grade, net weight, name or signifier code of the manufacturer, and date of production and production license number.

**Delivery Rules of the Shanghai Futures Exchange**

# (Restated)

**Chapter 1 GENERAL PROVISIONS**

 **Article 1** These Delivery Rules are made in accordance with the General Exchange Rules of the Shanghai Futures Exchange (hereinafter referred to as “Exchange”) to regulate the physical delivery under the terms of futures contracts traded on the Exchange.

 **Article 2** These Delivery Rules are binding on the Exchange, Members, Clients and Designated Delivery Warehouses.

**Chapter 2 PROCEDURES OF DELIVERY**

 **Article 3** The term “physical delivery” refers to the process of delivering standard warrant representing the commodity underlying a futures contact following the last trading day, during the delivery period.

 **Article 4**  All the holders of open interest shall fulfill the obligations specified in the futures contract by physical delivery following the last trading day of the contract. Physical delivery on any Client’s futures contracts shall be executed by a Member in the name of such Member on or through the Exchange.

 A Client unable to provide or accept the value-added tax invoice, or the VAT invoice, shall not be permitted to make or take delivery.

 A Client who is a natural person is not permitted to hold any open interest after the close of trading on the third from the last trading day of a futures contract. As of the second to the last trading day, any of the outstanding positions of the Client who is a natural person shall be liquidated by the Exchange.

 **Article 5**  Physical delivery shall be concluded during the delivery period specified in the rules forming the futures contract. The delivery period refers to the five (5) business days following the last trading day of the contract. The days within the period are named the first delivery day, the second delivery day, the third delivery day, the fourth delivery day and the fifth delivery day, and the fifth delivery day is the last delivery day.

 **Article 6** Delivery Procedures:

 i) Activities on the first delivery day

a) The buyer must submit to the Exchange his intent to accept delivery, specifying the commodity, grade or brand, quantity and name of the Designated Delivery Warehouse.

b) The seller sells standard warrants. The seller shall submit to the Exchange the effective standard warrants that have already been paid off storage fees through the standard warrant management system.

 ii) Activities on the second delivery day

 The Exchange shall assign the standard warrant to the buyers at the Exchange’s discretion.

 The standard warrant unable to be applied to the delivery on the futures contract of succeeding delivery month shall be assigned by the Exchange to the buyer on a pro rata basis by their proportion of the total delivery volume in the current month.

 iii) Activities on the third delivery day

a) The buyer shall make payment and receive the standard warrant at the Exchange by 14:00 hours.

b) The seller shall receive payment from the Exchange by 16:00 hours. Under exceptional circumstances, the Exchange may delay payment.

 iv) Activities on the fourth delivery day and fifth delivery day

 The seller shall submit the VAT invoice.

 **Article 7** A standard warrant submitted as part of the physical delivery process shall be transferred in the following order:

 (i) the seller shall entrust the standard warrant to his FF Member for physical delivery;

 (ii) the seller (FF Member) shall submit the standard warrant to the Exchange;

 (iii) the Exchange shall assign the standard warrant among the Member (buyer); and

 (iv) each Member (buyer) shall distribute the standard warrant to the Client (buyer).

 **Article 8** After the physical delivery process has concluded, if the buyer disputes the quality or quantity of the commodity (any disputed natural rubber, silver, or bleached softwood kraft pulp (“BSKP”) shall remain in the Designated Delivery Warehouses), the buyer shall submit a written request to the Exchange for a resolution on or up to the 15th business day of the month following the physical delivery month (if that date is a public holiday, the deadline shall be postponed to the next business day), and provide a quality assay report issued by a certified assayer (see Appendix 1 hereto for the certified assayers; a list of certified assayers for lead, nickel, tin, silver, and BSKP futures will be separately announced by the Exchange). If the submission is not received within the prescribed time, the buyer shall be regarded as with no dispute against commodities delivered, and the Exchange will not accept and resolute one’s or his application for disputes. Disputes involving the quality or quantity of steel rebar, wire rod, hot-rolled coil, and stainless steel shall be treated as follows:

 After the physical delivery process of steel rebar, wire rod, hot-rolled coil, and stainless steel has concluded, if the buyer disputes the quality or quantity of the commodity (any delivered steel rebar, wire rod, and hot-rolled coil in dispute shall remain in the Designated Delivery Warehouses), the buyer shall submit a written request to the Exchange for a resolution on or up to the 15th business day of the month following the physical delivery month (if that date is a public holiday, the deadline shall be postponed to the next business day), and provide a quality assay report issued by a certified assayer (a list of certified assayers for steel rebar, wire rod, hot-rolled coil, and stainless steel will be separately announced by the Exchange). The quality warranty for every batch of the delivered steel rebar, wire rod hot-rolled coil and stainless steel shall not expire before or on the last delivery day of this delivery, and even if the quality warranty expires before the final date for the submission of a dispute request, the seller shall be responsible for the actual quality of the delivered commodity if the commodity is found ineligible by the quality assay report.

 **Article 9** If the buyer wants to place on warrant the commodity he receives as a result of physical delivery, he shall go through the procedures of delivery as prescribed in Chapter 2 all over again.

**Chapter 3 LOAD-IN AND LOAD-OUT**

 **Article 10** An owner of the goods, or the owner, that intends to store a commodity in a Designated Delivery Warehouse shall submit an application for registration to load in the commodity, or a delivery notice.

 The delivery notice shall include the product, the grade or brand, the trademark, quantity, sender and the name of the Designated Delivery Warehouse along with all necessary certificates prescribed in these Delivery Rules.

 A Client shall designate his FF Member as his agent to handle all procedures with respect to the delivery notice.

 **Article 11** Given the availability of storage capacity, the Exchange shall, in its discretion, determine within three (3) business days whether to approve the load-in application. Upon receiving approval, the owner shall promptly see to the transportation of the commodity to the Designated Delivery Warehouse approved in the load-in application within the time period prescribed by the Exchange. Delivery shall be prohibited if the load-in exceeds the specified time period or the load-in is not approved by the Exchange.

