ARTICLES OF ASSOCIATION & RULES

OF

THE SHANGHAI FUTURES EXCHANGE

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PART I ARTICLES OF ASSOCIATION

Chapter 1 GENERAL PROVISIONS

Article 1 These Articles of Association are made in accordance with the laws, regulations and policies of the People's Republic of China, or the PRC, to protect the legitimate rights and interests of the futures market participant and the social and public welfare generally, to promote orderly markets in the trading of futures contracts, to ensure that futures markets serve the functions for which they are created and to encourage the development of a socialist market economy.

Article 2 The Shanghai Futures Exchange, or the Exchange, is a futures exchange whose establishment is approved by the China Securities Regulatory Commission, or the CSRC, and registered with the State Administration for Industry and Commerce.

Article 3 The Exchange is regulated by the CSRC.

Article 4 The Exchange organizes futures trading activities consistent with the principles of transparency, fairness, justice, integrity and good faith.

Article 5 These Articles of Association are applicable to all activities conducted on or through the Exchange and are binding on the Exchange, his members and their employees and agents.

Chapter 2 ESTABLISHMENT, CHANGE AND TERMINATION

Article 6 The name of the Exchange in Chinese and in English is respectively 上海期货交易所 and the Shanghai Futures Exchange, abbreviated as SHFE.

Article 7 The Exchange is domiciled at Shanghai Futures Tower, 300 Songlin Road, Pudong New Area, Shanghai.

Article 8 The business term of the Exchange is fifty (50) years.

Article 9 The Exchange is established in compliance with the Interim

Futures Trading Regulations and the Regulations of Futures Exchanges as a legal person for the purpose of performing self-regulatory duties as provided in these Articles of Association and fulfills the obligations as contained in the Interim Futures Trading Regulations and the Regulations of Futures Exchanges.

Article 10 The President and Chief Executive Officer legally represents the Exchange.

Article 11 The Exchange is registered with a capital of RMB one hundred and twenty five (125) million that is divided into equal shares for the members' subscription.

Article 12 The Exchange is obligated to:
(i) provide venues, facilities and services whereby futures trading activities are conducted;
(ii) make and implement the rules of the Exchange;
(iii) design futures contracts and arrange the listings thereof;
(iv) maintain the futures markets for the futures market participant to trade and supervise the activities of futures trading, clearing and delivery thereof;
(v) make and enforce rules of risk management to control market risk;
(vi) guarantee performance of the Exchange's futures contracts;
(vii) release market information to the public;
(viii) regulate the member's futures business and discipline any rule violation;
(iv) certify the delivery warehouses and regulate the futures business thereof;
(x) certify the settlement banks and supervise the transfer of fund business thereof on the Exchange; and
(xi) fulfill all other obligations mandated by the CSRC.

Article 13 Any change in the name of the Exchange or his registered capital, address or legal representative shall be made pursuant to procedures that have been set out in pertinent laws and regulations.

Article 14 The Exchange shall cease to exist if:
(i) the business term of the Exchange, as prescribed by these Articles of Association, expires and is determined by the members' assembly by a majority of vote duly cast not to extend the term for an additional period;
(ii) the members' assembly by a majority vote determines to dissolve the Exchange;
(iii) dissolution is necessitated by consolidation or separation; or
(iv) the CSRC mandates closure of the Exchange.

Dissolution as provided in Article 14(i), (ii) and (iii) shall be approved by the CSRC.

A liquidation team shall be set up for the liquidation of the Exchange that is terminated.

Any plan made by the liquidation team on the liquidation of the Exchange shall be approved by the CSRC.

Chapter 3 MEMBERSHIP

Article 15 The member is an enterprise legal person and shall be approved by the Exchange in compliance with pertinent rules and regulations governing futures trading and these Articles of Association to engage in futures trading activities.

Article 16 The member shall be categorized as futures-firm members, or FF members, and non-futures-firm members, or non-FF members.

Article 17 To become an member, an applicant shall meet the following requirements and criteria:
(i) he shall be a PRC-registered enterprise legal person;
(ii) he shall agree to comply with these Articles of Association and all the Exchange's rules;
(iii) he shall possess registered capital and net assets in excess of the set amount;
(iv) he shall have a good reputation and business profile without any record of severe infractions or expulsion by any registered Chinese futures exchanges in the past three (3) years;
(v) he shall have a well-established organizational structure, financial system and sound framework of business rules;
(vi) he shall have staff equipped with futures trading qualifications, regular business venue and necessary facilities to conduct the business;
(vii) if applying for a FF member, he shall have the Futures Brokerage Business License issued by the CSRC; and
(viii) he shall comply with other requirements as prescribed by the CSRC and the Exchange from time to time.

Article 18 Application for the Exchange's membership shall be reviewed by the Membership Committee of the Exchange, which shall make a recommendation to the Board of Directors, or the Board. The Board shall approve or deny all applications and shall file all applications with the

CSRC once a decision on membership has been made. Approved applicants shall be issued a membership certificate. All approved memberships shall be made public.

Article 19 A member has the following rights and privileges:
(i) to attend the members' assembly, to vote on all matters taken up by the assembly and to elect and to be elected;
(ii) to engage in the trading of all futures contracts listed by the Exchange;
(iii) to access the Exchange's trading facilities, trading information and services;
(iv) to transfer his membership, as provided in the Exchange's rules;
(v) to join in a proposal to hold a provisional session of the members' assembly;
(vi) to make appeal as provided in these Articles of Association and the General Exchange Rules of the Exchange; and
(vii) to exercise those rights and privileges otherwise provided in these Articles of Association.

Article 20 A member has the following obligations:
(i) to abide by all laws, regulations, rules relating to the trading of futures in the PRC;
(ii) to comply with the Exchange's Articles of Association, rules and resolutions;
(iii) to pay the fees as prescribed by the Exchange's rules;
(iv) to attend the members' assembly and implement all resolutions passed by the assembly and those of the Board;
(v) to be regulated by the Exchange; and
(vi) to discharge all duties as otherwise provided in these Articles of Association.

Article 21 The quota of the Exchange's membership shall not exceed the number fixed by the Board and shall be approved by the members' assembly.

Article 22 Each member shall pay RMB five hundred thousand (500,000) to acquire membership of the Exchange and will be granted one floor trading seat.

On account of business needs, the member may follow the procedures provided in the Exchange's rules to apply for one or more additional trading seats.

Article 23 A membership may be transferred only pursuant to the rules prescribed by the Exchange. The transferor shall submit a notice to the

Exchange in advance. The transferee may apply to the Exchange for membership only if he is able to demonstrate compliance with the requirements and criteria as provided in Article 17. The transfer shall not proceed unless the Board approves the transferee's membership application.

Article 24 Expulsion of an Exchange member shall conform to the procedures contained in the Exchange's rules.

Article 25 A legal person that acquires or merges with a member, or a legal person that is established out of a merger with a member, shall apply to the Exchange for succession to the membership of the member that is acquired or merged with. The succession to a membership must be approved by the Board.

A legal person that acquires a member or merger with a member, or a legal person that is established out of a merger with a member has priority over other applicants for acquiring membership.

Article 26 The Exchange shall notify the CSRC in writing of any expulsion of a member or any change of membership.

Article 27 The Exchange shall make rules on membership and to regulate the member's business conduct.

Article 28 The Exchange may, subject to the needs of trading and clearing, admit special members and the categories, qualifications, rights and duties of these persons will be prescribed by other rules of the Exchange.

Chapter 4 MEMBERS' ASSEMBLY

Article 29 The members' assembly is the highest authority of the Exchange and consists of all the members.

The members' assembly is entitled to:
(i) review and approve the Articles of Association and the General Exchange Rules of the Exchange and the amendments thereto;
(ii) elect and replace member directors on the Board;
(iii) review and approve work reports prepared by the Board and the President and Chief Executive Officer;
(iv) review and approve the Exchange's budget plan and financial report;
(v) review the application of moneys from the Exchange's risk reserve fund;

(vi) make decisions on the addition or reduction of the Exchange's registered capital;
(vii) make decisions on the Exchange's consolidation, separation, dissolution and liquidation;
(viii) make decisions on any other significant issues submitted by the Board; and
ix) discharge those rights and responsibilities as otherwise set forth in these Articles of Association.

Article 30 The Board shall hold at least one session of the members' assembly each year. A provisional session of the members' assembly will be called in the event that:
(i) the number of member directors is less than two thirds (2/3) of the quorum set forth in these Articles of Association;
(ii) more than one third (1/3) of the members jointly propose it; or
(iii) the Board deems it necessary.

Article 31 The session of members' assembly shall be chaired by the Chairman of the Board, who, if he is incapacitated or is otherwise unable to perform this duty for any reason, may designate the Vice Chairman or another director to act on his behalf. Issues intended to be addressed in the session shall be made known to the members in writing at least ten (10) days prior to the session. Decisions shall not be made at a provisional session on any issue of which members have not received at least ten (10) days' prior notice.

Article 32 The session of a members' assembly shall be invalid unless attended by more than two thirds (2/3) of the total members. Each member shall have one (1) vote for each membership he holds.

Resolutions relating to the Exchange's consolidation, separation, dissolution, liquidation, and addition or reduction of registered capital that are put to a vote during a session of the members' assembly shall be valid only if consented to by more than two-thirds (2/3) of the total members. All other resolutions put to a vote during a session shall be valid if consented to by more than one-half (1/2) of the total members.

Article 33 The member shall send his legal representative to any session called of the members' assembly. If the legal representative is unable to attend, the member shall designate a proxy, who shall present to the Exchange the member's proxy designation, duly signed, and shall thereafter be permitted to cast one vote for each membership held by the member.

Article 34 A memorandum shall be made of the resolutions proposed for voting and the number voting for and against each. The directors of the Board present at the session shall sign the memorandum.

A copy of the memorandum, the notice sent to members advising of a scheduled members' assembly and all other documents pertaining to the session shall be filed with the CSRC within ten (10) days after the session's conclusion.

Chapter 5 BOARD OF DIRECTORS

Article 35 The Board of Directors, or the Board, is the standing presence of and responsible to the members' assembly. It is entitled to:
(i) call a session of the members' assembly where he may present reports on the operations of the Exchange;
(ii) elect the Chairman and Vice Chairman of the Board;
(iii) pass a motion of no confidence against any member of the Board and deliver it to the pertinent authorities for approval;
(iv) cause the drafting of the Articles of Association, the General Exchange Rules of the Exchange and any amendment thereto as they shall deem appropriate and present them to the members' assembly for approval;
(v) review the annual budget plan and financial report presented by the President and Chief Executive Officer to the Board and present them to the members' assembly for approval;
(vi) review plans pertaining to the Exchange's consolidation, separation, dissolution and liquidation and present them to the members' assembly for approval;
(vii) determine the constitution of a special committee;
(viii) grant or deny admission to membership;
(ix) determine which sanctions to impose where a member has violated any rule of the Exchange;
(x) determine pertinent issues to any change that the Exchange may or will be subject to;
(xi) review and approve the other rules made pursuant to the General Exchange Rules of the Exchange;
(xii) review and approve payments from the Exchange's risk reserve fund and all rules relating to the operation of the fund;
(xiii) review and approve the Exchange's development plan and annual work plan as presented by the President and Chief Executive Officer;
(xiv) oversee the President and Chief Executive Officer's implementation of resolutions of the members' assembly and the Board;
(xv) oversee the Exchange's executives and staff with respect to their compliance with pertinent laws of the PRC, the regulations of the CSRC

and the Exchange's Articles of Association and other rules;
(xvi) appoint an accounting firm to audit the Exchange's annual financial statements and change the appointment when and if he deems necessary; and/or
(xvii) exercise any other authority of office prescribed by these Articles of Association or granted by the members' assembly.

The Board may, at its discretion, designate a special committee or the President and Chief Executive Officer to exercise any authority granted by this Article 35.

Article 36 The Board shall consist of fifteen (15) directors of which nine (9) shall be member directors and six (6) shall be non-member directors. The term of a director shall be three (3) years and a director shall not serve for more than two (2) successive terms.

Member directors shall be nominated by the Board or by more than one-fifth (1/5) of the total member in a joint manner, and competitively elected by the members' assembly. The non-member directors shall be appointed by the CSRC. The Exchange's President and Chief Executive Officer shall serve as an ex officio director.

Article 37 The Board shall be led by one (1) Chairman and one or two (1 or 2) Vice Chairman. The Chairman and Vice Chairman shall be nominated by the CSRC, and elected by the Board. The Chairman may not simultaneously serve as the President and Chief Executive Officer.

Article 38 The Chairman is entitled to:
(i) chair and oversee each session of the members' assembly, Board meetings and routine operations of the Exchange;
(ii) organize and coordinate the work of special committees; and
(iii) review the implementation of the Board's resolutions and report thereon to the Board.

The Vice Chairman shall assist the Chairman in executing his duties. In the event of being unable to discharge a function, the Chairman shall designate a Vice Chairman or director to act on his behalf.

Article 39 The Board shall meet at least once every half a year. All directors shall be notified of the meeting ten (10) days in advance;

A provisional Board meeting shall be held in the event that:
(i) the CSRC shall require the holding of such a meeting; or
(ii) more than one-third（1/3）of the total number of directors propose it.

A Board meeting held pursuant to this Article 39(i) shall not be bound by the advance notification requirement provided in this Article 39.

Article 40 A Board meeting is valid only if attended by more than two-thirds（2/3）of the total number of directors. Resolutions adopted at the meeting shall be valid only if consented to by more than one-half （1/2） of the total number of directors.

Within ten (10) days after a meeting ends, the Board shall file with the CSRC, a copy of all resolutions adopted at the meeting and other documents discussed at the meeting.

Article 41 A director shall be present at the Board meeting in person. If he is unable to attend, he shall designate in writing a director to act on his behalf. The written designation shall indicate the scope of the authority delegated. Each director may only be designated by one director.

A member director unable to perform his duties because of incapacity or for any other reason shall be replaced by a candidate nominated and approved by the Board. All members shall immediately be notified of any change in director.

The Board shall keep minutes of all issues discussed at each meeting that lead to the resolutions. The minutes shall be signed by all directors present and the clerk who prepared the minutes.

Article 42 Special committees, including compliance, trading, delivery, membership, arbitration, finance and technology shall be established by the Board subject to his oversight.

Each special committee shall advise and assist the Board in the execution of his duties. Each special committee is accountable to the Board and his obligations shall be set forth by the Board.

Article 43 Each special committee may consist of the members, the Exchange employees and noted public figure as appointed by the Board. The term for a special committee member is three (3) years.

Article 44 Each special committee shall have one (1) executive director and a number of deputy executive directors. The executive director shall be appointed from among the members' legal representative. One deputy executive director shall be selected from among the Exchange employees and shall be responsible for the routine operations of the

special committee. The executive director and deputy executive director shall be elected by the special committee and appointed by the Board. The Exchange's President and Chief Executive Officer, the Exchange's Executive Vice President and the directors of the Board shall not serve as executive director or deputy executive director of any special committee. The executive director and deputy executive director of any special committee may attend any Board meeting if the Board deems necessary.

Chapter 6 PRESIDENT AND CHIEF EXECUTIVE OFFICER

Article 45 The Exchange shall have one (1) President and Chief Executive Officer and any number of Executive Vice Presidents. The President and Chief Executive officer and any Executive Vice Presidents shall be appointed and may be dismissed by the CSRC. The term for the President and Chief Executive Officer shall be three (3) years and the President and Chief Executive Officer shall not serve for more than two (2) successive terms.

Article 46 The President and Chief Executive Officer is entitled to:
(i) organize the Exchange's implementation of rules and resolutions that are passed by the members' assembly and the Board;
(ii) preside over the Exchange's day-to-day activities;
(iii) organize efforts to draft other Exchange's rules pursuant to these Articles of Association and the General Exchange Rules of the Exchange;
(iv) draft and execute the Exchange's approved development plan and annual work plan;
(v) draft the Exchange's budget plan and financial report;
(vi) draft plans with respect to the Exchange's consolidation, separation, dissolution and liquidation;
(vii) draft plans with respect to any change with respect to the Exchange;
(viii) oversee the drafting of plans and their implementation, relating to the Exchange's organizational structure and the appointment and dismissal of the Exchange employees;
(ix) Determine programs of compensation, reward and discipline for the Exchange's employees; and/or
(x) Exercise any other authority otherwise prescribed by these Articles of Association or the Board.

In the event of being unable to discharge his responsibilities, the President and Chief Executive Officer shall designate the Executive Vice President to act on his behalf.

Article 47 The President and Chief Executive Officer's activities shall be

audited pursuant to the regulations of the CSRC at the conclusion of his term.

Chapter 7 BUSINESS ADMINISTRATION

Article 48 All futures trading activities relating to the contracts that the Exchange has listed for trading shall be conducted on or through the Exchange.

Central matching based on price-time priority shall be applied to futures trading on or through the Exchange.

Article 49 The Exchange shall regulate all futures trading activities and protect against market risk by applying the following regimes:

- The Margin Requirement
- The Risk Reserve Fund
- The Daily Marking to Market
- The Price Limit
- The Physical Delivery
- The Hedging Positions Approval
- The Information Disclosure
- The Customer Trader Code
- The Speculative Positions Limit
- The Large Positions Report
- The Forced Position Liquidation
- The Ban on Market Entry

Chapter 8 FINANCIAL ADMINISTRATION

Article 50 The Exchange which exercises independent accounting and assumes sole responsible for his profits and losses shall administer his finances in accordance with pertinent fiscal laws and regulations of the PRC.

Article 51 The Exchange shall, subject to applicable laws and regulations of the PRC, deliver to the CSRC and other pertinent authorities his financial statements within three (3) months after his fiscal year-end. Prior to delivery, the financial statements shall be audited by an accounting firm that is qualified to audit securities and futures companies.

Article 52 The Exchange shall make in-house audit arrangements

pursuant to applicable laws and regulations of the PRC.

Article 53 The Exchange shall, subject to applicable laws and regulations, assess its members an annual membership fee of RMB twenty thousand (20,000) for FF members and RMB ten thousand (10,000) for non-FF members.

Article 54 The Exchange shall, subject to the Board's approval, subtract expenses from revenue and retain any net profit after taxes as capital surplus to make up for future annual losses, in compliance with pertinent fiscal laws and regulations.

Article 55 The Exchange shall, subject to the Board's approval, apply a portion of annual net profit to create a public welfare fund in order to obtain amenities for the Exchange's employees, in compliance with applicable rules and regulations.

Article 56 The Exchange shall, in order to maintain its business in good order and condition, assess a risk reserve fund subject to applicable rules and regulations.

The risk reserve fund shall be administered in accordance with applicable laws and regulations of the PRC.

Chapter 9 SANCTIONS AND DISPUTES

Article 57 The Exchange may, as prescribed by these Articles of Association and the Exchange's rules, take enforcement action against the futures market participant for any conduct that violates the Exchange's rules or default on agreements or contracts.

Article 58 The Exchange may, at its discretion, based on the severity and impact of the violation, impose one or more of the following sanctions:

- warning;
- criticism;
- suspension of the privilege of putting on new positions;
- forced position liquidation;
- temporary exclusion from trading;
- fine;
- forfeiture of profits resulting from the violation;
- expulsion from membership; and/or
- bar on market entry.

Article 59 The Exchange may, at its discretion, with regard to the severity and impact of a default, impose one or more of the following sanctions:

- warning;
- criticism;
- payment of fine for default;
- payment of compensation fee;
- expulsion from membership; and/or
- bar on market entry.

Article 60 The Exchange and its employees shall not engage in any futures trading activities on the Exchange or any other exchange, wherever located, that offers futures trading. The Exchange's staff shall not, directly or indirectly, serve as an employee or agent of any Exchange member or other for-profit institution associated with futures trading activities. An Exchange's staff, in violation of this rule or any other rules of the Exchange, shall be subject to disciplinary action.

Article 61 The spouse and direct family members of an Exchange's employee shall not engage in futures trading activities on or through the Exchange. Disciplinary actions shall be brought against the Exchange employee whose spouse or direct family member violates this Article 61.

Article 62 No certified delivery warehouse nor its employees shall engage in futures trading activities on or through the Exchange. Should a certified delivery warehouse or any of its employees violate this Article 62, the Exchange may, at its discretion, based on the severity and impact of the violation, impose one or more of the following sanctions:

- warning;
- criticism;
- suspension of delivery business;
- fine;
- forfeiture any earnings out of the violation;
- revocation of certification of the certified delivery warehouse; and/or
- ban on market entry.

Should any of the certified delivery warehouse's employees violate these Articles of Association and the Exchange's rules, the Exchange shall order the certified delivery warehouse to discipline the employee.

Article 63 Disputes between a member, and a customer, a certified delivery warehouse or a certified settlement bank that arise from futures trading activities occurring on or through the Exchange may, if unable to be resolved through negotiation, be forwarded to the Exchange for mediation or arbitration or litigation in accordance with applicable laws

and regulations.

Disputes between a member and the Exchange may, if unable to be solved through negotiation, be arbitrated or litigated in accordance with applicable laws and regulations.

Article 64 The Exchange shall, with regard to violations of the Exchange's rules, draft enforcement rules and present them to the CSRC for approval.

Chapter 10 MISCELLANEOUS.

Article 65 The Exchange may adopt the other rules pursuant to the provisions of these Articles of Association.

Article 66 The terms "more than" or "less than", as appearing in these Articles of Association, means "no less than" and "no more than" respectively.

Article 67 The Board reserves the right to interpret these Articles of Association.

Article 68 The adoption of and any amendments to these Articles of Association have been passed by the members' assembly and approved by the CSRC.

Article 69 These Articles of Association came into effect as of November 1st, 2003.

PART II GENERAL EXCHANGE RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These General Exchange Rules are made pursuant to the laws and regulations of the People's Republic of China, or the PRC, and the Articles of Association of the Shanghai Futures Exchange to protect the rights and interests of the futures market participant and to promote the social and public welfare.

Article 2 The Shanghai Futures Exchange, or the Exchange, provides a centralized marketplace for the trading of futures contracts pursuant to the rules approved by the CSRC and based on the principles of transparency, equity, justice, integrity and good faith.

Article 3 These General Exchange Rules apply to all the futures trading activities that take place on or through the Exchange. The Exchange, its members, investors who trade futures on or through the Exchange, the Exchange's certified delivery warehouses and its certified settlement banks and employees thereof shall be bound by these General Exchange Rules.

Chapter 2 LISTED COMMODITIES AND FUTURES CONTRACTS

Article 4 The Exchange lists futures contracts on copper, aluminum, natural rubber, plywood, long-grained rice, and may list other futures contracts as approved by the CSRC.

Article 5 The trading day for the Exchange's markets is Monday, Tuesday, Wednesday, Thursday and Friday except that the date is a PRC's public holiday. The Exchange will announce the trading hours of each futures contract for a trading day.

Article 6 A futures contract is a standardized agreement, contained in the rules of the Exchange, by which one party agrees to deliver and the other to take delivery of a set amount and quality of a defined commodity or the cash value thereof during a prescribed delivery period in the future and at a prescribed delivery point.

Article 7 The specifications of a futures contract include:

- contract name
- product
- contract size
- price quotation
- minimum price fluctuation
- daily price limit
- delivery month
- trading hour
- last trading day
- delivery period
- grade and quality specifications
- delivery venue
- minimum trade margin
- transaction fee
- settlement type
- contract symbol

Appendices to each contract's specifications have the same force of law as do the contract's specifications.

Article 8 The "minimum price fluctuation" is the minimum price a futures contract may move.

Article 9 The "daily price limit" is the maximum that the price may move up or down during one trading day, based on the prior trading day's closing price. Once the daily price limit is reached, the market is considered locked and no further trading may occur.

Article 10 The "delivery month" for a futures contact is the month in which the contract must be settled through physical delivery.

Article 11 The "last trading day" is the last business day in which a futures contract may be traded in its delivery month.

Article 12 The size of a futures contract is denominated as one (1) lot. The bid or ask shall be for one (1) or more lots. The quantity of the commodity making up each lot shall be specified the futures contract specifications.

Article 13 A futures contract shall be quoted in RMBs or Yuans.

Chapter 3 TRADING FLOOR

Article 14 The trading floor is the central trading venue for all futures contacts. The Exchange shall administer activities on the trading floor pursuant to its rules.

Pursuant to the regulations of the CSRC, the Exchange permits the member who is qualified pursuant to the Exchange's rules to enter order into the Exchange's central order book through the remote trading seat.

Article 15 The member's floor representative is the person designated to execute the member's orders to purchase or sell futures contracts. The member may designate a number of floor representatives.

Article 16 The member's floor representative shall satisfy the qualifications adopted by the CSRC for a futures business practitioner, pass the Exchange's examination for futures trading and on this basis obtain the Badge for an Exchange Member's Floor Representative.

Article 17 The member's floor representative shall not accept orders from persons other than his employer member or offer advice or consultancy to such persons; neither shall he engage in futures trading activities for his own account.

Article18 The member's floor representative is entitled to the use of all the Exchange's services and facilities and to advise the Exchange on the trading activities and matters, and is obligated to comply with the Exchange's rules and to use the public facilities on the Exchange with care.

Article 19 One (1) trading host and a number of floor clerks as designated by the Exchange among its own staff will serve on the trading floor during the trading hours.

Article 20 The floor host and the floor clerk are administrative personnel responsible for maintaining order on the floor. Their duties are to
(i) declare the open and close of each trading session;
(ii) apply changes of price limit pursuant to the rules;
(iii) supervise and enforce position liquidation subject to the Exchange's rules;
(iv) limit the scope of the trading privileges of a trading seat subject to the Exchange's rules;
(v) maintain the order of the floor;
(vi) maintain the trading in a good order during each trading session;

and/or
(vii) discharge any other responsibility as otherwise mandated by the President and Chief Executive Officer.

Article 21 Access to the floor is only granted to
(i) the member's floor representative;
(ii) the Exchange's administrative floor staff; and/or
(iii) any other person approved by the Exchange.

Article 22 The member's floor representative shall comply with the Exchange's dress code and wear the badge as prescribed by the Exchange. In addition, he shall enter the floor at the specified hours.

Article 23 The floor administrative staff shall observe the dress code and wear badge as prescribed by the Exchange into the floor.

Article 24 A person having received Exchange's approval to access the floor shall apply in advance whenever he wants to exercise his right of access. A member of the Exchange staff shall escort the person onto the floor where such person shall not engage in or interfere with any trading activities.

Article 25 Where the floor administrative staff finds that a member's floor representative has violated any rules relating to floor administration, the floor staff may issue a warning, expel him from the floor, or impose sanctions on him if the representative's misconduct is serious.

Chapter 4 BROKERAGE AND PROPRIETARY BUSINESS

Article 26 The Exchange membership is categorized as futures firm members, or the FF members, and non-futures firm members, or the non-FF members.

The Exchange will admit special members as he deems necessary for the purpose of trading and clearing.

Article 27 A customer who intends to authorize an FF member to broker his futures trade shall register with the FF member in advance to open an account. Customers are categorized as either institutional or individual.

Article 28 The FF member shall, upon receipt of a customer's application to open an account, provide the customer with a Declaration of Futures Trading Risks, or the Declaration, which the customer shall sign as an

indication that he has read and understood the risks involved in futures trading activities. If the customer is institutional, the Declaration shall be signed and stamped by his legal representative or person in charge if he has no legal representative and bear the company seal.

Article 29 The FF member, after approving the customer's application to open an account, shall enter into a futures business brokerage contract with the customer which shall be signed by the customer. If the customer is institutional, such contract shall be signed and stamped by his legal representative or person in charge if he has no legal representative and bear the company seal.

Article30 The FF member shall, pursuant to the Exchange's rules, file with the Exchange documents and materials relating to opening each new customer account, including the customer's registration form, a photocopy of the customer's business license or, if an individual, a photocopy of the customer's identity card.

Article 31 The Exchange applies the customer trader code which mandates that each customer of the FF member have his own customer trader code. Trading in omnibus accounts is prohibited.

Article 32 The FF member shall receive customers' trading orders through written authorization, telephone, computer, internet or any other means prescribed by the CSRC.

Article 33 The FF member's clerk shall place a serial number on the customer's written authorization, sign and time-stamp it, and return a duplicate to the customer.

Article 34 Types of trading orders include:
(i) limit order: an order to be executed at a specific price or better;
(ii) cancel order: a customer's order to cancel another specific order;
(iii) any other type prescribed by the Exchange.

Article 35 Trading orders are valid only for the trading day on which they are placed. A customer may change or cancel his order at any time prior to execution.

Article 36 An FF member shall route all customers' orders to the Exchange for execution using the central matching process.

Article 37 An FF member shall charge his customers commissions and collect any taxes imposed by the PRC as provided by law.

Article 38 An FF member is duty bound to render to the customer a true and honest description of his credit and business conditions and services with respect to information and consultancy.

Article 39 An FF member shall prepare a trading settlement statement for his customer after each trading day is closed. The customer is entitled to the knowledge of the contents pertaining to the trading settlement statement, at the time and through the means that are agreed upon by the FF member and the customer when they enter into the futures brokerage contract.

Article 40 An FF member shall trade, and only trade, on behalf of his customer, and shall not disclose any information pertaining to the trade he enters into on behalf of the customer.

Article 41 An FF member is the primary guarantor with respect to all the futures trades he carries out. The customer takes full responsibility for all the futures trades he authorizes the FF member to enter into.

The customer is entitled to notify the Exchange of any problem in the FF member's handling of his account.

Article 42 A non-FF member shall open a proprietary futures settlement account at the Exchange's certified settlement bank and deposit sufficient funds for his proprietary futures trading activities.

Chapter 5 TRADING

Article 43 Futures trading activities are defined as the purchase or sale of a futures contract through the Exchange's central order book.

Article 44 The contract price of a futures contract means the price including the value added tax, or the VAT, for the contract's underlying commodity of standard grade delivered at the benchmark delivery warehouse.

Article 45 The futures contract's underlying commodity of standard grade is specified in Exchange's rules setting forth the terms of the futures contract. Premiums or discounts for the delivery of grades that are not standard shall be set forth by the Exchange in due course, and shall be filed with the CSRC.

Article 46 Premiums or discounts for commodities delivered at the non-benchmark delivery warehouse and the benchmark delivery warehouse shall be set forth by the Exchange in due course, and shall be filed with the CSRC.

Article 47 The opening price means the last price established at the conclusion of the five (5)-minute bidding session occurring just before the contract market opens. In the event no trade is fulfilled during the bidding session, the price of the first trade executed once the market opens for trading shall be declared the opening price.

Article 48 The closing price means the price of the last trade executed during the contract market's trading day.

Article 49 The settlement price for a trading day means the volume-weighted average of the prices of all the transactions executed in a futures contract during the trading day. In the event that no transactions are executed during the trading day, the prior settlement price shall be deemed as the current one.

Article 50 The listing benchmark price for a new contract shall be set forth by the Exchange.

Article 51 The member shall pay a transaction fee to the Exchange on each purchase or sale of a futures contract pursuant to the Exchange's rules.

Article 52 The member shall pay delivery handling fees to the Exchange on his physical delivery activities subject to the Exchange's rules. The delivery handling fee structure shall be prescribed by the Exchange in due course.

Article 53 The Exchange applies the Price Limit. For trading within the five (5)-minute session prior to the close with respect to a futures contract on a trading day, when there are only bids or asks at the limit price but no asks or bids to be matched with, or, asks or bids are filled instantly as they are placed but the limit price is sustained, the Exchange deems a price limit situation occurs to the contract at his close on the day and applies applicable rules to his resolution.

Article 54 The Exchange applies the Margin Requirement. The margin, or performance bond, refers to the amount of RMB or Yuan the member shall post for the purpose of clearing each trade and thereby assuring performance of his contractual obligations.

Article 55 The clearing deposit and trade margin are the two types of the margin pursuant to the Exchange's Margin Requirement.

The clearing deposit is an amount deposited by each Exchange's member into the Exchange's clearing account for purpose of trading and clearing and it is a kind of margin not applied to the current open positions. The minimum level of the clearing deposit shall be set by the Exchange.

The trade margin refers to the amount the FF member must post to the Exchange's clearing account as a performance bond upon the purchase or sale of a futures contract and it is a kind of margin applied to the current open positions. The Exchange will collect the margin in percentage of the value of the current open positions after every conclusion of a deal. The Exchange may adjust the trade margin at any time and adopt rules with respect thereto.

Article 56 Each member shall open a futures settlement account at the Exchange's certified settlement bank. The account shall only be used for the transfer and settlement of funds, pursuant to the clearing of trades on the Exchange, between the member and the Exchange and between the member and his customer.

Article 57 An FF member shall deposit his customer's margin into the member's futures settlement account for purpose of meeting the margin requirement or paying other fees. The FF member shall not misappropriate the customer's funds.

Article 58 The member may, in accordance with the CSRC's regulations and subject to the Exchange's approval, post as trade margin standard warrants or other assets approved by the Exchange.

Article 59 The FF member shall, upon receipt of the customer's orders, input the orders for execution through the electronic terminals at the trading seat.

Article 60 The Exchange's electronic automated order matching system places bids and asks in order of price-time priority. A bid and an ask are matched when the bid is no lower than the ask. The new transaction price is the quote standing in the middle among the bid, or bp, the ask, or sp, and the prior immediate transaction price, or cp, as follows:

bp≥sp≥cp，the current transaction price=sp；
bp≥cp≥sp，the current transaction price =cp；or
cp≥bp≥sp，the current transaction price =bp

Article 61 When clearing deposit is below the minimum level of the open positions, the application to open positions will be rejected by the Exchange's trading system.

Article 62 The bid and ask matched through the Exchange's electronic automated order matching system constructs a valid transaction, and data thereof will be sent through the Exchange's transaction data feed system to the member's terminals. The member shall, upon receipt of the transaction data, instantly notify the customer of the terms of the completed transaction.

Article 63 The order that is not filled shall stand to be filled in the Exchange's central order book for the current trading day.

Article 64 At the close of each trading day, each member shall check the Exchange's records for trade which will be accessible through the Exchange's member service system. Any dispute over a trade shall be submitted to the Exchange in writing on the same day when the disputed trade takes place.

Article 65 The Exchange shall retain a record with respect to the futures trading activities, clearing and delivery, for at least twenty (20) years.

The FF member shall retain a record with respect to the customer's account opening documents, all orders, clearing and other business activities for at least five (5) years.

Article 66 The Exchange applies the Hedging Positions Approval. Persons wishing to hedge on the Exchange shall make application to the Exchange. The Exchange will review the applicant for hedging positions with respect to his scope of business, last year's business performance, contracts of purchase and sales of physicals, documents that can verify his business activities in physicals, and determine the extension of hedging position quota to the applicant.

The customer's application for hedging position quota shall be submitted to his FF member for processing.

Article 67 The Exchange shall set the net number of positions per contract that each applicant for hedging position may hold, based on the Exchange's rules.

Chapter 6 RISK MANAGEMENT

Article 68 The Exchange applies the Speculative Positions Limit to all positions that are not hedged positions. Position limit shall be applied to the member and the customer using their respective identification codes. Two types of position limit will apply: to the month prior to the spot month and to all other months. The Exchange shall set position limit for each FF member based on his registered capital, credit and reputation, competence in risk management, trading activities in the previous years and the number of customers he carries. A fixed-sum position limit shall be applied to the member and the customer on their open positions in the spot month. The customer's open positions shall be aggregated on a gross basis for all his accounts at different FF members. Rules shall be made in due course to more fully address the subject of position limit.

Article 69 The Exchange applies the Forced Position Liquidation. The Exchange will enforce the liquidation of the open positions of the member if the member, or the customer whose account he carries, exceeds the prescribed position limit level, fails to post a deposit in response to a margin call, or commit any other rule violations. Rules shall be made in due course to more fully address the subject of forced position liquidation.

Article 70 Profit realized from a forced position liquidation shall be disposed of subject to the applicable rules and regulations. Any expense incurred in the liquidation or losses incurred as a result thereof, including losses that increase because market conditions prevent the prompt liquidation of positions, shall be borne by the person that commits the violation.