 **Article 12** Upon the arrival of the commodity, the Designated Delivery Warehouse shall inspect it and verify its certificates, in compliance with the rules of the Exchange. When the inspection and verification are complete, the Designated Delivery Warehouse shall enter its conclusions into the standard warrant management system. The Designated Delivery Warehouse shall issue the standard warrant to the Member only if the Member’s application for the standard warrant is approved by the Exchange.

 The owner shall oversee in person the inspection on and verification of the arrived commodities. Otherwise, the owner is deemed to agree with the Designated Delivery Warehouse on the conclusions he draws from the inspection and verification.

 **Article 13** If a legitimate holder of standard warrant applies to take delivery, the Designated Delivery Warehouse shall not make the delivery unless the standard warrant is determined to be valid. The owner may, in his sole discretion, take delivery or direct the Designated Delivery Warehouse to deliver the commodity to a third party. In the latter case, the owner shall oversee the delivery at the Designated Delivery Warehouse. Otherwise, he loses his right to dispute the propriety of the delivery made by the Designated Delivery Warehouse.

 **Article 14** At the time the Designated Delivery Warehouse delivers the commodity, it shall fill out the Standard Warrant Load-out Confirmation in duplicate, keeping one copy and giving the other to the owner, and well keep them for the checks thereafter.

**Chapter 4 COPPER CATHODE DELIVERY**

 **Article 15** Delivery unit: twenty five (25) metric tons.

 **Article 16** Grades and quality qualifications are provided in the Copper Cathode Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 17** Deliverable commodity

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 **Article 18** Packaging for the deliverable commodity

 (i) Packaging: the copper cathodes that each warrant represents shall be produced by the same manufacturer and of the same trademark, grade, shape and set weight. The registered manufacturer may decide, in his sole discretion, the weight of each set, provided that the sets form a delivery unit. Each weight set shall be assembled with rust-resistant steel straps in a double parallel-cross manner (#) or other methods of a similar strength. The strapping shall be reliable; the goods marks and set weight shall be easy to see and securely attached. Each set weight shall not exceed four (4) metric tons.

 (ii) If the goods arrive with broken steel straps, severe rust or corrosion, they shall be reassembled with steel straps as specified in Article 18(1) before they are delivered. Any costs incurred in the reassembly shall be borne by the owner.

 **Article 19** Necessary certificates for the deliverable commodity

 (i) Domestic product: the product quality certificate issued by the registered manufacturer.

 (ii) Imported product: the product quality certificate, the production origin proof, the quality assay report, the customs import tariff payment certificate and the customs VAT levy certificate. These certificates shall not be valid unless verified by the Exchange.

 If national policies on taxation, quality inspection or other aspects change, the revised policies shall prevail. Under such circumstances, the Exchange shall separately announce the revised requirements for certificates with regard to the imported product.

 **Article 20** More or less clause and weight difference: The underlying copper cathode for each standard warrant weights twenty-five (25) metric tons. Differences between standard warrant weight and actual delivery weight shall not exceed two percent (±2%). Weight difference shall not exceed two-tenths of a percent (±0.1%).

 **Article 21** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 22** Delivery venue: Designated Delivery Warehouse, as set forth in Appendix 2 to these Delivery Rules.

**Chapter 5 ALUMINUM INGOT DELIVERY**

 **Article 23** Delivery unit: twenty five (25) metric tons.

 **Article 24** Grades and quality qualifications are provided in the Aluminum Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 25** Deliverable commodity

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 **Article 26** Packaging for the deliverable commodity

 (i) Packaging: the aluminum ingots that each warrant represents shall be produced by the same manufacturer and of the same trademark, grade, shape and set weight. The registered manufacturer may decide, in his sole discretion, the weight of each set, provided that the sets form a delivery unit. Rust-resistant steel straps with the specific size (30-32 \* 0.9-1.0 mm) shall be used to assemble the weight set in a double parallel-cross manner (#). The strapping shall be reliable; goods marks, smelting furnace serial number and set weight shall be easy to see and securely attached. Each set weight shall not exceed two (2) metric tons.

 (ii) Upon arrival, sets or pieces with broken steel straps, severe rust or corrosion shall be reassembled with the steel straps specified in Article 26(1) before they are delivered. Any costs incurred in the reassembly shall be borne by the owner.

 (iii) Each ingot of the domestic product shall weigh fifteen (15) kilograms plus or minus (±) two (2) kilograms, twenty (20) kilograms plus or minus (±) two (2) kilograms, or twenty five (25) kilograms plus or minus (±) two (2) kilograms. The imported product shall be in the shape of ingots and weigh per ingot between twelve (12) kilograms and twenty six (26) kilograms.

 **Article 27** Necessary certificates for the deliverable commodity

 (i) Domestic product: the product quality certificate issued by the registered manufacturer.

 (ii) Imported product: the product quality certificate, the production origin proof, the quality assay report, the customs import tariff payment certificate and the customs VAT levy certificate. These certificates shall not be valid unless they are verified by the Exchange.

 If national policies on taxation, quality inspection or other aspects change, the revised policies shall prevail. Under these circumstances, the Exchange shall separately announce the revised requirements for certificates with regard to the imported product.

 **Article 28** More or less clause: The underlying aluminum ingots for each standard warrant weight twenty-five (25) metric tons. Differences between standard warrant weight and actual delivery weight shall not exceed two percent (±2%).

 **Article 29** Weight difference: the weight difference shall not exceed one-tenth of one percent (0.1%).

 **Article 30** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 31** Delivery venue: Designated Delivery Warehouse as set forth in Appendix 2 to these Delivery Rules.

**Chapter 6 ZINC INGOT DELIVERY**

 **Article 32** Delivery unit: twenty five (25) metric tons.

 **Article 33** Grades and quality qualifications are provided in the Zinc Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 34** Deliverable commodity

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 **Article 35** Packaging for the deliverable commodity

 (i) Packaging: the zinc ingots that each warrant represents shall be produced by the same manufacturer and of the same trademark, grade, shape and set weight. The registered manufacturer may decide, in his sole discretion, the weight of each set, provided that the sets form a delivery unit. Rust-resistant steel straps with the specific size (30-32 \* 0.9-1.0 mm) shall be applied to assemble the weight set in a double parallel-cross manner (#). The strapping shall be reliable; goods marks, serial number and set weight shall be easy to see and securely attached.