Article 71 In the event a market remains locked limit for several days or the market risk increases in a considerable way, the Exchange may choose to increase the daily price limit, increase the margins or apply methodologies to reduce open interest, in order to mitigate the risk. If risks still grow despite all efforts, the Exchange shall announce that an emergency exists and the Board shall take further actions to contain the risk.

Article 72 With regard to a member's failure to perform his contractual obligations, the Exchange is entitled to take protective measures as follows:

(i) suspension of putting on new positions;
(ii) enforce the liquidation of positions and apply the proceeds thereof available to cure the default;

(iii) apply the member's collateral to perform his contractual obligations;
(iv) compel the sale of the member's membership and apply the proceeds to cure the default; and/or
(v) the Exchange will fulfill the contract obligations for the member and demand the recourse thereto.

Article 73 The Exchange applies the Large Trader Reporting regime. The member shall file a large trader report whenever he or any customer holds positions equaling or exceeding eighty (80) percent of the position limit applicable to him or his customer. The Exchange may modify the reporting level at any time.

The report shall contain the following:
(i) name, domicile and business domain of the member and the customer;
(ii) position side, product, delivery month, size of position;
(iii) purpose of trading as to clarify whether he is a hedging or a speculative trade;
(iv) financing source and capability of responding to a margin call;
(v) real capability of making or taking delivery;
(vi) other information as required by the Exchange from time to time.

Article 74 The Exchange may, at its discretion, conclude that a member or his customer is violating one or more Exchange's rules and is imposing or will impose severe and adverse effects on the market. Upon making this conclusion, the Exchange may attempt to prevent the member or his customer from inflicting worse damage by taking the provisional measures as follows:
(i) prohibit deposit of funds;
(ii) prohibit withdrawal of funds;
(iii) prohibit putting on new positions;
(iv) raise level of margins;
(v) order the liquidation of positions by a set date; and/or
(vi) enforce position liquidation.

The decision whether to apply the provisional measures provided in (i), (ii) and (iii) of this Article 74 may be made by the President and Chief Executive Officer, and the decision whether to apply the other measures shall be made by the Board. All determinations shall be reported to the CSRC on a timely basis.

Chapter 7 CLEARING

Article 75 The Exchange applies the Daily Marking to Market in its clearing activities.

Article 76 After the close of a trading day, the Exchange shall clear with each member with respect to his gains and losses on open trades, margins, taxes and transaction fees. The member can obtain the relevant clearing data through the member service system.

Article 77 The daily settlement variation for a member is the sum of the profits and losses on the liquidated positions and the profits and losses on open positions for the trading day.

Article 78 A member shall replenish his margin deposit when the balance thereof falls short of the clearing deposit that is specified by the Exchange.

Article 79 A member shall, before the pre-opening session on the next trading day, post funds up to the minimum balance of the clearing deposit. It shall not put on new positions if his clearing deposit balance is greater than zero (0) but smaller than his minimum balance and shall be required to liquidate positions if his clearing deposit balance is less than zero (0).

Article 80 An FF member shall retain a record and enter into those details pursuant to a customer's trading activities, such as the opening of positions, the liquidation of positions, delivery and his positions status, such as open interest, in order to reflect the customer's financial conditions and limit his risk exposure.

Article 81 Each member shall retain all the records with respect to clearing for a period of at least five (5) years and shall make them readily available for inspection by the Exchange and the CSRC.

Article 82 The Exchange shall, pursuant to applicable rules and regulations, assess, manage and apply the risk reserve fund. The risk reserve fund is intended to provide financial guarantee for performance of futures contracts and indemnify any losses arising from any unexpected risk.

Chapter 8 DELIVERY

Article 83 The physical delivery refers to as the settlement of an open position by the transfer of the ownership of the underlying commodity by

the short to the long during the delivery period in accordance with the Exchange's rules.

Article 84 Any position remaining open after the futures contract's last trading day shall be settled by physical delivery. Physical delivery shall take place in the name of the member for his own account or for the account of his customer.

Article 85 A member handling a physical delivery shall remit payment or submit any documents for purpose of delivery to the Exchange within the time period specified in the Exchange's rules.

Article 86 The Exchange will assign the standard warrant to the buyer's member at the Exchange's discretion.

Article 87 Within the time period specified by the Exchange, the seller's FF member shall submit to the Exchange the standard warrants and the corresponding VAT invoice and then receives the payment from the Exchange. The buyer's FF member shall then deposit payment for delivery and then receives the standard warrants from the Exchange.

Article 88 The Exchange shall, after receiving the standard warrants and the corresponding VAT invoice from the seller's FF member or the payment from the buyer's FF member, refund any excess margin to the seller's or the buyer's FF member.

Article 89 After receiving the standard warrants, the buyer's FF member shall, if he questions whether the delivery satisfies the terms of the contract, visit the certified delivery warehouse within the time period specified by the Exchange's rules and inspect the commodity.

Article 90 The delivery settlement price shall be the benchmark price for the delivery and settlement of a futures contract.

Article 91 The settlement price on the last trading day shall be used to calculate the payment for any difference in quantity if the difference is within the tolerable range pursuant to the Exchange's rules.

Article 92 A standard warrant is a physical delivery receipt created by the Exchange and issued by the certified delivery warehouse to the owner of goods after the warehouse inspects and verifies the goods delivered thereto. A standard warrant shall not be used for physical delivery unless registered with the Exchange.

Article 93 A certified delivery warehouse is a warehouse approved by the Exchange for physical delivery under a futures contract. The Exchange shall conduct an annual inspection of each certified delivery warehouse.

Article 94 A certified delivery warehouse may set up an office near the Exchange's domicile and handle his delivery dealings in coordination with the Exchange.

Article 95 The Exchange may order a certified delivery warehouse to correct its misconducts or indemnify a party aggrieved by the delivery process, or, in serious cases of malfeasance, revoke the warehouse's certification of physical delivery or hold it accountable for any legal liabilities, if the certified delivery warehouse engages in any of the following conduct:
(i) issues a falsified warrant;
(ii) violates any Exchange's rules or limits the movement of a deliverable commodity into or out of the warehouse;
(iii) discloses any confidential business information relating to a buyer or seller or a futures contract;
(iv) engages in the futures trading activities; or
(v) engages in any other behavior in breach of the Exchange's rules.

Article 96 A seller's FF member that fails to deliver standard warrants of the quantity required of the seller within the specified time period or delivers a commodity that does not conform to the required grades and quality shall be in default. A buyer's FF member that fails to remit payment of the required sum in the time period specified by the Exchange shall be in default.

Article 97 In the event that a member commits a default in physical delivery, the Exchange may procure the required commodity or auction the delivered commodity to resolve the default. All costs and losses incurred in resolving the default shall be borne by the defaulting member. The Exchange may also impose a fine on or require indemnification of the defaulting member, subject to the Exchange's rules
.
Article 98 A member shall discharge his physical delivery obligations notwithstanding the fact that his customer is in default under the terms of a contract. The Exchange will enforce on the member the performance of the physical delivery obligations if the member fails to fulfill those obligations.

Article 99 The certified delivery warehouse shall be liable for any losses resulting from any action or inaction on its part that prevents the holder of

a standard warrant from exercising, in whole or in part, the rights granted by such warrant. The Exchange will make up for any such losses that have been appropriately established, in accordance with its applicable rules, and then obtain reimbursement from the certified delivery warehouse.

Chapter 9 EMERGENCY ACTIONS

Article 100 The Exchange will announce that an emergency exists and take action to restore orderly markets, under any of the following circumstances:
(i) disruption of trading activities due to force majeure or other events beyond the control of the Exchange, such as an earthquake, flood, fire or an electronic system breakdown;
(ii) any failure by a member to fulfill clearing or delivery obligations that is causing or is expected to cause severe, adverse effects on a market;
(iii) failure of the provisions of Article 71 to resolve the risks caused by an extended limit-locked market; or
(iv) any other event or condition as otherwise prescribed by the Exchange.

If an emergency exists as provided in the above Article 100(i), the President and Chief Executive Officer may determine what actions to take, including adjustment of the time the market opens or closes and suspension of trading activities. Where an emergency exists as provided in Article (ii), (iii) or (iv), the Board shall determine what actions to take, including adjustment of the time the market opens or closes, suspension of trading activities, adjusting the daily price limit, increasing the level of margin, position liquidation within a window of time or forced liquidation or a prohibition on the withdrawal of funds.

Article 101 Prior to announcing an emergency and taking actions, the Exchange shall report to the CSRC, giving the reasons for its decision to declare an emergency and the actions it proposes to take.

Article 102 When the Exchange announces an emergency and determines to suspend trading activities, the suspension shall not last more than three (3) business days, except as otherwise approved by the CSRC.

Chapter 10 INFORMAITON

Article103 The Exchange shall disseminate daily market data and other

essential statistical information.

Article104 The information to be disseminated by the Exchange includes:

- name of commodity;
- contact delivery month;
- opening price;
- current price;
- price variation;
- closing price;
- settlement price;
- high price;
- low price;
- trading volume;
- open interest and change thereof;
- ranking of members in order of trading volume and open interest;
- each certified delivery warehouse's capacity for making delivery on a futures contract, as warranted by the Exchange;
- deliverable supply based on the number of the registered standard warrant and change thereof; and
- such other relevant data or information

The dissemination of information shall be on a real-time, daily, weekly, monthly or yearly basis based on the nature of the information.

Article 105 The Exchange shall use effective telecommunication means to set up a simultaneous quotation system and real-time transaction data feed system.

Article 106 The Exchange shall not be held accountable for the breakdown of information dissemination by any public media instead of the Exchange that adversely affects a member's or a customer's trading activities.

Article 107 Neither the Exchange, any member nor any certified delivery warehouse shall disseminate information that is false or misleading.

Article 108 Neither the Exchange, any member, any certified delivery warehouse nor any certified settlement bank shall disclose any confidential information obtained as a result of their position or the performance of their duties.

The Exchange shall use confidentiality codes to avoid disclosing confidential information about the trading activities of members or their customers, nonetheless, as approved or authorized, the Exchange may provide any confidential information as required by regulatory authorities

or other competent authorities.

Article 109 The Exchange is obligated to establish distant data backup facilities in another city to ensure the safety and integrity of market data.

Chapter 11 REGULATION

Article 110 The Exchange regulates the futures trading activities in compliance with these General Exchange Rules and all other pertinent rules.

Article 111 The Exchange shall discharge its duties by undertaking the following:
i) enforce compliance on the futures market participant with the laws, regulations and these General Exchanges Rules;
ii) undertake supervision and inspection on a member's business activities and internal administration;
iii) undertake supervision and inspection on a member's financial integrity and credit conditions;
iv) undertake supervision and inspection on the certified delivery warehouse's and the certified settlement bank's business behavior in relation to futures trading activities;
v) settle or resolve disputes with respect to futures trading activities brought by members or their customers and investigate and bring disciplinary sanctions against rule violators of any type;
vi) assist the judicial or administrative authorities in their enforcement actions against the Exchange's members and customers; and
vii) undertake surveillance on conduct that breaches the Exchange's rules requiring transparency, equity and justice and causes or has the potential to cause market risks.

Article 112 The Exchange shall, on an annual basis, audit a selected portion or the entirety of the membership on their compliance with the Exchange's rules, and forward to the CSRC the results of the inspection.

Article 113 The Exchange shall conduct investigation for cause on the person or entity that is suspected to violate its rules.

Article 114 The Exchange will exercise rights of investigation and evidence collection in performing its compliance and enforcement responsibilities, in which any member shall be able to assist.

Article 115 Any member, customer, certified delivery warehouse or

certified settlement bank shall be subject to the rules of the Exchange with respect to any futures trading activities conducted by such person thereof. The Exchange shall impose disciplinary sanctions against any of the above persons who provide inaccurate or incomplete information, conceal the truth of the facts, engage in intentional evasion from interrogation or otherwise prevent or seek to prevent the Exchange staff from executing their duties.

Article 116 The Exchange may, after initiating an investigation for cause, take restrictive measures to prevent the deterioration of potential effects of any severe rule violations that a member, customer, certified delivery warehouse or certified settlement bank are suspected to commit in their futures business activities.

Article 117 In the event that an incident of considerable impact occurs in the process of futures trading activities, on the approval of the Board, an ad hoc committee will be set up to determine the cause of such issue. The ad hoc committee shall consist of member representatives, Exchange staff and other persons designated by the Board. The committee shall execute his duties as prescribed by these General Exchange Rules. No person with a conflict of interest shall serve on the ad hoc committee.

Article 118 Any member, customer, certified delivery warehouse or certified settlement bank may complain to the Exchange or the CSRC about any member of the Exchange's staff or any member of the Board who fails to perform his regulatory duties in good faith. The Exchange or the CSRC may impose sanctions if the complaint is determined to be true.

Article 119 The Exchange shall adopt enforcement rules to discipline persons who violate the Exchange's rules.

Chapter 12 DISPUTE RESOLUTION

Article 120 Disputes between any member, and a customer, a certified delivery warehouse or a certified settlement bank with respect to any futures business activities may be settled on their own or presented to the Exchange for resolution.

Article 121 Disputing parties who want the Exchange to resolve their disputes shall apply in writing. The Exchange's resolution of a dispute shall be effective after the disputing parties acknowledge them by signing their names or stamping their seals on the Exchange's letter setting forth his resolution.

Article 122 Disputing parties may also refer to an arbitral body for arbitration or file a suit in the People's Court.

Chapter 13 MISCELLANEOUS

Article 123 The Exchange may enact the other rules in pursuant to these General Exchange Rules.

Article 124 The Board of the Shanghai Futures Exchange has the right to interpret these General Exchange Rules.

Article 125 These General Exchange Rules, or any amendment thereto, shall be passed by the members' assembly and approved by the CSRC.

Article 126 These General Exchange Rules are effective as of November 1, 2003.

PART III MEMBERSHIP RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Membership Rules are made, subject to the Articles of Association of the Shanghai Futures Exchange and the General Exchange Rules of the Shanghai Futures Exchange, to protect the legitimate rights and interests of the members of the Shanghai Futures Exchange, or the Exchange, and to regulate their business activities on or through the Exchange.

Article 2 A member is an enterprise legal person or another business organization that is approved by the Exchange, pursuant to the rules and regulations with respect to futures trading activities and the Articles of Association of the Shanghai Futures Exchange, to engage in futures trading activities on or through the Exchange.

Article 3 These Membership Rules are binding on the Exchange, the member and its professional staff.

Chapter 2 MEMBERSHIP

Article 4 A member of the Exchange is either an FF member or a non-FF member.

Article 5 To become an Exchange's member, the applicant shall meet the following requirements and criteria:
(i) it must be an enterprise legal person or another business organization registered in the PRC;
(ii) it must agree to abide by the Articles of Association of the Shanghai Futures Exchange and the Exchange's rules;
(iii) an applicant for FF membership shall possess registered capital of no less than RMB thirty (30) million; an applicant for non-FF membership shall possess no less than RMB ten (10) million;
(iv) it shall have a good reputation and business profile without any record of severe infractions or expulsion by any futures exchange in the past three (3) years;
(v) it shall have a well-established organizational structure, financial system and sound framework of business rules;

(vi) it shall have staff equipped with futures trading qualifications, regular business venue and necessary facilities to conduct the business;
(vii) it shall, if applying for the FF membership, hold a Futures Brokerage Business License issued by the China Securities Regulatory Commission, or the CSRC; and
(viii) it shall comply with other requirements as prescribed by the CSRC and the Exchange from time to time.

Article 6 The following files and documents shall be submitted to the Exchange by the applicant for membership:
(i) an application form signed by his legal representative;
(ii) the Enterprise Legal Person Business License or the Business License issued by an Administration for Industry and Commerce;
(iii) the latest annual financial statements audited by a certified public accounting firm or a certified public auditing firm;
(iv) a certificate of title if the venue is owned or a lease agreement if the venue is leased;
(v) documents that prove his right of use of primary trading and IT facilities; and
(vi) any other documents required by the Exchange pursuant to its rules.

Article 7 An applicant for the FF membership shall submit the following materials in addition to the materials specified in Article 6:
(i) the Futures Brokerage Business License issued by the CSRC;
(ii) the articles of association and rules concerning futures brokerage business; and
(iii) documents that specify the organizational structure of the applicant, the curriculum vitae of legal representative and senior management in charge of futures trading activities and a name list of the futures professional staff.

Article 8 An applicant for the Exchange's membership shall submit a written application to the Exchange that specifies the following:
(i) purpose and reasons for the application;
(ii) written commitment to the Exchange's Articles of Association and rules;
(iii) the applicant's internal organizational set-up and business structure;
(iv) a description of the applicant's futures trading activities during the past two (2) years; and
v) other points the Exchange requires the applicant to clarify as set forth in its rules.

Article 9 Upon receiving completed and good application materials, the Exchange shall, within thirty (30) business days, refer the application with its comments to the Membership Committee for its review.

If the Membership Committee recommends admission and the Board of Directors, or the Board, agrees, the Exchange will send a notice of membership admission to the applicant.

Article 10 Within thirty (30) business days of receiving the notice of membership admission, the applicant shall:
(i) post RMB five hundred thousand (500,000) to the Exchange to acquire membership of the Exchange;
(ii) if an FF member, pay RMB twenty thousand (20,000) and, if a non-FF member, pay RMB ten thousand (10,000) as an annual membership fee;
(iii) remit no less than the minimum amount prescribed by the Exchange as a clearing deposit;
(iv) open a futures settlement account with the Exchange's certified settlement bank;
(v) report to the Exchange the designation of clerks and applicable seal; and
(vi) undertake any other procedures as set forth in the Exchange's rules.

Failure to complete the procedures in this Article 10 within the prescribed time shall be deemed to have declined the grant of membership.

Article 11 The applicant shall become a member only upon demonstrating to the Exchange that he has completed the requirements set forth in Article 10. At that time, the Exchange shall issue to the new member a membership certificate and notify the CSRC of its membership grant.

Article 12 The applicant shall be granted a floor trading seat together with his membership. It shall apply to the Exchange for additional floor trading seats as his business requires. The grant of an additional floor trading seat is valid at least for one (1) year and an annual floor trading seat fee of RMB 20,000 will be charged on a yearly basis.

A member may apply for remote trading seats pursuant to prescribed

procedures. It shall strictly comply with the Exchange's rules governing the use of remote trading seats.

Article 13 The members are entitled to the rights and obligated to the duties that are prescribed by the Articles of Association of the Shanghai Futures Exchange.

Chapter 3 CHANGES OF MEMBERSHIP

Article 14 A membership shall not be transferred without the Exchange's approval. Furthermore, the private transfer of a membership or a trading seat by means of contracting, leasing or pledging is prohibited.

Article 15 In the case of a membership transfer, the transferor shall begin the process by submitting to the Exchange a membership transfer application while the transferee shall submit a membership application. After a preliminary review by the Exchange, the transferee and transferor shall enter into a Membership Transfer Agreement. After a preliminary review by the Membership Committee and approval by the Board, the transferor and transferee shall fulfill the procedures required for a transfer of membership.

Article 16 In the case of a membership transfer, the transferor shall
(i) close out his open positions;
(ii) settle his debt obligations with the Exchange;
(iii) return all invoices and receipts and other certificates issued by the Exchange;
(iv) close his futures settlement account;
(v) return all trading equipment to the Exchange; and
(vi) fulfill any other Exchange's requirements as set forth in its rules.

The member shall, within thirty (30) business days of receiving the Exchange's written approval of the transfer, complete the relevant procedures set forth in Article 16.

Article 17 A member shall not transfer his membership under any of the following circumstances:
(i) it is being investigated for cause by authorities other than the Exchange for financial disputes, offenses or crimes;
(ii) the Exchange is conducting investigation for cause on him for a possible violation of the Exchange's rules;
(iii) it is not over three (3) months since the Exchange imposes

sanctions, including but not limited to, criticism and suspension of futures business;
(iv) it has not been a member for at least one (1) year;
(v) it has previously been expelled from Exchange's membership ; or
(vi) any debt dispute between the proposed transferor and the Exchange has not yet been resolved.

Article 18 A legal person that acquires or merges with a member, or a legal person that is established out of a merger with a member, shall apply to the Exchange for succession to the membership of the member that is acquired or merged with. The succession to a membership must be approved by the Board

A legal person that acquires a member or merger with a member, or a legal person that is established out of a merger with a member has priority over other applicants for acquiring membership

Article 19 Upon approval by the Board, a member shall have his membership revoked if any of the following occurs:
(i) the CSRC revokes his Futures Brokerage Business License or imposes a ban on market entry;
(ii) he transfers a trading seat to another person without the Exchange's approval ;
(iii) he suffers a grave shortfall in capital, staff and equipment and he fails to manage his business in an orderly manner that any effort fails to be effective;
(iv) he refuses to carry out a resolution of the members' assembly or the Board ;
(v) he fails to trade for three (3) consecutive months without justification; or
(vi) he has violated laws or regulations or has committed any major violation of the Articles of Association of the Shanghai Futures Exchange and the rules of the Exchange.

The Exchange will not refund RMB five hundred thousand (500,000) for acquisition of membership to the expelled member until a new member is admitted in his place.

Article 20 The member shall, within thirty (30) business days of receiving the membership cancellation notice, complete the following:
(i) close out his open positions;
(ii) settle his debt obligations with the Exchange;
(iii) return all kinds of invoices and receipts and other certificates issued by the Exchange;

(iv) close his futures settlement account;
(v) return all trading equipment to the Exchange; and
(vi) fulfill any other Exchange's requirements as set forth in the Exchange's rules.
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Article 21 The Exchange shall promptly report any change in membership to the CSRC.

Article 22 A member shall report to the Exchange in writing within ten (10) business days the occurrence of any of the following:
(i) changes to his legal representative;
(ii) changes to his registered capital or shareholding structure;
(iii) changes to his name, premises or business venues, scope of business, or contact information;
(iv) he establishes, takes over or terminates a business branch;
(v) he changes the business venue, person in charge or scope of business of a business branch;
(vi) a major change happens to his business;
(vii) he is involved in a lawsuit or financial dispute involving more than RMB five hundred thousand (500,000);
(viii) he terminates his futures trading activities;
(ix) he is admitted to membership on another exchange;
(x) he is being investigated or subject to sanctions imposed by other exchanges or some other authorities for violation of laws, regulations and rules; or
(xi) any other event has occurred as required to be reported by the Exchange pursuant to its rules.

Chapter 4 REGULATION

Article 23 The member and his professional staff shall comply with applicable national laws, regulations and policies as well as the Articles of Association of the Shanghai Futures Exchange and rules of the Exchange and shall be subject to supervision by the CSRC and the Exchange.

Article 24 The Exchange shall order a member experiencing one of the following conditions to take corrective action within a specified time period:
(i) poor financial performance or conditions; or
(ii) serious problems are detected in the annual audit.

If the member fails to take corrective action within the specified time

period, the Exchange has the right to exercise temporary exclusion of him from trading activities or revoke his membership upon approval by the Board.

Article 25 A non-FF member shall not open an account with an FF-member, except as otherwise prescribed by the Exchange.

Article 26 A person shall not be accepted as a customer who:
(i) does not have full capacity for civil rights and duties;
(ii) fails to provide his legal representative's authorization if he is institutional;
(iii) is an employee of the Exchange or the FF member;
(iv) is subject to a ban on market entry;
(v) is either a certified delivery warehouse or the employee thereof; or
(vi) any other circumstances as otherwise provided in other regulations or the rules of the Exchange.

Article 27 If a customer assigns another person to enter trading order or post and withdraw funds, the customer shall provide a written authorization letter that bears his signature, or the signature of the customer's legal representative and the customer's company seal.

If the customer fails to provide the authorization letter, or the document does not clearly provide authorization for a third party to trade on behalf of the customer, the FF member shall not permit the third party to engage in trading activities on behalf of the customer.

Article 28 An FF member shall verify and confirm the identity, credit profile and trading qualifications of a customer before entering into any trading activities on behalf of the customer.

If the funds to be withdrawn are not from the customer's own account, the customer shall demonstrate his right to use the funds.

If the customer is a state-owned enterprise, the FF member shall verify the documents signed by his legal representative to authorize his futures trading activities.

Article 29 An FF member shall segregate his own funds from his customer's margin funds. The customer's margin funds shall be placed in a special account and any misappropriation is prohibited. The records of the account shall include an independent item showing each time there is movement of margin funds belonging to each

customer. The futures brokerage contract, the customer trader code, the customer settlement statement and the customer accounting ledger shall be able to be traced to the same customer. The customer settlement statement shall not substitute for the customer accounting ledger.

When a customer deposits or withdraws funds, the FF member shall require the customer or his authorized person to sign off or place a stamp seal on the financial documents.

An FF member shall not appropriate his customer's margin funds for his own business activities or to settle his debt obligations; he shall not allow other persons to appropriate the customer's margin funds or apply them as a warranty for business activities unrelated to the customer.

Article 30 An FF member shall promptly execute his customer's trading order properly. After an order is filled, the member shall immediately notify the customer. The customer must give prior authorization before an order is placed for execution and any unauthorized trade by the FF member is prohibited.

Article 31 An FF member shall commit himself to the improvement of the methods and procedures by which the customer's trading order and trading settlement materials are confirmed.

Article 32 If a forced liquidation of a customer's positions becomes necessary for the purpose of risk control, the FF member shall comply with the terms and conditions governing the situation specified in the futures brokerage contract signed between the member and the customer and notify the customer as prescribed therein.

An FF member shall not allow a customer to trade when he has deficit in margin.

Article 33 An FF member, as engaging in the futures trading activities on his customers' behalf, shall not make up or spread false information to mislead the customer.

Article 34 An FF member shall not deceive or defraud his customers by any means.

Article 35 A member shall protect the Exchange's reputation, assist the Exchange in handling and resolving an emergency or irregular

event. When an emergency or irregular event exists, he shall work to obtain his customers' understanding and cooperation.

Article 36 A member shall participate in activities and conferences organized by the Exchange. It shall obtain advance approval from the Exchange if his legal representative or delegate cannot attend for any reason.

Article 37 The professional staff of a member shall meet the qualifications prescribed by the CSRC with regard to futures professional persons.

Article 38 The professional staff, who engages in trading, delivery, and settlement activities on or through the Exchange, shall be authorized by their employer member, pass the Exchange's training program and obtain the qualification certificate. The professional staff shall be employed by only one member at a time and shall not work on a part-time job for other members at the same time.

The member shall be fully responsible for the business activities of his professional staff conducted on or through the Exchange.

Article 39 If the member's membership is transferred or cancelled, the authorization he has conferred on his professional staff shall be void.

Chapter 5 MISCELLANEOUS

Article 40 Any violations of these Membership Rules shall be subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 41 The Exchange reserves the right to interpret these Membership Rules.

Article 42 These Membership Rules are effective as of December 25, 2008.

PART IV TRADING RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Trading Rules are made pursuant to the General Exchange Rules of the Shanghai Futures Exchange to regulate futures trading activities on or through the Shanghai Futures Exchange, or the Exchange, and to protect the rights and interests of the futures market participant.

Article 2 These Trading Rules are binding on the Exchange, each member and customer.

Chapter 2 TRADING SEAT

Article 3 A "trading seat" refers to the access through which trading orders are input into the Exchange's electronic trading system to enter into the Exchange's central order book.

A trading seat is either a floor trading seat or a remote trading seat.

Article 4 Each member is granted one floor trading seat. If a member wants an additional seat for business purpose, he shall apply to the Exchange which may either grant or deny his application based on the requirements contained in Article 6 in these Trading Rules.

Article 5 A member's obligation to be subject to the Exchange's rules on position limit, risk control or other pertinent matters remain the same regardless of increase in his access to the market by additional trading seats.

Article 6 A member applying for one or more additional floor trading seats shall:
(i) have a sound business and no record of serious violation of the Exchange's rules;
(ii) be among the top fifty (50) members in the amount of trade volume he executes for three (3) consecutive months prior to the application date or execute a considerable number of trading orders in listed contracts on the Exchange;

(iii) other criteria as prescribed by the Exchange's rules, from time to time.

Article 7 A member applying for additional floor trading seats shall complete the Application for Additional Trading Seats, provide materials describing his futures brokerage business for the past year and his reasons for requesting one or more additional trading seats.

Article 8 Upon approval by the Exchange to grant the request for additional floor trading seats after a complete application is submitted, the member shall sign a one (1)-year trading seat lease agreement with the Exchange. The annual fee for renting an additional floor trading seat is RMB twenty thousand (20,000) per seat, and it shall be paid annually.

Article 9 Once the trading seat lease agreement has been signed by both parties, the member shall have ten (10) business days to register with the Exchange for the entry into the trading floor. The member will be deemed to have waived his claim to the additional trading seats if he exceeds the ten-day deadline without justification.

Article 10 A member may prematurely terminate the trading seat lease agreement, only with the Exchange's approval.

Article 11 If a member is expelled from the Exchange's membership, all his trading seat lease agreements shall be immediately terminated.

Article 12 The Exchange shall terminate the trading seat lease agreement where:
(i) the member fails to manage his floor trading seat in a proper way or is found to have violated a major Exchange's rule or no longer in compliance with the criteria for obtaining an additional seat; or
(ii) the member subcontracts, subleases or transfers a floor trading seat without the Exchange's prior approval.

Article 13 No part of the leasing fee shall be refunded to the member when the trading seat lease agreement is prematurely terminated.

Article 14 In the event that a breakdown of the electronic terminals or telecommunication system on the floor prevents over ten (10) percent of the members from conducting their regular trading activities, the Exchange shall invoke a market suspension until those trading facilities return to their normal function.

Chapter 3 TRADING FLOOR

Article 15 The trading floor is the central trading venue for futures contracts. The member's floor representative who is registered with the Exchange, the Exchange's floor administrative staff and the persons approved by the Exchange are allowed access to the trading floor.

Article 16 A member's floor representative is the person authorized by the member to execute the member's orders to purchase or sell futures contracts on the trading floor.

The member is fully responsibility for his floor representative's futures trading activities on the trading floor.

Article 17 To become a member's floor representative, a person shall meet the following criteria:
(i) be at least eighteen (18) years old and full capacity of civil rights and abilities;
(ii) have completed the Exchange's specialized training program for floor representatives and obtain the qualification certificates;
(iii) be of good moral character and professional ethics; and
(iv) have no record of being charged or convicted of a criminal offense.

Article 18 A person seeking to be a floor representative and receive a floor representative identification badge must provide the Exchange with:

- the original copy of his member's letter of authorization;
- the floor representative application form, bearing the member's company seal;
- the floor representative qualification certificate;
- his identity card; and
- his diploma

Article 19 Each trading seat admits no more than two (2) floor representatives except as otherwise approved by the Exchange.

Article 20 A floor representative may enter the trading floor within thirty (30) minutes before the market opens to prepare for the trading day. A floor representative shall not enter or exit the floor during trading hours except as allowed by the floor administrative staff.

Article 21 The floor representative shall wear a valid representative badge and comply with the dressing code required of him at all times when he is on the trading floor.

Article 22 Each floor representative shall use the public facilities on the trading floor with care and strictly comply with the Exchange's instructions for using floor electronic equipment. Any intentional or negligent conduct resulting in damage to such equipment shall be subject to compensation and sanctions in accordance with applicable rules.

Article 23 The floor representative shall obtain the Exchange's approval before carrying any trading equipment onto or off the trading floor.

Article 24 The floor representative shall obey the directives of the Exchange's floor administrative staff.

Article 25 The floor representative shall bring all the Exchange's directives, notifications and announcements to the attention of his member in a timely manner.

Article 26 A member shall protect his trading password from being stolen or leaked. The member shall be fully responsible for any harm, damage or loss due to the theft or disclosure of his password.

Article 27 The floor representative shall not
(i) arrive late or depart early without justification;
(ii) carry instruments, devices or food of any kind onto the floor;
(iii) display bad manners, damage any trading facilities or fail to maintain the cleanliness of the trading floor;
(iv) fail to comply with the dressing code on the trading floor;
(v) operate the trading system in an improper manner that does not comply with the Exchange's rules;
(vi) engage in activities that disrupt the orderly progress of trading such as moving about in a random manner, dropping by other trading seats, making noise or frolic, or playing video games;
(vii) disrupt the orderly process of trading by other floor representatives or interfere with the work of the floor administrative staff;
(viii) borrow or misappropriate another member's telephone or trading terminal;
(ix) take photographs or videos on the floor without the Exchange's

approval;
(x) counterfeit or lend his floor representative identification badge; or
(xi) behave inappropriately to disgrace the Exchange or disrupt the orderly trading progress on the trading floor.

Article 28 In the event the member dismisses or replaces a floor representative for any reason, or the floor representative breaks away with the member, the member shall notify the Exchange in a timely manner that he has canceled the floor representative's authorization and return the floor representative's identification badge to the Exchange. If the member fails to return the identification badge, he shall immediately inform the accountable department of the Exchange of the reason for his failure, which will exempt the member's liability after the member gets a reply letter. Any liabilities arising from the failure to notify the Exchange promptly and return the identification badge shall be the responsibility of the member unless the Exchange determines otherwise.

Article 29 For three (3) months after a person's floor representative badge has been withdrawn, the Exchange shall decline his new application to represent another member on the trading floor, unless the applicant's prior employer member gives his consent or is no longer a member of the Exchange.

Chapter 4 REMOTE TRADING

Article 30 The term "remote trading" refers to the method of trading by which a member places orders for execution from his business premises through an electronic telecommunication system that is connected to the Exchange's electronic automated order matching system.

Article 31 A remote trading seat has the same rights and obligations as a floor trading seat.

Article 32 A remote trading seat is one of the following types:
(i) a stand-alone type has one (1) terminal; or
(ii) a network type is linked through a server to multiple terminals.

Article 33 A member applying for a stand-alone type of remote trading seat shall satisfy the following criteria: he must
(i) display a sound business profile and no record of severe default or rule violations;

(ii) ensure that he has the necessary telecommunication facilities at his place of business and has established procedures for transmitting margin and other funds to the settlement bank in compliance with the Exchange's rules;
(iii) maintain an adequate quantity of computers and a workforce with the appropriate telecommunication expertise;
(iv) adopt necessary procedures for complying with the Exchange's rules and rules on remote trading; and
(v) meet the level for trade volume and capital as set forth by the Exchange.

Article 34 A member applying for a network type of remote trading seat shall meet the criteria set forth in Article 33 as well as the following:
(i) have the futures brokerage qualifications; and
(ii) maintain a dual-backup computer system and telecommunication system, including a telecommunication route and other necessary facilities.

Article 35 A member applying for a remote trading seat shall provide to the Exchange:
(i) a profile of the futures trading activities for the most recent two (2) years;
(ii) a report describing the reasons, facilities and a feasibility study for opening remote seats;
(iii) an organizational chart and a profile of the member's personnel, including a list of the executives to be in charge of remote trading activities and their curriculum vitae;
(iv) a description of the policies and procedures put in place by the member relating to remote trading as required by the Exchange, including procedures with respect to data security;
v) a configuration list outlining the computer system, telecommunication system (including the telecommunication route), system software, application software; and
vi) any other documents as otherwise required by the Exchange's rules.

Article 36 The Exchange shall respond to the application in writing within one (1) month after he receives the member's completed application and supporting materials.

Article 37 The member shall sign a remote trading agreement with the Exchange within one (1) week after receiving notice that his application has been approved. Failure to sign such agreement

within this time period, without justification, shall be deemed a waiver by the member.

Article 38 After the member finishes installing and testing his remote trading facilities, the Exchange will undertake simulation tests. The remote trading seat shall not be put into use until he satisfies all functional standards and requirements. The Exchange will notify all members of the startup date for the new remote trading seat.

Article 39 The member shall not transform a stand-alone type into a network type of trading seat without prior Exchange's approval.

Article 40 The floor trading seat remains as backup access for the member who is approved for remote trading. The member shall trade through his floor trading seat if his remote trading seat fails to function during trading hours.

If he does not designate a floor representative and is therefore unable to use his floor trading seat, the member shall bear all losses arising from the failure of his remote trading seat.

Article 41 The member shall improve his monitoring and testing of his remote trading system. The member shall obtain the prior approval of the Exchange to replace or modify his major remote trading equipment and software. The Exchange must also give his prior approval if the remote trading seat is to be removed from the original registered premises. The Exchange retains the right to supervise and inspect routinely how the remote trading seat is used.