 (ii) Upon arrival, sets or pieces with broken steel straps, severe rust or corrosion shall be reassembled with the steel straps specified in Article 35(1) before they are delivered. Any costs incurred in the reassembly shall be borne by the owner.

 (iii) Each ingot of the domestic product shall weigh eighteen (18) kilograms to thirty (30) kilograms

 **Article 36** Necessary certificates for deliverable commodity

 (i) Domestic product: the product quality certificate issued by the registered manufacturer.

 (ii) Imported product: the product quality certificate, the production origin proof, the quality assay report, the customs import tariff payment certificate and the customs VAT levy certificate. These certificates shall not be valid unless they are verified by the Exchange.

If national policies on taxation, quality inspection or other aspects change, the revised policies shall prevail. Under these circumstances the Exchange shall separately announce the revised requirements for certificates with regard to the imported product.

 **Article 37** More or less clause and weight difference: The underlying zinc ingots for each standard warrant weights twenty-five (25) metric tons. Differences between standard warrant weight and actual delivery weights hall not exceed two percent (±2%). The weight difference shall not exceed one-tenth of one percent (±0.1%).

 **Article 38** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 39** Delivery venue: Designated Delivery Warehouse, as set forth in Appendix 2 to these Delivery Rules.

**Chapter 7 LEAD INGOT DELIVERY**

 **Article 40** Delivery unit: twenty five (25) metric tons.

 **Article 41** Grades and quality qualifications are provided in the Lead Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 42** Deliverable commodity

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 **Article 43** Packaging for the deliverable commodity

 (i) Packaging: the lead ingots that each warrant represents shall be produced by the same manufacturer and of the same trademark, grade, shape and set weight. The registered manufacturer may decide, in his sole discretion, the weight of each set, provided that the sets form a delivery unit. Each set shall be assembled with rust and corrosion-resistant straps of proper strength as separately prescribed by the Exchange. The strapping shall be reliable. Goods marks, name of the production plant, product name, brand, serial number, net weight and date of production shall be easy to see and securely attached.

 (ii) Upon arrival, sets or pieces with broken steel straps shall be reassembled with the steel straps specified in Article 43(1) before they are delivered. Any costs incurred in the reassembly shall be borne by the owner.

 (iii) Each ingot of the domestic product may weigh forty-eight (48) kilograms plus or minus (±) three (3) kilograms, forty-two (42) kilograms plus or minus (±) two (2) kilograms, forty (40) kilograms plus or minus (±) two (2) kilograms, or twenty-four (24) kilograms plus or minus (±) one (1) kilogram.

 **Article 44** Necessary certificates for the deliverable commodity

 (i) Domestic product: the product quality certificate issued by the registered manufacturer.

 (ii) Imported product: the product quality certificate, the production origin proof, the quality assay report, the customs import tariff payment certificate and the customs VAT levy certificate. These certificates shall not be valid unless they are verified by the Exchange.

 If national policies on taxation, quality inspection or other aspects change, the revised policies shall prevail, under which circumstances the Exchange shall separately announce the revised requirements for certificates with regard to the imported product.

 **Article 45** More or less clause & weight difference: The underlying lead ingots for each standard warrant weights twenty-five (25) metric tons. Differences between standard warrant weight and actual delivery weight not exceed two percent (±2%). The weight difference shall not exceed one-tenth of one percent (±0.1%).

 **Article 46** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 47** Delivery venue: the Designated Delivery Warehouse (to be designated and separately announced by the Exchange). Lead ingots for delivery shall be stored indoors.

**Chapter 8 ELECTROLYTIC NICKEL DELIVERY**

 **Article 48** Delivery unit: six (6) metric tons.

 **Article 49** Grades and quality qualifications are specified in the Nickel Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 50** Deliverable commodity

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 **Article 51** Packaging for deliverable commodity

 (i) The electrolytic nickel ingots that each warrant represents shall be produced by the same manufacturer and of the same product code, registered brand, grade, shape, and of similar bundle weight. The registered manufacturer may decide the weight of each bundle in its sole discretion, provided that the bundles can readily yield the delivery unit. Ingots shall be tightened into bundles with rust-resistant steel straps measuring 30-32 mm × 0.9-1.0 mm, which are to be applied in a dual-line grid (“#”) pattern, or with other methods of comparable strength using steel straps. The strapping shall be reliable and each bundle shall be marked by a prominent and secure product label.

 (ii) If the goods arrive at Designated Delivery Warehouse with broken steel straps, severely rusted or corroded bundling materials, or loose ingots, the goods shall be repackaged and securely tightened with steel straps as specified in Article 51(1) before they are delivered. Any costs incurred in the reassembly shall be borne by the owner.

 **Article 52** Required certificates for the deliverable commodity

 (i) Domestic product: the certificate of quality issued by the registered manufacturer.

 (ii) Imported product: the certificate of quality, certificate of origin, certificate of commodity inspection, certificate of payment of import tariff, and certificate of levy of VAT by the customs. These certificates are deemed valid only upon being verified by the Exchange.

 If there has been any change to national policies on taxation, commodity inspection or other relevant matters, the revised policies shall prevail. In such circumstance, the Exchange will separately announce the revised requirements for the certificates for imported products.

 **Article 53** More or less clause and weight difference: Each standard warrant corresponds to six (6) metric tons of electrolytic nickel. Difference between standard warrant weight and actual delivery weight shall not exceed plus or minus three percent ±3%). Weight difference shall not exceed plus or minus one-tenth of a percent (±0.1%).

 **Article 54** On any given day during the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00, the Exchange shall refund the margin corresponding to the delivered positions on the same day; if the procedures are completed after 14:00, the Exchange shall refund the margin on the following trading day.

 **Article 55** Delivery venue: the Designated Delivery Warehouse (to be designated and separately announced by the Exchange). The electrolytic nickel intended for delivery must be stored indoors.