Article 42 Permission to use a remote trading seat shall be withdrawn under any of the following circumstances:
(i) the Exchange withdraws his grant of permission to use a remote trading seat at the request of the member;
(ii) the member subcontracts, subleases or transfers the remote trading seat without first obtaining the Exchange's approval;
(iii) the trading seat is managed in an improper way, or the member using the trading seat is found to have engaged in a violation of a major Exchange's rule, or is determined to be ineligible to continue operating the trading seat;
(iv) the member uses the remote trading system to obtain confidential information or disrupt or attempt to disrupt the Exchange's automated order matching system;
(v) the member is expelled from the Exchange;
(vi) the member transforms a stand-alone type into a network type of

remote trading seat without first securing the Exchange's approval; or
(vii) other circumstances the Exchange deems necessary to withdraw its permission for use of the remote trading seat at its discretion.

Chapter 5 PRICE

Article 43 The Exchange shall disseminate the following market information:
(i) opening price — the price of a futures contract that is established by a trade in the five (5)-minute bidding session;
(ii) closing price—the price of the last trade on a futures contract during the contract market's current trading day;
(iii) high price—the highest price of a trade on a futures contract during the contract market's current trading day;
(iv) low price—the lowest price of a trade on a futures contract during the contract market's current trading day;
(v) current price—the latest price of a trade on a futures contract during the trading day;
(vi) price variation—the difference between the current prices of a trade on a futures contract on a trading day and the settlement price on the prior trading day;
(vii) bid—the current highest quote placed by a buyer for a futures contract during a trading day;
(viii) ask—the current lowest quote placed by a seller for a futures contract during a trading day;
(ix) bid volume—the total of unfilled bids at the bid price listed in the Exchange's automated order matching system for a futures contract on a trading day;
(x) ask volume—the total of unfilled asks at the ask price listed in the Exchange's automated order matching system for a futures contract on a trading day;
(xi) settlement price—the volume-weighted average of all prices for a trade on a futures contract on a trading day. If no trade is executed on the trading day, the settlement price shall be constructed in accordance with the Exchange's rules. The settlement price is used to calculate the settlement variation on the open interests and also used to set the next trading day's price limit. It is also used to set the next trading day's price limit;
(xii) trade volume—the sum of trades on both long and short sides on a trading day; and
(xiii) open interest—the sum of futures positions on both long and short trades.

Article 44 A trading order is either a limit order, cancel order, or other type of order as prescribed by the Exchange.

A maximum of five hundred (500) lots may be executed in one limit order. For all other trading order types, the minimum is one (1) lot. A trading order on a futures contract can only quote within the range of price fluctuation for that contract.

Article 45 The bidding session is a five (5)-minute session prior to the opening of the market on any trading day. During the first four (4) minutes bids and asks are entered into the central order book, and during the last minute bids and asks are matched and the opening price is established.

If no trade is executed during the bidding session, the price of the first trade executed following the opening of the market shall be the opening price. The price of the first trade is established by the methodology as provided in the General Exchange Rules of the Shanghai Futures Exchange. Therefore, the price of the previous trade executed is the last trading day's closing price.

The Exchange's electronic automated order matching system dictates the start and finish of the bidding session, which is displayed on all computer terminals.

Article 46 The regime of the Trade Maximization is applied to the fills achieved in the bidding session. The price established during the bidding session shall match the most bids and asks. Bids higher than or asks lower than the price of the trade executed during the bidding session shall all be executed. Bids or asks at the price of the trade executed during the bidding session shall be executed up to the number of bids or asks, whichever is less.

Article 47 The unfilled orders in the bidding session shall remain active for matching when the market opens.

Article 48 The reference price for a new contract is determined by the Exchange which notifies all members of this price in advance of the first day of trading. The price limit for the new contract on its first trading day is fixed on the basis of the reference price.

Article 49 The price limit for a new contract on its first trading day shall be twice the size of the regular price limit, with the trade margin remaining the same. If trades are executed on the first trading day,

the price limit will revert to its regular size as set forth in the contract specifications and the settlement price on the first trading day shall be determined pursuant to the provisions in Article 38 of the Clearing Rules of the Shanghai Futures Exchange; if not, the price limit will remain expanded on the next trading day and the settlement price on the first trading day shall be determined pursuant to the provisions in Article 38 of the Clearing Rules of the Shanghai Futures Exchange. The reference price of the new contract listed on the first trading day shall be deemed as the settlement price of the last trading day of that new contract listed when applying the provisions in Article 38 of the Clearing Rules of the Shanghai Futures Exchange.

Chapter 6 TRADER CODE

Article 50 The Exchange applies the Trader Code regime. The trader code is the identification code a member or a customer uses in futures trading activities.

Article 51 There are two categories of trader codes: one for non-FF members and one for customers. The trader codes consist of member code and customer code.

Article 52 A customer's trader code consists of twelve (12) numbers. The first four (4) numbers, the member code, refer to the member holding the customer's account; the remaining eight (8) numbers, the customer code, identify the customer. For example, if a customer trader code is 000100001535, the member code is 0001 and the customer code is 00001535. A floor representative needs to only input 1535 to identify the customer placing the order.

Article 53 A non-FF member's trader code consists of twelve (12) numbers as the customer trader code does, but the last eight (8) numbers represent the member code. If the non-FF's member code is 120 and his trader code is 012000000120, a floor representative needs to only input 120 to identify the non-FF member placing the order.

Article 54 The non-FF member's trader code and the customer trader code shall not overlap. Code numbers from 001 to 1000 shall be reserved for the non-FF member, and a code number from 1001 on shall identify a customer.

Article 55 Each customer is assigned only one customer code by the

Exchange, although he may open accounts with different FF members. His trader codes only differ in the member code part, whereas the customer code part always remains the same.

Article 56 An FF member shall, subject to the Exchange's requirements, input the customer's information into the member service system pursuant to the system's instructions therein.

Article 57 The FF member shall, after inputting the customer's information as referenced in Article 56, present this information and materials to the Exchange for record. The Exchange shall grant trading access to the customer in the trading system if it deems that those information and materials presented are good.

Article 58 The grant of trading access shall be withdrawn and the customer's trader code shall be cancelled if any of the following events or conditions is found to have occurred:
(i) the customer's information or materials presented to the Exchange for record are false;
(ii) the FF member applies for cancellation and there are no open positions under the customer's trader code; or
(iii) the customer is found by the Exchange to have engaged in other violations of the rules with respect to the trader code.

Article 59 The Exchange may order the FF member to liquidate a customer's positions within a specified time period if his customer submits false information as part of his account opening or the FF member assists him in doing so. The customer's trading access shall be withdrawn and his trader code shall be cancelled following the liquidation of his positions. The customer shall then be subject to additional sanctions under the Enforcement Rules of the Shanghai Futures Exchange.

Chapter 7 INFORMATION

Article 60 The term "futures trading information" includes all the Exchange's data, statistics, public announcements and other information that become available from, or in relation to, the futures trading activities of all the listed products on the Exchange as released by the Exchange or prescribed to release by the CSRC.

Article 61 The futures trading information is owned, maintained and released by the Exchange. No person or entity shall disseminate any

futures trading information for any commercial purpose without the Exchange's prior written approval.

Article 62 The Exchange shall provide futures trading information to members, customers and the public on a real-time, daily, weekly, monthly and yearly basis.

The Exchange shall publish the final settlement price of every contract listed in a timely manner.

The Exchange may, at its discretion, adjust the frequency of publishing the information with regard to the standard warrant of the listed products.

Article 63 The real-time futures trading information refers to information disseminated simultaneously with futures trading activities occurring during the trading day, as itemized in Appendix 1. This information includes:

- name of commodity
- delivery month
- current price
- price variation
- trade volume
- open interest
- open interest variation
- bid
- ask
- bid volume
- ask volume
- trade volume per trade executed
- settlement price
- opening price
- closing price
- high price
- low price
- prior settlement price

Article 64 The daily futures trading information refers to the following information disseminated after the close of each trading day:

(i) daily trading profile, as itemized in the Appendix 2, such as the name of commodity, delivery month, opening price, high price, low price, closing price, prior settlement price, settlement price, price variation, trade volume, open interest, open interest variation and trading turnover;

(ii) FF members' total trade volume and gross open interest on the active contract months; the non-FF members' total trade volume and gross open interest on the active contract months; the top twenty (20) FF members having the largest trade volume and their long and short open interest.

Article 65 The weekly futures trading information refers to the following disseminated information after the close of the last trading day each week:

- weekly trading profile, as set forth in Appendix 3, such as the name of the commodity, delivery month, weekly opening price, high price, low price and closing price, price variation (difference between weekly closing price and the settlement price at the end of prior week), open interest, open interest variation (open interest difference between the end of the current week and the prior week), end-of-the-week settlement price, trade volume and trading turnover;
- number of standard warrants of each listed contract, variation from the number at the end of the prior week and warranted storage capacity available for futures delivery; and
- delivery matching results and physical delivery volume that are released on the first Friday after the final delivery date.

Article 66 The monthly futures trading information refers to the following disseminated each month after the last trading day:

- monthly trading profile, as itemized in Appendix 4, such as the name of the commodity, delivery month, monthly opening price, high price, low price, closing price, price variation (difference between monthly closing price and the settlement price at the end of the prior month), open interest, open interest variation (open interest difference between the end of this month and the prior month), month-end settlement price, trade volume and trading turnover;
- each certified delivery warehouse's warranted storage capacity available for futures delivery, taken-up capacity and number of standard warrants that are confirmed by the Exchange.

Article 67 The yearly futures trading information shall be released pursuant to the applicable regulations of the CSRC.

Article 68 The Exchange's real-time futures trading information shall be transmitted through the Exchange's electronic network system to the trading seats and released to the public by public media or information vendors certified by the Exchange.

Article 69 The Exchange shall establish a synchronized quotation and real-time trade feed system.

Article 70 The Exchange, its staff, its members and their employees are required to maintain the confidentiality of all trading and fund information that they knew or should have known was non-public.

Article 71 The Exchange is exempt from any liability or claims arising from any malfunction or breakdown in the transmission and dissemination of real-time trading information by information vendors or public media.

Article 72 Any member, information vendor, public media or individual shall not disseminate false or misleading information about futures trading activities on or through the Exchange.

Chapter 8 MISCELLANEOUS

Article Any violations of these Trading Rules shall be subject to the sanctions provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 74 Provisions with respect to the Continuous Trading on the suspension of markets, adjustment of the market open and close time, and the other matters addressed in the Continuous Trading Rules of the Shanghai Futures Exchange, shall prevail.

Article 75 The Exchange reserves the right to interpret these Trading Rules.

Article 76 These Trading Rules, as amended, are effective as of June 25,2013 (requirements as otherwise provided in the SHFEA [2013] No. 7 shall be adhered to).

Appendix 1: Template of the Shanghai Futures Exchange Real-Time Futures Trading Information
Appendix 2: Template of the Shanghai Futures Exchange Daily Futures Trading Information (table format)
(table format)
Appendix 3: Template of the Shanghai Futures Exchange Weekly Futures Trading Information (table format)
Appendix 4: Template of the Shanghai Futures Exchange Monthly

Futures Trading Information (table format)

Appendix 1:

The Shanghai Futures Exchange
Real-Time Futures Trading Information (Template)
(table format)

Commodity	Delivery Month	Current Price	Price Variation	Trade Volume	Open Interest	Open Interest Variation	Bidding Price	Asking Price	Bid Volume	Ask Volume	Trade Volume Per Transaction	Settlement Price	Opening Price	Closing Price	High Price	Low Price	Prior Settlement Price

Note: ①Price is quoted in Yuan/ton; ②trade volume and open interest are quoted in lots (gross or double-sided calculation); ③Price variation is difference between the current price and prior settlement price.

Appendix 2:

The Shanghai Futures Exchange
Daily Futures Trading Information (Template)
(table format)

Year Month Date Week

Commodity	Delivery Month	Opening Price	High Price	Low Price	Closing Price	Prior Settlement Price	Settlement Price	Price Variation	Trade Volume	Open Interest	Open Interest Variation	Trading Turnover
Sum												
Sum												
Sum												
Sum												
Total												

Note: ①Price is quoted in Yuan/ton; ②trade volume and open interest are quoted in lots (gross or double-sided calculation); ③Trading turnover is quoted in 100 million Yuan (gross or double-sided calculation); ④Price variation is difference between the closing price and prior settlement price.

Appendix 3:

The Shanghai Futures Exchange
Weekly Futures Trading Information (Template)
(table format)

Year Month Date Week

Commodity	Delivery Month	Weekly Opening Price	High Price	Low Price	Weekly Closing Price	Price Variation	Open Interest	Open Interest Variation	Week-end Settlement Price	Trade Volume	Trading Turnover
Sum											
Sum											
Sum											
Sum											
Total											

Note: ①Price is quoted in Yuan/ton; ②trade volume and open interest are quoted in lots (gross or double-sided calculation); ③Trading turnover is quoted in 100 million Yuan (gross or double-sided calculation); ④Price variation is difference between the weekly closing price and prior week-end settlement price.

Appendix 4:

The Shanghai Futures Exchange
Monthly Futures Trading Information (Template)
(table format)

Year Month

Commodity	Delivery Month	Monthly Opening Price	High Price	Low Price	Monthly Closing Price	Price Variation	Open Interest	Open Interest Variation	Month-end Settlement Price	Trade Volume	Trading Turnover
Sum											
Sum											
Sum											
Sum											
Total											

Note: ①Price is quoted in Yuan/ton; ②trade volume and open interest are quoted in lots (gross or double-sided calculation); ③Trading turnover is quoted in 100 million Yuan (gross or double-sided calculation); ④Price variation is difference between the monthly closing price and prior month-end settlement price.

PART V CONTINUOUS TRADING RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Continuous Trading Rules are made in order to regulate the futures market and protect the rights and interests of the futures market participant.

Article 2 These Continuous Trading Rules shall prevail in terms of trading, clearing and risk control of the products for the continuous trading. Other rules of the Exchange shall apply for those matters not addressed by these Continuous Trading Rules.

Article 3 The Shanghai Futures Exchange, or the Exchange, its members, and their customers shall abide by these Continuous Trading Rules.

Chapter 2 PRODUCTS AND TRADING HOURS

Article 4 The term "continuous trading" refers to the trading sessions beyond the Exchange's trading hours from 09:00 to 11:30 and from 13:30 to 15:00 as is determined by the Exchange. The products for the continuous trading are the futures contracts specified by the Exchange.

Article 5 The term "trading day" in these Continuous Trading Rules refers to the beginning of the continuous trading on the previous business day to the closing of the daytime market of the current day.

Article 6 The trading hours for the continuous trading will be specified by the Exchange in due course.

The continuous trading shall only be conducted through remote trading seats.

Trading account shall not be opened during the period of the continuous trading.

Article 7 The Exchange will adjust the time of opening and closing for the continuous trading, or suspend it when the following events occur:
(i) more than 10% of the members cannot trade due to malfunction of trading facilities such as computer terminals and communication systems;
(ii) more than 30% of the members participating in the continuous trading fail to complete the clearing of the futures market or the initialization of the trading system before the opening of the continuous trading; and/or
(iii) others events as determined necessary by the Exchange.

Chapter 3 TRADING, CLEARING, AND RISK MANAGEMENT OF THE FUTURES CONTRACTS

Article 8 The first trading session on the trading day refers to the period from the beginning of the continuous trading on the previous business day to the end of the first trading session of the daytime market of the current day.

The bidding session is carried out within five (5) minutes before the opening of the continuous trading, and it will not be carried out on the daytime market. In case of no transaction occurring during the period of the continuous trading, the bidding session will be postponed to the five (5) minutes before the opening of the daytime market of the next trading day.

The opening price of the trading day is the price that is generated from the bidding session. The orders unmatched during the bidding session will stay in the order book for the matching in the trading session. The customer's orders stay valid for the whole trading day until the quotations are filled or cancelled.

Article 9 After clearing for the trading day is completed, the clearing conclusion is regarded as the margin call indicating that a member's clearing deposit is below the minimum balance, with the difference being the amount to be supplemented as additional margin.

After the Exchange issues the margin call, the amount to be supplemented as additional margin could be deducted from the

member's settlement account at the settlement bank. If the deduction fails due to insufficient capital, the member shall supplement to reach the minimum balance of clearing deposit before the opening of the continuous trading on the current day; otherwise, if the balance of clearing deposit is more than zero but less than the minimum balance thereof, any new positions shall not be opened after the opening of the continuous trading on the current day. If the balance of clearing deposit is less than zero, the Exchange shall handle it pursuant to provisions in the Risk Management Rules of the Shanghai Futures Exchange.

Article 10 If a member dissents to the clearing results, he shall submit a notice in writing to the Exchange within thirty (30) minutes before the opening of the continuous trading on the current day. In case of an emergency, a member shall submit a notice in writing to the Exchange within two (2) hours after the opening of the continuous trading on the current day. If a member doesn't dissent to the clearing results within the time limit, it shall be regarded that the member has acknowledged the accuracy of such settlement data.

Article 11 The Exchange shall not handle the withdrawal of funds or withdrawal of marketable securities during the period of the continuous trading.

Article 12 The principle for forced liquidation: forced liquidation is executed by the member first, and should be done within the first trading session of each trading day unless otherwise stipulated by the Exchange. If the member fails to complete the forced liquidation within the time limit, the Exchange shall enforce it. If the forced liquidation is required due to the fact that the clearing deposit of a member is less than zero, such member shall be prohibited to putting up new positions for trading before he satisfied the margin requirement.

Article 13 Execution of the Forced Liquidation of Positions
(i) Notice
The Exchange shall require members concerned to conduct forced liquidation by delivering a notice of forced position liquidation, or a notice, to them. Except otherwise arranged by the Exchange, the notice shall be sent together with the clearing data to the members concerned on the current day, and the members can also get the notice from the member service system.
(ii) Execution and confirmation
Within the first trading session of the trading day, the members

concerned shall firstly close out positions by themselves to meet the requirements. If the members fail to fully complete forced liquidation within the time limit, the Exchange shall implement forced liquidation for the rest of the positions that have not been closed out by the members.

Chapter 4 MISCELLANEOUS

Article14 The Exchange preserves the right to interpret these Continuous Trading Rules.

Article 15 Any violation of these Continuous Trading Rules shall be punished by the Exchange pursuant to the Enforcement Rules of the Shanghai Futures Exchange.

Article 16 The terms "business day" and the "day" in these Continuous Trading Rules both refer to a natural day that is between 0:00 hours and 24:00 hours.

Article 17 These Continuous Trading Rules shall be effective as of July 5, 2013.

PART VI CLEARING RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Clearing Rules are made, in accordance with the General Exchange Rules of the Shanghai Futures Exchange, to regulate the clearing of futures trades on or through the Exchange, or the Exchange, safeguard the interests of persons trading in futures, protect the public welfare and manage the risks of the futures markets.

Article 2 The term "clearing" means the activities on or through the Exchange of calculating and transferring margins, gains and losses,, fees of transaction and delivery, and other types of payment of the member pursuant to the trading results and the applicable rules of the Exchange.

Article 3 The Exchange applies regimes including the Margin Requirement, the Marking-to-Market and the Risk Reserve Fund to perform its clearing obligations.

Article 4 The Exchange clears its members only. Each futures firm member, or each FF member, clears his customers.

Article 5 These Clearing Rules are applicable to all kinds of clearing activities on or through the Exchange and binding on all Exchange's employees, members and their employees and customers, and all certified futures margin settlement banks, or the certified settlement bank, and their employees.

Chapter 2 THE CLEARING HOUSE

Article 6 The clearing house is a department within the Exchange. The clearing house is obligated to settle the futures trades executed on or through the Exchange, collect and disburse margins and take all necessary action to protect against clearing risks.

Article 7 The clearing house is obligated to:
(i) control the clearing risk;

(ii) make the member's settlement statements;
(iii) transfer funds;
(iv) record and report all cleared trades;
(v) resolve any dispute between members relating to the clearing and settlement process;
(vi) conduct the delivery settlement process; and
vii) manage funds it holds as margin subject to the applicable rules of the Exchange.

Article 8 All the futures trades matched by and executed through the Exchange's central order book are subject to clearing by the clearing house.

Article 9 The Exchange shall have access at all times to all members' settlement documents, financial statements and relevant books and records for purpose of inspection and examination, which all members shall cooperate with.

Article 10 Each member shall set up a department for clearing. Such clearing department of an FF member shall be responsible for the clearing of his trades between the member and the Exchange or the member and his customers. The clearing department of a non-FF member shall be responsible for all clearing matters between the member and the Exchange.

The clearing department shall keep the member's settlement documents, financial statements and all relevant books and records and make these available for the Exchange's examination.

Article 11 The settlement clerk is the person designated by the member to manage all settlement and deliveries on behalf of the member. Each member shall designate no fewer than two (2) settlement clerks.

The settlement clerk shall meet the qualifications prescribed by the China Securities Regulatory Commission, or the CSRC, for futures professionals and obtain a Settlement Clerk Training Diploma from the Exchange by participating in the Exchange's specific training program for settlement clerks. The settlement clerk shall also be authorized by his employer (member) and obtain a Settlement Clerk Qualifications Certificate from the Exchange, or the Settlement Clerk Certificate.

Article 12 The settlement clerk is obligated to:

(i) deposit and withdraw funds for the member;
(ii) receive and cross-check in a timely manner the settlement data provided by the Exchange;
(iii) post and withdraw any marketable securities;
(iv) assist in any matters relating to physical delivery; and
(v) undertake all other tasks that relate to settlement and delivery.

Article 13 The settlement clerk shall produce his Settle Clerk Certificate when he deals in clearing and delivery business at the Exchange; otherwise, the Exchange will reject his request to engage in such business.

Article 14 The Settlement Clerk Certificate applies to his bearer only. Any abuse of it such as counterfeiting, tampering, borrowing or lending is prohibited.

Article 15 The clearing house and its employees thereof shall not disclose any trade secrets of the Exchange or of its members.

Chapter 3 THE CERTIFIED SETTLEMENT BANK

Article 16 The certified settlement bank is defined as a bank designated by the Exchange to assist in the settlement of futures trades.

Article 17 A certified settlement bank shall meet the following criteria:
i) it must be a national commercial bank with financial strength and business reputation;

ii) it has business branches or subsidiaries in the major cities all over the country;

iii) it must have a sophisticated and efficient means to transfer funds over long distances;

iv) it must have established the rules on how to manage the margins;

v) it must have professional staff with knowledge of trading in the futures market and an awareness of how to avert risk; and

vi) requirements otherwise as deemed necessary by the Exchange.

A commercial bank, satisfying the criteria listed in this Article 17 and designated by the Exchange as a certified settlement bank, shall enter into an agreement with the Exchange setting forth the rights and obligations of both parties.

Article 18 The certified settlement bank is entitled to:
i) open a clearing account for the Exchange, a futures settlement account for the member and the other accounts for related business purposes;
ii) accept deposits from the Exchange and its members; and
iii) review on an ongoing basis the credit profile of members who open accounts with the certified settlement bank.

Article 19 The certified settlement bank is obligated to:
i) give priority to transferring members' funds based on documents provided by the Exchange and promptly inform the Exchange of the success of all transfers and the changes in the relevant accounts;
ii) keep confidential the trade secrets of the Exchange and its member;
iii) assist the Exchange in mitigating risk when the Exchange confronts a severe, volatile situation; and
iv) subject it to the Exchange's supervision over its management and safekeeping of margins, which necessitates the following conduct:
a) report to the Exchange on the financial condition of each member's futures settlement account;
b) at the Exchange's request, assist it in tracking the origin and destination of members' funds;
c) report in a timely fashion to the Exchange on each member's activities that may give rise to risks or abuse in the settlement of funds;
d) report to the Exchange in a timely fashion on a member's use of standard warrant for collateral; and
e) subject to the order either of the CSRC or the Exchange, conduct necessary supervision over the funds in each member's futures settlement account.

Chapter 4 REGULAR OPERATIONS

Article 20 The Exchange shall open a clearing account at each certified settlement bank to hold margin and funds of the member.

Article 21 Each member shall open a futures settlement account at one or more certified settlement banks to maintain margin and funds

related to the clearing process.

Article 22 Transfer of funds related to futures trading activities shall be made available through the Exchange's clearing account and each member's futures settlement account.

Article 23 The Exchange shall deposit into a segregated account the margin deposited by the member to his futures settlement account, and shall set up ledger for each member to record and settle on a daily basis his deposits, withdrawals, gains and losses, trade margin and transaction fees.

Article 24 The FF member shall segregate the margin deposited by the customer in the member's futures settlement account, and shall set up an ledger for each customer on which the member shall record and settle on a daily basis the customer's deposits, withdrawals, gains and losses, trade margin and transaction fees.

Article 25 The Exchange has the power to instruct the certified settlement bank to collect the receivables from the member's futures settlement account, and of which, the Exchange may not need to notify the member, and the Exchange may check the financial conditions of the account with regard to his balance and transfer activities as and when appropriate.

Article 26 The member who intends to open, change the name of, replace or close a futures settlement account shall apply to the Exchange for its approval. After the Exchange approves the application, the member shall go through the procedures of opening, changing the name of, replacing or closing his futures settlement account at the certified settlement bank, and by doing so, the member shall produce to the certified settlement bank a notice to the certified settlement bank that is issued by the clearing house of the Exchange as prescribed in the Appendix I.

Article 27 In the case of a transfer of membership, the transferee shall open a new futures settlement account.

Article 28 The Exchange applies the Margin Requirement. All margins shall be divided into the clearing deposit and trade margin.

Article 29 The term "clearing deposit" means the funds each member deposits to the Exchange's clearing account for the purpose of his futures trading activities including trading, clearing and

settlement. The clearing deposit is a type of margin that is not yet applied to the open interest of each member.

An FF member must deposit a minimum clearing deposit of RMB two million (2,000,000). The FF member shall make this deposit from his own assets. The minimum clearing deposit for a non-FF member is RMB fifty hundred thousand (500,000).

Article 30 The Exchange shall compute the interest earned by each member on a daily basis on the cash balances in his futures settlement account at the current cash deposit rate no lower than that set by the People's Bank of China, and credit the interest to the member's futures settlement account on the first business day after the certified settlement bank's interest payment date (the date on which the certified settlement bank makes the interest payment) in March, June, September and December. The interest rates to be applied will be set, adjusted and announced by the Exchange.

Article 31 The term "trade margin" means the funds the member deposits to the Exchange's clearing account to guarantee his performance under the contracts he holds. Trade margin is a type of margin that is already applied to the open interest of each member. When a trade is executed, the Exchange shall assess both sides to the trade margin that is charged based on a prescribed percentage of the value of the open interest or any other methodology that may be specified by the Exchange.

The Exchange shall assess trade margin from both the long side and short side, except under the following circumstances when the Exchange may access from one side only:
(i) a customer is holding both long and short positions for the same product at the same member except when the contract is entering after the closing of the last 5th trading day prior to the last trading day;
(ii) a non-FF member is holding both long and short positions for the same product at the Exchange except when the contract is entering after the closing of the last 5th trading day prior to the last trading day; and
(iii) other circumstances the Exchange deems necessary.

Article 32 The minimum rate of the trade margin for each futures contract is set forth in its specifications. The rates of the trade margin required at various stages in a contract's life cycle are set forth in the provisions in the Risk Management Rules of the

Shanghai Futures Exchange.

Article 33 The member may, subject to the Exchange's approval, apply the marketable securities as collaterals to meet his margin requirement.

Article 34 The FF member does not own but holds his customer's margin segregated from his own assets in his futures settlement account, ready to apply the margin in satisfaction of the margin or other related requirements.

The FF member shall not apply a customer's margin for purposes other than ensuring that the customer meets the Exchange's margin and clearing requirements.

Article 35 The FF member shall impose a trade margin level on a customer that is no lower than the margin the Exchange imposes on the member.

Article 36 The Exchange applies the daily Marking-to-Market. After the close of each trading day, the Exchange shall apply the settlement price of each contract to calculate the gains and losses, trade margin, transaction fees, taxes on each trade that is executed and transfer the funds due on a net basis as either a credit or a debit to the member's clearing deposit.

Article 37 The Exchange shall charge the member transaction fees based on the volume of contracts he trades on that day and at the rate level that is provided in the contract specifications, except where otherwise prescribed by the Exchange.

Article 38 The settlement price for the futures contract that is traded on a particular day is the volume-weighted average price for contracts executed on that day. For an untraded futures contract on that day, its settlement price is set as follows:
(i) if, by the close of the trading day, there are bids or asks resting in the Exchange's central order book, the middle quote among the best bid, the best ask and the previous settlement price of the contract will be the settlement price;
ii) if, for the last five (5) minutes before the close of trading, there is only one quote for a contract resting in the Exchange's central order book at the contract's daily limit price for the day, that limit price will be the daily settlement price for that contract; or
(iii) except for the two conditions provided in this Article 38(i) and

Article 38(ii), the settlement price for the contract will be calculated in the following formulas,
where the variation is the percentage of change between the previous settlement price and the settlement price for the day; the prior contract is the prior nearest delivery month contract that is traded for the day; the limit price is the limit price for the untraded contract for the day; and the settlement price is the settlement price of the untraded contract for the day:

a) if the price variation of the settlement price for the prior contract is no greater than the limit price, the settlement price = the settlement price for the previous trading day x (1 ± the price variation of the prior contract);

b) if the price variation of the settlement price for the prior contract is greater than the limit price, the settlement price = the settlement price for the previous trading day x (1 ± the limit price);or

c) if none of the contacts of prior delivery months are traded on the day, which implies that the price variation of the settlement price for the prior contract is unable to be established, the settlement price = the settlement price for the previous trading day.

Article 39 The settlement price of a futures contract on a trading day is the basis for computing the settlement variation for the day, as follows:
the settlement variation for the day = Σ[(the transaction prices of the shorts for the day - the settlement price for the day) x the volume of the shorts for the day] + Σ[(the settlement price for the day minus the transaction prices of the longs for the day) x the volume of the longs for the day] + (the settlement price on the previous trading day- the settlement price for the day) x (the open interest of the shorts for the previous trading day– the open interest of the longs for the previous trading day).

Article 40 The settlement variation for the day shall be credited to or debited from the member’s clearing deposit at the time the daily clearing is conducted.

The excess or deficiency in the trade margin for the day against that for the previous trading day shall be credited to or debited from the member’s clearing deposit.

Expenses including transaction fees and taxes will also be debited from the member’s clearing deposit.

All the expenses including settlement variation and transaction fees must be paid for in cash.

Article 41 The clearing deposit balance is computed as follows:
the clearing deposit balance for the day = the clearing deposit balance for the previous trading day+ the trade margin for the previous trading day- the trade margin for the day + the applicable sum of marketable securities to meet the margin requirement for the day - the applicable sum of marketable securities to meet the margin requirement for the previous trading day+ the settlement variation for the day + the deposit of funds - the withdrawals of funds - transaction fees and other miscellaneous costs.

The sum of marketable securities applicable to meet margin requirements is set out in the rules in Chapter 6 of these Clearing Rules.

Article 42 When the clearing cycle is done for the day and the clearing house determines that the clearing deposit of a member is smaller than the prescribed minimum, such finding disclosed to the member shall constitute notice from the Exchange that the member must deposit additional margin (known as a margin call). The difference between the clearing deposit balance and the prescribed minimum level is the amount of additional funds required by the margin call.

Following the margin call, the certified settlement bank may, as ordered by the Exchange, debit the funds from the member's futures settlement account and credit he to the Exchange's clearing account. If a deficiency still exists, the member shall make it up by the opening of the next trading day. In the event the member fails to make up the deficiency, if his clearing deposit balance is greater than zero but smaller than the prescribed minimum level, he shall not open any new positions; if his clearing deposit is below zero, he shall be subject to action as provided in the Risk Management Rules of the Shanghai Futures Exchange.

The Exchange may, in its sole discretion, implement intraday clearing and call for additional margins when it deems it necessary. The member shall, within the time specified by the margin call, cover the shortfall in the margins; otherwise, what is provided in the second paragraph of this Article 42 shall be applicable to the member.

Article 43 The member may use any of the following methods to transfer funds to meet a margin call:
(i) by bank transfer. The member shall apply in writing or by other means as prescribed by the Exchange to make the transfer.

The deposit will be made, subject to the Exchange's approval, before the daily clearing.

The withdrawal will be made, together with the other approved requests for withdrawals, after the daily clearing is completed if the application for withdrawal is submitted by the member by the close of the market and approved by the Exchange. Any application for making withdrawals during trading hours will be rejected, except as otherwise at the Exchange's discretion.

The deposit and withdrawal will be made on the next trading day if the application is submitted by the member after the daily clearing is completed.

(ii) by the negotiable instruments. The member may make the deposit by bank check, promissory note or credit transfer notes payable from his futures settlement account. After the certified settlement bank confirms receiving the deposit, the Exchange shall credit the member's clearing deposit no later than the commencement of the next trading day.

This method is only applicable to the deposit of funds.

Article 44 Each member shall comply with the Exchange's rules while he makes withdrawal of funds. The maximum amount of funds that a member may withdraw is based on the following:
(i) when the sum of the marketable securities applied to meet the margin requirement is greater than or equal to 80% of the value of the trade margin:
the sum to be withdrawn = the current cash balance - (the trade margin x 20%) - the minimum level of the clearing deposit; or

(ii) when the sum of the marketable securities applicable to meet the margin requirement is lesser than 80% of the value of the trade margin:
the sum to be withdrawn = the current cash balance - (the trade margin - the sum of the marketable securities applicable to meet the margin requirement) - the minimum level of the clearing deposit.

The Exchange will, in its sole discretion, make adjustments to the amount of funds as and when it deems necessary that the member may withdraw from his futures settlement account.

Article 45 The Exchange shall prohibit the withdrawal of funds by the member if any of the following conditions exists with respect to the member or the customer:
(i) the Exchange is conducting investigation for cause for a possible major violation of the Exchange's rules;
(ii) the member or the customer is being investigated for cause by the judicial authorities, the Exchange, or other concerned agencies for complaints and whistle-blowing against him or is involved in one or more trade disputes;
(iii)the Exchange deems the market to be in a severely volatile situation; or
(iv) other circumstances as otherwise deemed necessary by the Exchange.

Article 46 After the daily clearing is complete, each member shall receive his clearing data through the member service system.

Article 47 In the event the Exchange fails to provide the clearing data due to unexpected causes, the Exchange shall announce an alternative time when the data will be delivered.

Article 48 Each member shall retrieve promptly each day the clearing data provided by the Exchange, double check the data for accuracy and file it among his trading records. The data shall be maintained for at least 20 years and those that are materially connected to any dispute over futures trades shall be kept until the dispute is resolved.

Article 49 If a member does not agree with the accuracy of the clearing data, he may inform the Exchange of his disagreement in writing up to thirty (30) minutes prior to the opening of the next trading day. Under some circumstances, he may inform the Exchange of the disagreement within two (2) hours after the opening of the next trading day. If the member exceeds such time period without submitting his dispute, he shall be deemed to be satisfied with the accuracy of the clearing data.

Article 50 After the clearing process is complete, the Exchange shall provide to each member's certified settlement bank, the figures of the fund that are due to be transferred for each member's

futures settlement account, and each certified settlement bank shall promptly inform the Exchange of the transfer results according to the figures of funds that are due to be transferred as prescribed by the Exchange.

Article 51 The Exchange shall provide to the member, on the first trading day of every month, the Exchange's Fund Settlement Form (stamped SHFE CLEARING) for the prior month and the Invoice of the Exchange for the transaction fees due on each member for the prior month. The documents can be cross-referenced by the member in accordance with the figures in his settlement statements.

Article 52 The member shall monitor carefully the activities of his settlement clerk and require him to comply with all operational procedures, the most important of which is to maintain the confidentiality of the member's passwords.

Article 53 If an FF member cannot continue in the futures brokerage business or is involved in a consolidation, dissolution or bankruptcy, he or any of his customers may apply to the Exchange for a transfer of customer's positions. The documents accompanying the application shall include a declaration of agreement to position transfer signed by both the FF member making the transfer and the FF member receiving the transfer, the declaration of agreement to position transfer by the customer and a list of the customer's positions. The Exchange shall determine, in its sole discretion, whether to approve the application.