**Chapter 9 TIN INGOT DELIVERY**

 **Article 56** Delivery unit: two (2) metric tons.

 **Article 57** Grades and quality qualifications are specified in the Tin Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 58** Deliverable commodity

The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 **Article 59** Packaging for deliverable commodity

 (i) The tin ingots that each warrant represents shall be produced by the same manufacturer and of the same product code and class, registered brand, grade, and shape; and the same number of such ingots shall be packaged into bundles of similar weight. The registered manufacturer may decide the weight of each bundle in its sole discretion, provided that the bundles can readily yield the delivery unit. Each buddle shall be tightened with rust-resistant steel straps or with other methods of comparable strength using PET straps. The strapping shall be reliable and each bundle shall be marked by a prominent and secure product label.

 (ii) If the goods arrive at Designated Delivery Warehouse with broken steel straps, severely rusted or corroded bundling materials, or loose ingots, the goods shall be repackaged and securely tightened with steel straps as specified in Article 59(1) before they are delivered. Any costs incurred in the reassembly shall be borne by the owner.

(iii) Each domestically produced tin ingot should weigh twenty-five (25) kilograms plus or minus one point five (±1.5) kilograms.

**Article 60** Required certificates for the deliverable commodity

 (i) Domestic product: the certificate of quality issued by the registered manufacturer.

 (ii) Imported product: the certificate of quality, certificate of origin, certificate of commodity inspection, certificate of payment of import tariff, and certificate of levy of VAT by the customs. These certificates are deemed valid only upon being verified by the Exchange.

 If there has been any change to national policies on taxation, commodity inspection or other relevant matters, the revised policies shall prevail. In such circumstance, the Exchange will separately announce the revised requirements for the certificates for imported products.

 **Article 61** More or less clause and weight difference: Each standard warrant corresponds to two (2) metric tons of tin ingots. Difference between standard warrant weight and actual delivery weight shall not exceed plus or minus three percent (±3%). Weight difference shall not exceed plus or minus one-tenth of a percent (±0.1%).

 **Article 62** On any given day during the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00, the Exchange shall refund the margin corresponding to the delivered positions on the same day; if the procedures are completed after 14:00, the Exchange shall refund the margin on the following trading day.

 **Article 63** Delivery venue: the Designated Delivery Warehouse (to be designated and separately announced by the Exchange). The tin ingots intended for delivery must be stored indoors.

**Chapter 10 STEEL REBAR DELIVERY**

 **Article 64** Delivery unit: three hundred (300) metric tons.

 **Article 65** Grades and quality qualifications are provided in the Steel Rebar Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 66** Quality specifications

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 Rules provided in the National Standard GB/T 1499.2-2018 - Steel for Steel Reinforced Concrete Part II: Hot-rolled Ribbed Steel Bar, shall apply to the shape, size, weight and weight difference of the deliverable commodity.

 The expiry of each delivery set shall be ninety (90) days following the date of production. A standard warrant shall not be issued unless the commodity is delivered to a Designated Delivery Warehouse within thirty (30) days following the date of production.

 Steel rebar for delivery at the Designated Delivery Warehouse shall be nine (9) meters or twelve (12) meters in length.

 **Article 67** Packaging and stacking

 Rules provided in the GB/T 1499.2-2018 - Steel for Steel Reinforced Concrete Part II: Hot-rolled Ribbed Steel Bar, shall apply to the packaging, marking and the quality certificate of the commodity.

 The underlying steel rebar that each warrant represents shall be produced by the same manufacturer and of the same trademark, grade, shape, nominal diameter and length. The date of production of the steel rebar to be delivered against a standard warrant shall not be more than ten (10) consecutive days and the earlier date shall be deemed as the date of production of the steel rebar under the standard warrant.

 The steel rebar underlying each standard warrant for delivery shall be stacked together.

 **Article 68** Necessary certificates for the deliverable goods

The product quality certificate issued by the registered manufacturer shall be provided.

 **Article 69** Measuring & more or less clause

 The commodity shall be measured by weight. Differences between standard warrant weight and actual delivery weight for each standard warrant shall not exceed three percent (±3%). The weight difference shall not exceed three-tenths of one percent (±0.3%).

 **Article 70** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 71** Delivery venue: the Designated Delivery Warehouse and the Designated Factory (to be designated and separately announced by the Exchange).

**Chapter 11 WIRE ROD DELIVERY**

 **Article 72** Delivery unit: three hundred (300) metric tons.

 **Article 73** Grades and quality qualifications are provided in the Wire Rod Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 74** Quality specifications

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 Rules provided in the National Standard GB/T 1499.1-2017 - Steel for Steel Reinforced Concrete Part I: Hot-rolled Plain and Round Steel Bar shall apply to the shape, size, weight and weight difference of the deliverable commodity.

 The expiry of each delivery set shall be ninety (90) days after the date of production. The standard warrant shall not be issued unless the commodity is delivered to a Designated Delivery Warehouse within thirty (30) days after the date of production.

 **Article 75** Packaging and stacking

 Rules provided in the GB/T1499.1-2017 - Steel for Steel Reinforced Concrete Part I: Hot-rolled Plain and Round Steel Bar shall apply to the coiled delivery, packaging, marking and the quality certificate of the commodity.

 The underlying wire rod that each warrant represents shall be produced by the same manufacturer and of the same trademark, grade, shape and nominal diameter. The date of production of the wire rod to be delivered against a standard warrant shall not be more than ten (10) consecutive days and the earlier date shall be deemed as the date of production of the wire rod under the standard warrant.

 The wire rod underlying each standard warrant for delivery shall be stacked together.

 **Article 76** Necessary certificates for deliverable goods

 The product quality certificate issued by the registered manufacturer shall be provided.

 **Article 77** More or less clause & weight difference

 The commodity shall be measured by actual weighing. Differences between standard warrant weight and actual delivery weight for each standard warrant shall not exceed three percent (±3%). The weight difference shall not exceed three-tenths of one percent (±0.3%).

 **Article 78** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 79** Delivery venue: the Designated Delivery Warehouse and the Designated Factory (to be designated and separately announced by the Exchange).

**Chapter 12 HOT-ROLLED COIL DELIVERY**

 **Article 80** Delivery unit: three-hundred (300) metric tons.

 **Article 81** Grades and quality qualifications are provided in the Hot-rolled Coil Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 82** Quality Specifications

 The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 Rules provided in the National Standard GB/T3274-2017 - Carbon Structural Steel, Hot-rolled Thick Steel Plate of Low Alloy Structural Steel and Steel Belt, or JISG 3101-2015 - Rolled Steel for General Structure, shall apply to the shape, size, weight and weight difference of the deliverable commodity.

 The expiry of each delivery set shall be three-hundred and sixty (360) days after the date of production. The earliest production date of the underlying hot-rolled coil that each warrant represents shall be the production date of such warrant.

 **Article 83** Grade

 The underlying hot-rolled coil that each warrant represents shall be produced by the same manufacturer and of the same brand, width and thickness.

 **Article 84** Packaging and stacking

 Rules provided in the GB/T3274-2017 - Carbon Structural Steel, Hot-rolled Thick Steel Plate of Low Alloy Structural Steel and Steel Belt, or JISG 3101-2015 - Rolled Steel for General Structure, shall apply to the packaging, marking and the quality certificate of the delivered commodity.

 The hot-rolled coil underlying each standard warrant for delivery shall be stacked together.

 **Article 85** Necessary certificates for deliverable goods

 The product quality certificate issued by the registered manufacturer shall be provided.

 **Article 86** More or less clause & weight difference

 The commodity shall be measured by actual weighing. Differences between standard warrant weight and actual delivery weight for each standard warrant shall not exceed five percent (±5%). The weight difference shall not exceed three-tenths of one percent (±0.3%).

 **Article 87** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 88** Delivery venue: the Designated Delivery Warehouse (to be designated and separately announced by the Exchange).

**Chapter 13 STAINLESS STEEL DELIVERY**

 **Article 89** Delivery unit: sixty (60) metric tons.

 **Article 90** The grades and quality specifications are provided in the Stainless Steel Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 91** Quality specifications

 The deliverable commodity shall be of a registered brand from a manufacturer registered with the Exchange, or of a certified brand from a manufacturer recognized by the Exchange (the lists of certified brands and recognized manufacturers will be separately announced by the Exchange).

 The quality of stainless steel shall meet the requirements of the GB/T3280-2015 - Cold-Rolled Stainless Steel Plate, Sheet and Strip, or JIS G 4305:2012 - Cold-Rolled Stainless Steel Plate, Sheet and Strip, and the Steel Deliverable Registration Rules of the Shanghai Futures Exchange.

 The surface quality of deliverable stainless steel shall meet the requirements of the Steel Deliverable Registration Rules of the Shanghai Futures Exchange.

 The warehouse standard warrant for stainless steel shall be valid for three-hundred and sixty (360) days from the earliest production date of seethe underlying commodity. The factory standard warrant for stainless steel shall be valid for three-hundred and fifteen (315) days from the date of creation of such warrant.

 **Article 92** Deliverable commodity specifications

 The stainless steel underlying each warrant represents shall comprise commodity of the same manufacturer, (registered) trademark, brand, width, thickness, and edge.

 **Article 93** Packaging and stacking

 The marking and the quality certificate, etc. of the deliverable stainless steel shall meet the requirements of the GB/T3280-2015 - Cold-Rolled Stainless Steel Plate, Sheet and Strip, or JIS G 4305:2012 - Cold-Rolled Stainless Steel Plate, Sheet and Strip.

 The packaging of deliverable stainless steel shall meet the requirements of the Steel Deliverable Registration Rules of the Shanghai Futures Exchange.

 The stainless steel underlying each standard warrant for delivery shall be stacked together.

 **Article 94** Required certificates for deliverable commodity

 The product quality certificate issued by the registered manufacturer or a manufacturer recognized by the Exchange shall be provided.

 **Article 95** More or less clause & weight difference

 The deliverable commodity shall be measured by net weight. Differences between standard warrant weight and actual delivery weight for each standard warrant shall not exceed five percent (±5%). The weight difference shall not exceed three-tenths of one percent (±0.3%).

 **Article 96** The final settlement price of each stainless steel futures contact shall be the arithmetic average of the settlement prices of that contract over the last five (5) trading days on which it was traded.

 **Article 97** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 98** Delivery venue: the Designated Delivery Warehouse and the Designated Factory (to be designated and separately announced by the Exchange).

 **Article 99** Resolution of dispute arising from packaging and surface quality

 (1) Dispute over packaging and surface quality shall not constitute a delivery default;

 (2) If the owner disputes the packaging or surface quality (if there are pits, scrapes or seawater stains) of the commodity, the manufacturer, Designated Delivery Warehouse, seller or initial creator of the standard warrant shall cooperate with the owner in resolving such dispute.

At the request of the owner and other parties to the dispute, a designated assayer may issue a quality assay report in accordance with the Steel Deliverable Registration Rules of the Shanghai Futures Exchange. The findings of the report shall be applicable to the commodity in question only.

**Chapter 14 NATURAL RUBBER DELIVERY**

 **Article 100** Delivery unit: physically delivered in whole lots.

 **Article 101** Grades and quality qualifications are provided in the Natural Rubber Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 102** The registered trademarks of domestic natural rubber will be separately announced by the Exchange.

 **Article 103** Packaging:

(i) Domestic product (SCR WF) shall be wrapped in polyethylene film and placed in a polypropylene bag. Each pack shall have a net weight of thirty-three and three-tenths (33.3) kilograms, with thirty (30) packs forming a metric ton. No more or less clause shall be applied to weight. The size of a pack shall be six hundred and seventy (670) multiplied by three hundred and thirty (330) with the product multiplied by two hundred (200) millimeters. The surface of the pack shall carry the specifications of the commodity, including the grade, net weight, name or signifier code of the manufacturer and date of production.

(ii) The imported RSS 3 rubber shall be in packs covered with rubber sheets. Packs of each delivery set shall be of the same weight. The standard weight of a pack shall be one hundred eleven and eleven one-hundredths (111.11) kilograms, with nine (9) packs forming a metric ton. No more or less clause shall be applied to weight. Sub-standard packs shall be measured by their actual weights, with weight difference not exceeding 2 percent (±0.2%) and differences between standard warrant weight and actual delivery weight not exceeding three percent (±3%).