Article 54 If the application for position transfer is approved, the Exchange and the FF member shall jointly appoint a trading day in the following week as the customer position transfer settlement day.

Article 55 The Exchange shall, when the daily clearing is complete on the customer position transfer settlement day, transfer the customer's positions on behalf of the FF member. The Exchange shall also provide a list of the customer's positions prior to and after the transfer to the FF member for his verification.

Article 56 The position transfer shall apply only to transfer a customer's positions and the trade margin supporting those positions, but not to any other payables or receivables of the customer such as gains or losses, transaction fees, taxes or clearing deposit.

Article 57 The FF member shall verify the customer's positions both prior to and after the transfer. The verification, once made, may not be disputed.

Chapter 5 PHYSICAL DELIVERY SETTLEMENT

Article 58 A member shall pay delivery fees to the Exchange for the physical delivery of goods or products pursuant to the Exchange's rules. The fee schedule shall be found in the Delivery Rules of the Shanghai Futures Exchange.

Article 59 The Exchange shall secure payment from the buyer (member) before allowing the member (seller) to make the physical delivery. The payment may be made by in-house transfer or bank transfer.

The member who is to take payment by in-house transfer shall submit to the Exchange the In-house Transfer Application by 14:30 hours on the second delivery day at the latest. The clearing house will carry out the transfer of funds between the applicable members' futures settlement accounts.

The member who is to take payment by bank transfer will deposit into the Exchange's clearing account the buyer's payment by credit transfer notes, promissory notes, checks or other means that are deemed suitable by the Exchange. The Exchange will then transfer the funds to the futures settlement account of the member (seller).

Article 60 The final settlement price of a futures contract shall be the settlement price on its last trading day. The method for computing the final settlement price of the fuel oil futures contract, the gold futures contract, the natural rubber futures contract and the and hot-rolled coil futures contract will be found in Article 22 of the Fuel Oil Futures Delivery Rules of the Shanghai Futures Exchange, Article 24 of the Gold Futures Delivery Rules of the Shanghai Futures Exchange and applicable rules of the Natural Rubber Futures Delivery Rules of the Shanghai Futures Exchange and the Bitumen Futures Delivery Rules of the Shanghai Futures Exchange(Trial), respectively. The final settlement price shall serve as the basis for pricing the goods for warranting, in addition to which, price differentials owing to the difference in grades, qualifications and the location of the certified delivery warehouses,

like benchmark delivery warehouses versus non-benchmark delivery warehouses, shall be applied.

Article 61 The Exchange shall issue the value-added tax invoice, or the VAT invoice, to the member (buyer) and shall collect the VAT invoice from the member (seller). The member (buyer) shall issue the VAT invoice to the customer (buyer) and collect the VAT invoice from the Exchange. The member (seller) shall issue the VAT invoice to the Exchange and collect the VAT invoice from the customer (seller).

The member (seller) shall deliver the VAT invoice to the Exchange on the last delivery day at the latest.

Article 62 If the VAT invoice submitted by the member (seller) is overdue for three (3) to ten (10) days, a fine will be imposed at the daily rate of 0.5‰ of the payment; if overdue for eleven (11) to thirty (30) days, the fine will be imposed at the daily rate of 1‰ of the payment; if overdue for over thirty (30) days, he is deemed a failure to submit the VAT invoice and a fine of 20% of the payment will be imposed.

Article 63 Within the delivery period, if the prescribed procedures relating to the payment for delivery are concluded by 14:00 hours on the current day by the member (buyer), the Exchange shall disburse on that day the margin on the positions used for physical delivery. If the prescribed procedures are completed after 14:00 hours on the current day by the member (buyer), the Exchange shall disburse the margin on the following trading day.

Within the delivery period, if the prescribed procedures relating to the standard warrant for delivery are concluded by 14:00 hours on the current day by the member (seller), the Exchange shall disburse on that day the margin on the positions used for physical delivery. If the prescribed procedures relating to the VAT invoice are not concluded by the closing of the third delivery day, the Exchange shall charge the member (seller) the margin no lower than 15% of the final settlement price of the contract on the positions to be delivered on the current day and disburse that margin after the prescribed procedures relating to the VAT invoice are concluded.

Article 64 Procedures on the settlement of delivery and differences between standard warrant weight and actual delivery weightfor the goods load-in and load-out, and the invoicing procedures with

regard to gold futures contract are subject to the provisions in the Chapter 5 of the Gold Futures Delivery Rules of Shanghai Futures Exchange (Trial).

Chapter 6 MARKETABLE SECURITIES

Article 65 A member may, subject to the Exchange's approval, deposit marketable securities to meet the margin requirements, although gains or losses, fees and taxes shall be paid in cash.

Article 66 The customer shall authorize his FF member to deposit the marketable securities on his behalf.

Pursuant to the customer's instructions, the FF member shall produce the Customer Authorization Letter that bears the signature and business seal of the customer when he submit the marketable securities. In particular, if the customer intends to deposit his standard warrant to meet the margin requirements, the customer may, through the standard warrant system, confirm the authorization he gives to the member and notify the Exchange of the authorization.

The clearing house is responsible for attending to the matters in relation to the marketable securities deposited to meet the margin requirements. On each trading day, it shall be open for handling such matters until the close of the market. However, under special circumstances, it may extend the hours in which it is open.

Article 67 The marketable securities referred to in these Clearing Rules are limited to the following assets:
(i) standard warrant. A printout shall not be used as collateral for the margin requirement. Each member or each customer shall convert the printout to an electronic form by following the procedures of warrant withdrawal before applying it to meet the margin requirements; and
(ii) other classes approved by the Exchange.

Article 68 Marketable securities may be applied as follows:
(i) Application
A member intending to deposit marketable securities to meet the margin requirements shall apply to the Exchange, and, if the securities belong to the customer, he shall also produce a Customer Authorization Letter that bears the signature and business seal of

the customer. In case the customer's standard warrant is to be applied, the customer may, through the standard warrant system, authorize his FF member and notify the Exchange of his authorization; and

(ii) Verification and deposit

a) subject to the Exchange's approval, the member shall deliver the electronic standard warrant through the standard warrant system to the Exchange for deposit pursuant to the procedures set forth in the Standard Warrant Rules of the Shanghai Futures Exchange.

b) verification and delivery of other classes of marketable securities shall be in compliance with the Exchange's rules.

Article 69 The value of the marketable securities shall be calculated as follows:

In the case of a standard warrant being applied to meet the margin requirements, the settlement price for the day of the nearest delivery month contract underlying the product on warrant will serve as the reference price for calculating the market value of the standard warrant. The amount that may be used as collateral, however, shall not exceed 80% of the market value of the standard warrant. The term "discounted value" means the discounted market value of the marketable securities that are used as collaterals to meet the margin requirements.

The reference prices of other classes of the marketable securities applied to meet the margin requirements shall be determined by the Exchange.

Using the methods described in this Article 69, at the daily clearing, the Exchange shall reset the reference price of the marketable securities and the discounted value.

Article 70 The Exchange shall allot to each member a maximum value available which refers to the total value of marketable securities that may be used to meet the margin requirements. That sum is four (4) times (the allotting multiplier) the member's cash assets held in the Exchange's clearing account. The Exchange, in his sole discretion, may adjust the allotting multiplier for any member based on the member's market risk profile and credit conditions.

The smaller one that is either the discounted value or the maximum value available will be designated by the Exchange as the actual

value available of the member's marketable securities to meet the margin requirements. If the member completes the delivery of the marketable securities by the close of the market for the day, the Exchange will, at the daily clearing, credit the actual value available to the member's clearing deposit. If the member completes such delivery after the close, the Exchange shall credit the actual value available to the member's clearing deposit at the daily clearing on the next trading day.

Article 71 The Exchange shall set a validity period for each class of marketable securities during which time they may be used to meet the margin requirements. The maximum length of a validity period is six (6) months. Any marketable securities that exceed the validity period may be renewed subject to the procedures set forth in these Clearing Rules, if the holder applies for a renewal.

Article 72 The Exchange will revoke a member's right to use marketable securities to meet the margin requirements in either of the following conditions:
(i) the member's withdrawal or application of the funds will give rise to significant risks or even endanger the Exchange's legitimate interests; or
(ii) other conditions as deemed necessary by the Exchange.

Article 73 If the member intends to withdraw the marketable securities for use as collaterals, he shall first make up for the deficiency that will result from such a withdrawal. Only when the deficiency is satisfied may the member proceed to withdraw the marketable securities.

The member shall apply for the withdrawal of the marketable securities at 14:30 hours on the current day for each trading day.

Article 74 The member shall pay a holding fee for the marketable securities when he uses the marketable securities to meet the margin requirements. The holding fee shall be set and adjusted by the Exchange at a rate that is no greater than the current loan rate set by the People's Bank of China and shall be announced by the Exchange. The Exchange shall collect the holding fee monthly.

Article 75 In the event the member fails to perform, wholly or partially, his obligations to satisfy the margin requirements, the Exchange may convert the marketable securities into cash through redemption or by making physical delivery and will have priority to

the cash assets realized therefrom to cover the trade margin shortfall and any other trading costs. Any expenses incurred in the redemption or cash conversion of the marketable securities shall be borne by the member.

Chapter 7 RISKS AND OBLIGATIONS

Article 76 The member shall assume all the risks associated with the contracts he trades on the Exchange.

Article 77 The Exchange shall maintain a two-tiered risk management structure, i.e., the Exchange shall monitor its members' risks, and each member shall monitor his customers' risks.

Article 78 In the event that a member fails to perform his contract obligations, the Exchange may take the following protective measures:
(i) apply the member's clearing deposit;
(ii) suspend the member from opening new positions;
(iii) direct the liquidation of the member's positions until the funds rendered available from the liquidation can be applied to satisfy the obligations, as provided in the applicable rules of the Exchange ; and
(iv) convert into cash his marketable securities used as collaterals and apply the cash assets realized therefrom to fulfill such obligations.

Article 79 If the member still fails to meet all his liabilities when the measures as provided in Article 78 are taken, the Exchange may undertake actions in the following order:
(i) terminate the person's membership and apply his membership fee to cover his obligations;
(ii) subject to the approval of the Board of Directors of the Exchange, or the Board, apply the risk reserve fund to cover the remaining obligations;
(iii)apply the Exchange's own assets to cover the remaining obligations; and
(iv) make a claim against the member through legal proceedings.

Article 80 The Exchange shall maintain a risk reserve fund to ensure the financial integrity of the futures market and protect the Exchange against any loss due to unexpected risks.

Article 81 Assessment of the Risk Reserve Fund:
(i) the Exchange shall distribute to the risk reserve fund on the basis of 20% of its earnings from the transaction fees which includes the amounts discounted to the member; and
(ii) other financial means as provided in the national financial policies and regulations.

When the balance of the risk reserve fund is ten (10) times the registered capital of the Exchange, the Exchange may, with the approval of the CSRC, cease to allocate assets to it.

Article 82 The risk reserve fund shall be maintained as a segregated class of assets. It shall not be used for other purposes than the coverage of losses resulting from the market's emergencies.

Article 83 Application of the risk reserve fund shall be warranted by the Board and approved by the CSRC. The application of the risk reserve fund shall comply with the purposes and procedures as provided in the prescribed rules and regulations.

Chapter 8 MISCELLANEOUS

Article 84 Any violation of these Clearing Rules shall be brought under actions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 85 Settlement with regard to the continuous trading is prescribed in the Continuous Trading Rules of the Shanghai Futures Exchange.

Article 86 The Exchange reserves the right to interpret these Clearing Rules.

Article 87 These Clearing Rules are effective as of December 30, 2013 (hours for continuous trading of this trading day included, i.e. from 21:00 December 27 to 02:30 December 28)

The Appendix 1—The Notice to the Certified Settlement Bank (Template)
The Appendix 2—The Customer Authorization Letter (Template)
The Appendix 3—The Deposit Checklist of Marketable Securities of the Shanghai Futures Exchange (Template)
The Appendix 4—The Withdrawal Checklist of Marketable Securities

of the Shanghai Futures Exchange (Template)
The Appendix 5—The List of Certified Settlement Banks of the Shanghai Futures Exchange (Template)

APPENDIX 1—THE NOTICE TO THE CERTIFIED SETTLEMENT BANK (TEMPLATE)

No:

To: (name of the certified settlement bank)

From: The Clearing Department, the Shanghai Futures Exchange

Date: (Month/Date/Year)

Please note that the bearer of this document, a member of Shanghai Futures Exchange (whose member trader code is), is to open/cancel/change the name of his futures settlement account at your good bank. Please kindly facilitate his dealings as such and return the Record Sheet as below to us at the day when his dealings are complete.

P.S.: (New name for a member whose name is to be changed)

No:

Record Sheet

<table>
<tr><td>Type of Dealings</td><td>Open/Cancel/ Change</td><td>Account Name</td><td></td></tr>
<tr><td>Member Trader Code</td><td></td><td>Account Number</td><td></td></tr>
<tr><td>Bank</td><td></td><td>Previous Account Name</td><td></td></tr>
<tr><td>Date of Commencement/Cancellation</td><td></td><td></td><td rowspan="3">Certified Settlement Bank Business Stamp

Date: year/month/date</td></tr>
<tr><td>Clerk</td><td></td><td></td></tr>
<tr><td colspan="3">Please be sure that
1. Tick the correct type of dealings;
2. Write the previous account name when changing the name; and
3. Write the date of commencement agreed between bank and the member when opening or changing the account name, and the date of cancellation when canceling the account.</td></tr>
</table>

APPENDIX 2—THE CLIENT AUTHORIZATION LETTER (TEMPLATE)

To: The Shanghai Futures Exchange

We hereby instruct (the member), who carries the marketable securities of ours (name of the marketable securities: amounts of the marketable securities:), to deposit those securities in order to perform his obligations and liabilities due to the margin requirement on your good Exchange. Your kind assistance in this matter is much appreciated.

Claim: I, or the organization I am on its behalf, have read the rules about the marketable securities provided in the Clearing Rules of the Shanghai Futures Exchange, understand what responsibilities I, or the organization, is exposed to and therefore I, or the organization, consent to assume those responsibilities wholly and thoroughly.

Business stamp of the organization

Signature of the legal representative of the organization

Month Date Year

APPENDIX 3—THE DEPOSIT CHECKLIST OF MARKETABLE SECURITIES OF SHANGHAI FUTURES EXCHANGE (TEMPLATE)

FOR DEPOSIT

No:

Member's Trader Code Name of member Name of Marketable Securities

Serial Number	Amounts	Brand	Warehouse	Validity Period of Commercial (Quality) Assaying	Expiry
Sum	Amounts:		Weights:		ton/kilogram
Note					

Member The Exchange

Settlement clerk Executed by

Verified by

Member (business stamp) Execution Department (business stamp)

Month Date Year

APPENDIX 4—THE WITHDRAWAL CHECKLIST OF MARKETABLE SECURITIES OF SHANGHAI FUTURES EXCHANGE (TEMPLATE)

FOR WITHDRAWAL

No:

Member's trader code Name of member Name of marketable securities

Serial Number	Amounts	Brand	Warehouse	Validity Period of Commercial (Quality) Assaying	Expiry
Sum	Amounts:		Weights:		ton/kilogram
Note					

Member The Exchange

Settlement clerk Executed by

Verified by

Member (business stamp) Execution Department (business stamp)

Month Date Year

APPENDIX 5—THE LIST OF CERTIFIED SETTLEMENT BANKS OF SHANGHAI FUTURES EXCHANGE

The Industrial and Commercial Bank of China			
Processing bank	Shanghai Futures Exchange Tower Branch, ICBC		
Business address	First Floor, 500 Pudian Road, Shanghai	Telephone number	68401033

The Bank of Communications			
Processing bank	Shanghai Futures Exchange Tower Branch, BOCOM		
Business address	First Floor, 500 Pudian Road, Shanghai	Telephone number	68401026

The China Construction Bank			
Processing bank	Shanghai Futures Exchange Tower Branch, CCB		
Business address	First Floor, 500 Pudian Road, Shanghai	Telephone number	68401040

The Bank of China			
Processing bank	Shanghai Futures Exchange Tower Branch, BOC		
Business address	Second Floor, 500 Pudian Road, Shanghai	Telephone number	68402458

The Agricultural Bank of China			
Processing bank	Shanghai Futures Exchange Tower Branch, ABC		
Business address	First Floor, 500 Pudian Road, Shanghai	Telephone number	68400986

PART VII CERTIFIED SETTLEMENT BANKS RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Certified Settlement Bank Rules have been adopted in accordance with the applicable laws and regulations, the relevant provisions of the appropriate regulatory authorities and the rules of the Shanghai Futures Exchange, or the Exchange, to regulate the futures margin custody business activities, and are designed to ensure the safeguard of the futures margins and maintain orderly futures markets.

Article 2 The Exchange shall certify banks to keep futures margins in custody, or the settlement banks, based on the principle of prudence and in furtherance of the development of the futures market. In addition to this, the Exchange shall, pursuant to these Certified Settlement Bank Rules, fulfill its due functions of designation and supervision of the settlement banks and enforce compliance by the settlement banks with applicable laws and regulations in their futures margin custody business activities.

Article 3 Each settlement bank must adhere to applicable laws, administrative rules and regulations, and the rules governing the business activities of the Exchange, and shall be subject to the self-regulation exercised by the Exchange.