 **Article 104** Necessary certificates for the deliverable commodity

 (i) Domestic product (SCR WF): an original copy of the quality inspection certificate (or the testing /appraisal report) on the actual delivered goods issued by a national quality testing organization designated by the Exchange, as specified in Appendix 1 to these Delivery Rules, shall be provided at the time of delivery.

 (ii) The imported RSS 3: an original copy of the official version of the declaration to the customs on import goods, the quality assay report and a photocopy of the imported trade contract, the customs import tariff payment certificate and the customs VAT levy certificate.

 (iii) The goods shall be inspected using a sample test. Samples shall be taken only on the premises of the Designated Delivery Warehouse after the load-in and shall not be taken during the process of transportation to the warehouse. A set for a sample test may not exceed one hundred (100) metric tons. Any excess over this amount shall be subject to an additional sample test.

 If national policies on taxation, quality inspection or other aspects change, the revised policies shall prevail. Under these circumstances, the Exchange shall separately announce the revised requirements for certificates with regard to the imported product.

 **Article 105** Period of validity

 (i) Domestic product (SCR WF) is valid for delivery at the Designated Delivery Warehouse up to the last delivery month of the second (2nd) year after the year of its production. Beyond that time, the rubber shall be unwarranted and converted to actuals. If the domestic rubber produced in the current year is to be applied to the physical delivery, it shall be stored in the Designated Delivery Warehouse no later than the sixth (6) month (excluding June) of the succeeding year; otherwise, it shall be ineligible for delivery.

 (ii) The imported RSS 3 shall be valid for delivery at a Designated Delivery Warehouse up to the eighteenth (18th) month following the issuance of the quality assay report. Beyond that time, the rubber shall be converted to be actuals. The RSS 3 shall be stored in a Designated Delivery Warehouse within six (6) months following the issuance of the quality assay report; otherwise, it shall be ineligible for delivery.

 (iii) The quality assay report and the quality inspection certificate (or the testing /appraisal report) on the natural rubber at the Designated Delivery Warehouse are valid up to the ninetieth (90th) day following their issuance. After these reports expire, the underlying commodity shall not be eligible for delivery until it is inspected and verified anew.

 **Article 106** The natural rubber inbound to the Designated Delivery Warehouse shall be dry and clean. The Designated Delivery Warehouse shall open and inspect packs equal to ten percent (10%) of the inbound goods and then shall sew up those packs. The Designated Delivery Warehouse shall reject the load-in if defective features are detected such as cracking, drenching, dampness, mildew, blackening or severe contamination, and the goods having those features shall not be eligible for delivery.

 **Article 107** Each standard warrant for the natural rubber shall be in same delivery set and same packaging specification.

 **Article 108** The final settlement price of each natural rubber futures contact shall be the volume-weighted average of the prices of that contract for the last five (5) trading days on which it is traded

 After receiving the buyer’s (Member’s) payment for delivery, the Exchange shall refund his margins on the delivered positions. The Exchange shall, in its sole discretion, withhold the margin of the Member (seller) on the delivered positions and, if no disputes on quality arise, the Exchange shall refund the margin to the Member (seller) on the first business day after the fifteenth (15th) date of the month following the delivery month.

 **Article 109** Delivery venue: the Designated Delivery Warehouses, as designated by the Exchange and provided in Appendix 2 to these Delivery Rules.

**Chapter 15 SILEVER DELIVERY**

 **Article 110** Delivery unit: Thirty (30) kilograms.

 **Article 111** Grades and quality qualifications are provided in the Silver Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 112** The deliverable commodity shall be of a registered brand from a manufacturer registered with Exchange.

 **Article 113** Specifications

Each deliverable silver ingot shall weigh fifteen (15) kilograms plus or minus (±) one (1) kilogram or thirty (30) kilograms plus or minus (±) two (2) kilograms.

 The silver ingots that each warrant represents shall be produced by the same manufacturer and of the same trademark, grade and shape.

 **Article 114** Packaging

 There is no specific requirement of packaging for load-in or load-out of silver ingots.

 **Article 115** Necessary certificates for the deliverable commodity

 (i) Domestic product: the product quality certificate issued by the registered manufacturer.

 (ii) Imported product: separately announced by the Exchange.

 **Article 116** More or less clause & weight difference: Differences between standard warrant weight and actual delivery weight for each standard warrant of silver ingot shall not exceed two percent (±2%). The weight difference for each ingot shall not exceed one percent (±1%)

 **Article 117** Inspection on the quantity and weight of the load-in silver ingots

 The Designated Delivery Warehouse will count load-in silver ingots and double-check the weight for each ingot. The weight of each silver ingot shall be determined by the product quality proof issued by the registered manufacturer if the weight difference is within the rage specified in Article 80.

 **Article 118** During the delivery period, if the procedures with respect to the standard warrant, the VAT invoice, and payment are completed by 14:00 hours on the current day, the Exchange shall refund on that day the margin on the delivered positions. If the procedures are completed after 14:00 hours, the Exchange shall refund the margin on the following business day.

 **Article 119** Delivery venue: the Designated Delivery Warehouse (to be designated and separately announced by the Exchange).

**Chapter 16 BLEACHED SOFTWOOD KRAFT PULP DELIVERY**

 **Article 120** Delivery unit

 The delivery unit for bleached softwood kraft pulp (“BSKP”) futures is 20 ADMT per standard warrant. Delivery shall be made in multiples of the delivery unit.

 **Article 121** The grades and quality specifications are provided in the Bleached Softwood Kraft Pulp Futures Contract Specifications of the Shanghai Futures Exchange.

 **Article 122** Quality specifications

 Deliverable BSKP shall be genuine pulp of a designated brand from an SHFE-recognized manufacturer. The lists of designated brands and recognized manufacturer will be separately announced by the Exchange.

 **Article 123** Packaging and stacking

 (i) The BSKP underlying each standard warrant shall comprise genuine pulp of the same brand and manufacturer.

 (ii) Deliverable BSKP shall meet the packaging requirements for goods of designated brands from SHFE-recognized manufacturer. The outer packaging of each bale shall conspicuously indicate the product name and other identifying information.

 (iii) BSKP shall arrive at a Designated Delivery Warehouse in complete and clean packaging. The Designated Delivery Warehouse shall check the whole shipment at acceptance, and shall refuse any commodity that is not fit for purpose due to obvious moisture, mold, contamination, serious physical damage, or other circumstances, and such commodity shall not enter the delivery process.

 (iv) Any commodity in delivery storage facility that has broken iron packaging wires or comes loose from the original packaging shall be tightly secured with specified iron wires before being cleared for delivery. Any costs incurred in the reassembly shall be borne by the owner.

 (v) The deliverable BSKP underlying each standard warrant shall be stacked in storage areas which hold 500 metric tons each.

 **Article 124** Required certificates for deliverable commodity

 (i) Domestic commodity: the certificate of inspection issued by a designated assayer, the certificate of quality issued by the manufacturer, and other relevant materials. These documentations are valid only after being verified by the Exchange.

 (ii) Imported commodity: the certificate of inspection issued by a designated assayer; the customs declaration form, customs VAT collection form, certificate of origin, and certificate of quality covering the physical commodity in question; and other relevant materials. These documentations are valid only after being verified by the Exchange.

 If there is any change to national policies on taxation, quality inspection, or other pertinent areas, the updated policies shall prevail. Under such circumstances, the Exchange will separately announce the updated documentation requirement for imported commodity.

 **Article 125** Load-in/Load-out inspection

 (i) BSKP arriving at a delivery storage facility shall be inspected by a designated assayer, which inspection consists of quality inspection and weight inspection. The results of quality inspection shall be as indicated by the quality assay report issued by the designated assayer; a standard warrant may only be issued when the report indicates that the commodity meets the quality specifications prescribed by the Exchange. The results of weight inspection shall be as indicated by the weight inspection report issued by the designated assayer. The owner shall ensure that the commodity loaded in is compliant with the quality specifications prescribed by the Exchange.

 (ii) The commodity shall be inspected by a sampling inspection. Samples shall be taken within the Designated Delivery Warehouse. Sampling at stations, docks, or from commodities in-transit is prohibited. The commodity covered by each bill of lading shall form one inspection lot. Each inspection lot shall consist of BSKP of the same designated brand and packaging specification.

 **Article 126** More or less clause & weight difference

 BSKP shall be delivered in air dry metric tons as measured. The difference between the standard warrant weight and actual delivery weight shall not exceed five percent (±5%), with a maximum weight difference of one percent (±1%).

 **Article 127** Validity period of standard warrant

 (i) Domestic BSKP is valid for delivery till the last delivery month of the second year after the year of manufacturer, after which month the BSKP shall be converted to spot product and the corresponding standard warrants shall be canceled.

 (ii) Imported BSKP shall be loaded into a warehouse within six (6) months of its port arrival date, and is valid for delivery till the last delivery month of the second year after such date, after which month the BSKP shall be converted to spot product and the corresponding standard warrants shall be canceled.

 **Article 128** The final settlement price of each BSKP futures contract shall be the volume-weighted average of all the execution prices of the contract over the last five (5) trading days on which it was traded.

 **Article 129** During the delivery period, if the procedure with respect to the standard warrant, VAT invoice, and payment are completed by 14:00, the Exchange will refund the Exchange shall refund the margin corresponding to the delivered positions on the same day; if the procedures are completed after 14:00, the Exchange shall refund the margin on the following trading day.

 **Article 130** Delivery venue: Designated Delivery Warehouse (to be designated and separately announced by the Exchange).

**Chapter 17 EXCHANGE OF FUTURES FOR PHYSICALS**

 **Article 131** The exchange of futures for physicals, or the EFP, is the process that the Members or Clients who hold opposite positions to the same delivery month futures contract apply to the Exchange and, with the Exchange’s approval, close out such positions through the Exchange and at the price that is fixed by the Exchange, and transfer the standard warrant that represent the underlying commodity of the contract at the mutually agreed price.

 **Article 132** Each EFP is exercisable from the first listed day of the EFP contract through the second business day prior to the last business day of the EFP contract delivery month.

After the buyer and seller (Member or Client) holding opposite positions in the same delivery month of a futures contract come to an agreement as to terms, they shall present an EFP application to the Exchange and fill out the standard EFP application form, as provided in Appendix 3, and submit it to the Exchange by 14:00 hours on a business day as specified above in this Article 85.

 For a delivery on a non-standard warrant, photocopies of the relevant sales contract and bill of lading shall be provided.

 **Article 133** The EFP shall only be applied to the open interest prior to the date when the EFP is applied for on all the Exchange’s listed contracts but not to the new positions opened on the application date.

 **Article 134** The final settlement price for an EFP shall be the mutually agreed price between the buyer and seller (Member or Client).

 **Article 135** The positions of the buyer and seller to the EFP contract shall be closed out by the Exchange by 15:00 hours on the application date at the settlement price of the EFP contract on the trading day prior to the application date.

 **Article 136** The trade margin on the EFP positions shall be calculated based on the settlement price of the EFP contract on the trading day prior to the application date.

 **Article 137** All the documents pertaining to the EFP, including payment and warrants, shall be submitted to the Exchange by 14:00 hours on the first Trading day after the application date.

 **Article 138** The delivery payment pertaining to an EFP may be posted through the in-house fund transfer system or bank transfer.

 **Article 139** The seller shall submit the VAT invoice to the Exchange within seven (7) days of the conclusion of the EFP procedures. If the seller submits the VAT invoice by 14:00 hours, the Exchange shall, in its sole discretion, refund the corresponding margin to the seller; if the seller submits the VAT invoice after 14:00 hours, the Exchange shall refund the margin during its clearing cycle on the next trading day. The Exchange shall issue the VAT invoice to the buyer on the next business day after it receives the VAT invoice from the seller.

Failure to submit the VAT invoice shall be subject to the provisions in the Clearing Rules of the Shanghai Futures Exchange.

  **Article 140** Failure to conclude the settlement and delivery within the time specified in Article 126 shall constitute a delivery default and subject the defaulting party to sanctions as provided in Chapter 14 in these Delivery Rules. If a dispute as to the quality of goods arises, the buyer shall request a resolution of the dispute within twenty-five (25) days of the exchange of documents, and include with his request a quality assay report issued by a designated assayer.

Disputes concerning the quality of the delivered goods against non-standard warrant shall be resolved by and among the interested Members. The Exchange shall be exempt from any warranty responsibilities.

 **Article 141** Any malicious EFP behavior shall be subject to the sanctions as provided the Enforcement Rules of the Shanghai Futures Exchange.

 **Article 142** The Exchange shall make a timely disclosure of information on each EFP.

**Chapter 18 CHARGES AND FEES**

**Article 143** Parties to a physical delivery shall pay delivery fees to the Exchange based on the following rates:

copper: two (2) Yuan/metric ton;

aluminum: two (2) Yuan/metric ton;

zinc: two (2) Yuan/metric ton;

steel rebar and wire rod: one (1) Yuan/metric ton;

natural rubber: four (4) Yuan/metric ton; and

lead, nickel, tin, silver, hot-rolled coil, stainless steel and BSK: to be designated and separately announced by the Exchange.

 **Article 144** The fee schedule with respect to the charges the Designated Delivery Warehouse applies to the load-in, load-out and storage shall be approved by the Exchange.

 **Article 145** Among the services for which a Designated Delivery Warehouse may charge are the following:

 (i) load-in fees, load-out fees, loading fees, packaging fees, pick-up fees, ownership transfer fees, consignment fees, fast track fees, special working charges, and other charges recognized and approved by the Exchange. The Designated Delivery Warehouse shall present to the owner valid invoices that specify fees charged on the actual services provided. The owner shall, after verifying the accuracy of the invoices, pay them out at one time.

 (ii) warehousing fees shall be charged on a daily basis. The warehousing fees chargeable prior to and including the last delivery day shall be borne by the seller, while the fees thereafter are the responsibility of the buyer. The Designated Delivery Warehouse shall note the date of payment on the standard warrant when the fees are paid. The owner shall make the payment by the end of each month at the Designated Delivery Warehouse. Advance payment is allowed.

Charges and fees of the Designated Delivery Warehouse for copper, aluminum, zinc, lead, nickel, tin, steel rebar, wire rod, silver, hot-rolled coil, stainless steel, natural rubber, and BSK shall be designated and separately announced by the Exchange.

**Chapter 19 DELIVERY DEFAULT**

 **Article 146** Any of the following acts shall constitute a default on delivery:

 (i) A seller fails to deliver the required amount of standard warrant within the specified time period;

 (ii) A buyer fails to make payment as required within the specified time period; or

 (iii) Other acts the Exchange deems as delivery default.

 **Article 147** The following formulas shall be used to calculate the amount owed as the result of a default:

SAD = ASWD–ASWP

BAD = (PD – PM) ÷ FSP ÷ CS

where

SAD = seller’s amounts (in lot) defaulted

ASWD = amounts (in lot) of standard warrant due

ASWP = amounts (in lot) of standard warrant posted

BAD = buyer’s amounts (in lot) defaulted

PD = payment due

PM = payment made

FSP = final settlement price

CS = contract size

 When calculating the penalty for delivery default based on the amount the buyer owes, a deposit of twenty percent (20%) of the nominal value of the defaulted amounts shall be set aside for penalty and fines.

 **Article 148** If a delivery default occurs, the Exchange shall notify the defaulting party and non-defaulting party before 16:30 p.m. The notification will be delivered via the Member service system. Once transmitted, such notice shall be deemed to have been received.

 **Article 149** In the case of a default verified, the defaulting party shall pay the non-defaulting party a penalty equivalent to twenty percent (20%) of the nominal value of the defaulted amounts (calculated based on settlement price). The Exchange shall terminate the delivery by returning the payment or the standard warrants to the non-defaulting party.

 **Article 150** In the event of the buyer and seller defaulting simultaneously, the Exchange shall terminate the delivery and impose a fine of five percent (5%) of the nominal value of the defaulted amounts against buyer and seller respectively.

 **Article 151** When the delivery is terminated, the Exchange’s obligations to guarantee the delivery shall be dismissed.

 **Article 152** If a Member commits a partial delivery default, the standard warrant or the payment the defaulting Member receives may be applied to the resolution of the default.

 **Article 153** If a Member willfully commits a default on physical delivery, he shall be subject to sanctions provided in the Enforcement Rules of the Shanghai Futures Exchange.

 **Article 154** The Member and the Designated Delivery Warehouse involved in a default are obligated to provide evidence, material and information with regard to the default. A Member’s failure to provide such evidence, material and information will not impede the establishment of the facts of a default.

 **Article 155** Disputes between the owner and the Designated Delivery Warehouse as to the conclusions resulting from an inspection of goods shall be resolved by making a joint inspection with both parties participating. A designated assayer may be asked to conduct a re-inspection and the conclusions drawn from the re-inspection shall form the basis for the resolution of the disputes.

**Chapter 20 MISCELLANEOUS**

 **Article 156** Rules governing the delivery of fuel oil, gold, bitumen or other commodities will be separately announced by the Exchange.

 **Article 157** Rules governing the trading of spot contracts and standard warrants will be separately prescribed by the Exchange.

 **Article 158** Any violations of these Delivery Rules shall be handled by the Exchange in accordance with the Enforcement Rules of the Shanghai Futures Exchange.

 **Article 159** The Exchange reserves the right to interpret these Delivery Rules.

**Article 160** These Delivery Rules shall be implemented as of 10/25/2019.

 Appendix 1 Designated Assayers on Copper, Aluminum, Zinc, and Natural Rubber Designated by the Exchange (Omitted)

 Appendix 2 Designated Delivery Warehouses Designated by the Exchange (Omitted)

 Appendix 3 Application Form for an EFP on the Shanghai Futures Exchange (Omitted)