Chapter 2 APPLICATION FOR QUALIFICATION

Article 4 To be eligible to apply for the certification of a settlement bank, an applicant is required to:
i) be a national financial institution with legal person status and holding a banking license established within the territory of the People's Republic of China, or the PRC;
ii) have a registered capital of 10 billion Yuan, with its total assets and net assets exceeding 1500 billion Yuan and 100 billion Yuan respectively, and have been profitable in the immediately preceding 3 consecutive financial years;
iii) be in compliance with the requirements of capital adequacy ratio, liquidity, asset-liability ratio and as otherwise imposed by the national

banking regulatory authority on financial institutions holding banking licenses;
iv) have over 600 branches and have established in the place where the Exchange is domiciled a branch which can deal with futures margin custody and clearing-related businesses;
v) have sound corporate governance, a risk management system and internal control procedures;
vi) have a specific organization or department dedicated to the futures margin custody business;
vii) have a robust futures margin management system, and an internal management program and operating procedures in respect of the clearing services, as well as an emergency plan addressing unusual circumstances such as failures of technical and communication systems;
viii) be equipped with the facilities and technical competences required for the conduct of the futures margin custody business activities and the provision of support to the monitoring of the safekeeping of futures margins, an inter-city fund transfer system which have operated efficiently and stably in the immediately preceding three (3) years, an internal real-time remittance system with a nation-wide coverage, and a sound centralized national system for transfer of funds between investors' bank settlement accounts and futures firms' futures settlement accounts;
ix) have no less than three (3) staff members holding the qualifications of futures industry practitioners at each of its branches certified by the Exchange for the futures margin custody business activities, all the personnel of the clearing counter holding such qualifications, and any officer supervising such personnel having more than five (5) years of work experience in financial institutions with banking licenses;
x) have not committed any major violation, and have maintained the steady operation of its systems without grave accident, and have never been imposed any major administrative sanction by any regulator in the immediately preceding 3 years;
xi) have no pending action or outstanding debt which may have a material impact on its credit standing; and
xii) meet such conditions as otherwise specified by the Exchange.

The Exchange shall prescribe the specific conditions which are required to be met by a settlement bank for the latter to secure an approval to engage in futures margin business activities related to special participants such as foreign participants.

Article 5 Any entity applying for certification as a settlement bank

shall submit the following materials, affixed with its stamp, for preliminary review:
i) the Application Form for Qualification as a Settlement Bank (see Appendix 1 for the format thereof), an application report, a feasibility report and a business plan;
ii) a description of the branches and satellite branches as well as the facilities required to conduct the futures margin custody business activities;
iii) a description of the futures margin custody management system, the internal management program and the relevant emergency plan;
iv) a description of the positions in the department of futures margin custody, the duties and functions of each of such positions, and identification of the head and the business staff members of such department and their curricula vitae;
v) a letter of undertaking of compliance with the applicable provisions governing the monitoring of the safekeeping of futures margins;
vi) a photocopy of the Business License for Enterprises with Legal Person Status which is kept current with the latest annual review by the Administration for Industry and Commerce ;
vii) a photocopy of the Financial License;
viii) the audit reports and the internal control evaluation reports for the immediately preceding three (3) years;
ix) a power of attorney (see Appendix 2 for the form thereof) and the identity document of the officer handling the filing of the application ; and
x) any other documents required by the Exchange.

Article 6 Any financial institution holding a banking license which has applied for and passed the preliminary review carried out by the Exchange shall, as required by the Exchange and China Futures Margin Monitoring Center Co., Ltd., or the Monitoring Center, go through various tests relating to business and technological matters and communications equipment and otherwise, and provide the following materials to the Exchange:
i) the documentary proof issued by the Monitoring Center that the test of data reporting with respect to the monitoring of the safekeeping of futures margins has been successfully passed;
ii) the results of testing of the centralized national system for the transfer of funds between investors' bank settlement accounts and futures firms' futures settlement accounts conducted with futures firms (or other futures market participants);
iii) a photocopy of the business license of the branches certified by the Exchange to engage in the futures margins custody business activities, or the certified branches; and

iv) any other documents required by the Exchange.

Article 7 Each applicant which has been granted the certification as a settlement bank shall file a notice of such approval to the appropriate banking regulatory authority within three (3) business days of the approval date.

Article 8 Prior to the commencement of the futures margin custody business, each settlement bank shall enter into an Agreement on the Conduct of Futures Margin Custody Business by a Financial Institution Holding a Banking License, or the Custody Business Agreement with the Exchange to specify the respective duties and rights of the parties.

Chapter 3 REQUIREMENTS AS REGARDS THE CUSTODY BUSINESS

Article 9 The settlement bank shall provide futures margin custody and transfer services in a safe, accurate and timely manner to the customers posting margins at the aforementioned settlement bank.

Article 10 The settlement bank shall establish branches in locations where it carries out futures margin custody business activities. The certified branches must be situated within a certain distance as specified by the Exchange. Each branch must have a dedicated clearing counter to which the Exchange and its members have exclusive access.

Article 11 In the event of any changes in the trading and clearing hours of the Exchange, the settlement bank shall adjust its business hours accordingly in order to meet the needs of the futures margin custody services.

Article 12 The settlement bank shall proceed to the establishment of, change in or cancellation of a segregated margin account upon presentation by a member of the acknowledgement letter issued by the Exchange. The transfer of futures business-related funds between the Exchange and a member shall be made through the segregated clearing account of the Exchange and the segregated margin account of such member.

Article 13 The settlement bank shall handle the deposit and withdrawal of futures margins by electronic means on a fully segregated basis pursuant to applicable provisions governing the safekeeping of futures margins.

Article 14 The settlement bank shall pay interest to the Exchange at the deposit interest rate as negotiated with the Exchange.

Article 15 The settlement bank shall take effective actions to reduce the liquidity risk exposures of the margins and is not permitted to restrict any deposit and withdrawal of fund of a member without the written consent of the Exchange.

Article 16 With regard to the Exchange's various funds clearing demands in terms of liquidity or otherwise, upon request of the Exchange, the settlement bank shall cooperate with the Exchange accordingly to help mitigate any faced by the Exchange which may arise.

Article 17 The settlement bank may not assist any futures firm in creating collateral on any margin on deposit or in misplacing any margin posted by a customer for the purpose of payment of any debts owed by such futures firm or the Exchange.

Article 18 The settlement bank shall reject any requests from any other entity or individual to freeze or make a deduction from the funds deposited in the segregated clearing account of the Exchange. Furthermore, the settlement bank shall promptly send a notice to the Exchange to inform the latter of the intention of any other entity to take an action which may be detrimental to the margin custody business such as freezing of the funds deposited in a segregated margin account.

Article 19 The settlement bank shall comply with all the rules concerning the futures margin custody and clearing businesses as promulgated or revised by the Exchange.

Article 20 The settlement bank shall deal with fund transfers in the following ways as per an electronic or a written fund transfer instruction issued by the Exchange through the margin management system:
(i) in the case of an intra-bank fund transfer, upon receipt of the fund transfer instruction from the Exchange, the settlement bank shall ensure that the funds so requested be transferred into the segregated margin account as specified by the Exchange on a real-time basis; and
(ii) in the case of an inter-bank fund transfer, the settlement bank shall ensure the fastest possible transfer of funds after receipt of the transfer instruction from the Exchange and prompt receipt of such

funds by the recipient bank as specified by the Exchange.

Article 21 Each settlement bank shall carry out reconciliation with the Exchange's segregated clearing account on a daily basis by:
(i) promptly providing a reconciliation as requested by the Exchange after the daily clearing is completed;
(ii) providing the Exchange with real-time response to any inquiry on the balance of the segregated clearing account and any variation thereof made at any time during the business hours;
(iii) delivering to the Exchange transaction evidences such as inward remittance receipts for the Exchange's customers and a detailed list of the payments to and receipts from the Exchange on the date of the covered transactions; and
(iv) providing the statement of account of the segregated clearing account as requested by the Exchange.

Article 22 Each settlement bank shall report to the Monitoring Center the balance of each segregated margin account opened with it and variations thereof in regards of the previous trading day through the dedicated network line within the required time and in accordance with provisions on the monitoring of the safekeeping of futures margins.

Article 23 The settlement bank shall provide to the Exchange the balance of a member's segregated margin account and any variation thereof and provide information requested by the Exchange on a real-time basis to the Exchange pursuant to the regulatory requirements of the Exchange.

Article 24 The settlement bank shall take effective measures strictly in accordance with the regulatory requirements of the Exchange to prevent liquidity risk. The Exchange may test the safety of margin deposits by carrying out an interbank transfer of margins held by the settlement banks at any time.

Article 25 The settlement bank shall be actively involved in the business training activities organized by the Exchange and organize its own training sessions on a regular basis to ensure that its business staff is familiar with the rules, requirements and procedures with respect to the futures margin custody business and other clearing services.

Chapter 4 TECHNICAL REQUIREMENTS

Article 26 The fund transfer system of the settlement bank must be in conformity with the Exchange's technical specifications on relevant interfaces and successfully pass the acceptance test of the Exchange.

Article 27 The settlement bank's centralized national system for fund transfer between investors' bank settlement accounts and futures firms' futures settlement accounts must be able to support multipoint access from the system of a future firm to satisfy the disaster recovery and redundancy needs of such system.

Article 28 The settlement bank shall apply to establish reliable redundant data links between the primary and backup data centers of its head office and those of the Exchange. The relevant network parameters shall be allocated by the Exchange.

Article 29 The settlement bank shall incorporate its fund transfer system into the centralized management program of the operation and maintenance of its technical systems in order to perform real-time monitoring of the fund transfer systems, the data links and the software and hardware platforms.

Article 30 The settlement bank shall give a five (5) business days prior notice to the technical center of the Exchange to inform the latter of any network maintenance or system upgrading activity that may affect the normal operation of the fund transfer system, and shall properly complete the testing of the system prior to the commencement of such maintenance or upgrading.

Article 31 The settlement bank shall provide active support to and participate in emergency drills and joint tests organized by the Exchange.

Article 32 The settlement bank shall appoint a contact person responsible for responding to technical emergencies on a 24/7 basis and shall file a notice of change of such contact person to the technical center of the Exchange in a timely manner, as the case may be.

Chapter 5 EMERGENCY RESPONSE

Article 33 The settlement bank shall develop a sound Emergency Plan

Addressing Futures Margin Settlement Bank Network and Information Safety Events to clearly define the duties and functions of the persons involved therein and provide for appropriate measures to be taken to ensure fast response to and timely disposition in respect of any emergency event.

Article 34 The settlement bank shall give an immediate notice to the Exchange and take active remedial actions with regard to any business operation error or malfunction of a technical system which could disrupt the futures-related funds clearing activities.

Article 35 The settlement bank shall immediately notify the Exchange of any malfunction of the fund transfer system which it has detected and provide active cooperation in examining the same in order to pinpoint the underlying cause and remove the malfunction. Where necessary, the settlement bank may take emergency actions immediately.

Article 36 Upon any event which affects the stability and safety of the operation of the futures margin custody business, the settlement bank shall immediately activate the emergency plan to resume normal operation at the earliest possible time, and report details related thereto to the Exchange and the Monitoring Center.

Chapter 6 OVERSIGHT

Article 37 The settlement bank shall notify in writing the Exchange and the Monitoring Center of any change in, among other things, the positions in the department of futures margin custody, the duties and functions of each of such positions, the head and the business staff members of such department within three (3) business days of such change.

Article 38 The settlement bank shall report any major business risk or loss which may impair its credit standing to the Exchange and the Monitoring Center within three (3) business days of the date on which the risk or loss arises and submit an analysis of the impact of such risk or loss on its futures margin custody business activities and a report on the actions taken to address such risk or loss.

Article 39 Prior to performing any system upgrading or improvement or taking any other measures which could have an impact on its futures margin custody business activities, a settlement bank shall

give a five (5) business days prior notice to the Exchange, the Monitoring Center and relevant futures firms, properly perform the information disclosure and system testing, and establish a well-targeted emergency plan in order to ensure the steady operation of the futures market.

Article 40 The settlement bank shall, within (one) 1 month after the close of each year, submit to the Exchange and the Monitoring Center a report on such matters as the operation of its futures margin custody business, services it has provided, its compliance with applicable laws, administrative rules and regulations and policies, its technical support, risk management, operating errors and technical failures.

Article 41 The Exchange shall conduct an annual inspection of the settlement bank, including the review of their qualifications and the performance of their custody business activities. The Exchange is entitled to carry out ad hoc inspections in respect of the settlement bank as it deems necessary, and the settlement bank shall provide cooperation in this matter. The foregoing inspections include but are not limited to on-site inspection and self-inspection by the settlement bank.

Article 42 The Exchange shall perform a comprehensive annual evaluation of the settlement bank with respect to the timeliness, safety, accuracy and liquidity control of its futures margin custody business activities, as well as the operation and maintenance of its systems, quality of services provided by staff members, business operation, risk control and member satisfaction survey, etc. Based on the results of the annual evaluation, the Exchange may make overall arrangements in respect of the custody business activities of the settlement bank and the cooperative projects between them and provide guidance and oversight over the margin custody business activities of the settlement bank.

Chapter 7 DISPOSITION OF VIOLATIONS

Article 43 A settlement bank shall be ordered to take corrective actions and, depending on the circumstances involved, shall be subject to warnings, public censure, the suspension of custody business activities with respect to new members or otherwise, if:
(i) the settlement bank fails to fulfill its obligations specified under these Certified Settlement Bank Rules and the Clearing Rules of the

Shanghai Futures Exchange;
(ii) the settlement bank fails to take effective or adequate measures against an incident which affects or is likely to affect its futures margin custody business activities, thereby threatening the sound operation of the futures market and damaging the lawful interests of members and customers;
(iii) the settlement bank fails to make a submission to the Monitoring Center with respect to its futures margin custody business activities as required by the Monitoring Center;
(iv) the settlement bank unjustifiably restricts the deposit and withdrawal of fund of any member without the written consent of the Exchange;
(v) the settlement bank breaches the business agreement entered into with the Exchange or the rules governing the business activities of the Exchange;
(vi) the settlement bank fails to send a notice to the Exchange immediately or has not taken effective measures promptly in the case of any operating error or malfunction of technical systems which may potentially affect its futures margin custody business activities;
(vii) the settlement bank does not meet the requirements of the banking regulator for such indicators as capital adequacy ratio, liquidity and asset-liability ratio;
(viii) the settlement bank fails to cooperate in the annual or an ad hoc inspection performed by the Exchange or has not submitted the required report on the review of the futures margin clearing business activities in respect of the previous year or any other materials required by the Exchange;
(ix) the settlement bank is being adversely affected by low-quality services and lack of stability in the fund transfer system between investors' bank settlement accounts and futures firms' futures settlement accounts; or
(x) the settlement bank has committed any other act as determined by the Exchange to warrant any of the foregoing actions .

Article 44 The futures margin custody business of a settlement bank shall be suspended in whole if:
(i) funds in the segregated clearing account of the Exchange are frozen or deducted as a result of the failure by the settlement bank to take effective actions ;
(ii) the settlement bank assists a futures firm in creating a collateral on the futures margin account;
(iii) the settlement bank has incurred a loss in the immediately preceding financial year; or
(iv) the settlement bank has committed any other act as determined

by the Exchange to warrant such suspension.

Article 45 The Exchange shall allow a settlement bank to resume its custody business activities by terminating any risk management action specified in Articles 43 and 44 against the settlement bank if the Exchange determines that the settlement bank has taken effective corrective actions and restored its capabilities to manage its futures margin custody business activities to the normal level.

Article 46 The settlement bank may be disqualified by the Exchange if:
(i) the settlement bank applies to terminate its qualification as a settlement bank;
(ii) the license of the settlement bank is legally revoked, or the settlement bank is dissolved or has declared bankrupt;
(iii) the settlement bank has lost its legal person status as a result of a merger or acquisition;
(iv) the settlement bank no longer meets the prerequisites to qualify as a settlement bank;
(v) the settlement bank has incurred a loss during the immediately preceding three (3) consecutive financial years;
(vi) the settlement bank has not passed the annual inspection in the preceding year and still fails to meet the requirements after the specified period of correction;
(vii) the settlement bank has provided fraudulent materials or information to the Exchange;
(viii) the Exchange believes that the settlement bank is exposed to any major latent risk; or
(ix) the settlement bank has committed any other act as determined by the Exchange to warrant disqualification.

Article 47 When the Exchange decides to disqualify a settlement bank, the Exchange shall give a ten (10) business days prior notice to the settlement bank, file a notice of the disqualification to the CSRC and make the same publicly available on the website of the Exchange.

Notwithstanding the settlement bank’s existing legal relationship with the Exchange, the validity of which is not affected by the disqualification, the Exchange is entitled to terminate the business relationships concerned with the settlement bank pursuant to applicable laws and regulations.

Article 48 Any settlement bank which is disqualified by the Exchange may not re-submit an application for qualification to engage in the

futures margin custody business activities within three (3) years of the date of such disqualification.

Chapter 8 SUPPLEMENTARY PROVISIONS

Article 49 Except as provided for in national laws and regulations, a settlement bank shall not disclose to any third party in any manner any non-public information related to its futures margin custody business activities.

Article 50 A settlement bank which had on-going futures margin custody business activities on the day before these Certified Settlement Bank Rules took effect is not required to re-submit an application for the futures margin custody business qualification.

Article 51 The Exchange shall be responsible for the interpretation and revision of any provision of these Certified Settlement Bank Rules.

Article 52 These Certified Settlement Bank Rules shall come into effect on September 26, 2013.

Appendix 1
Application Form for Qualification as a Futures Margin Settlement Bank

Full title of applicant		
Registered address		
Registered capital		
Zip code/Post code		
Name of legal representative		
Number of the Business License for Enterprises with Legal Person Status		
Number of the Financial License		
Department in charge of the custody business		
Tel.		
Fax		
Business head at the settlement bank	Name	
	Department and position	
	Contact details	
Business head at the Shanghai branch	Name	
	Department and position	
	Contact details	
Technical head at the Shanghai branch	Name	
	Department and position	
	Contact details	

<table>
<tr><td rowspan="3">Head in charge of the branch's business in the business office</td><td>Name</td><td></td></tr>
<tr><td>Department and position</td><td></td></tr>
<tr><td>Contact details</td><td></td></tr>
<tr><td colspan="2">Name of the officer in charge of handling the application</td><td></td></tr>
<tr><td colspan="2">ID card number of the handling officer</td><td></td></tr>
<tr><td colspan="2">Phone number of the handling officer</td><td></td></tr>
<tr><td rowspan="10">Applicant's basic financial condition and other matters</td><td rowspan="3">Total assets, net assets, and net capital at the close of the previous year</td><td>Total assets:</td></tr>
<tr><td>Net assets:</td></tr>
<tr><td>Net capital:</td></tr>
<tr><td>Net profit in the immediately preceding 3 years</td><td></td></tr>
<tr><td>Capital adequacy ratio in the immediately preceding 3 years</td><td></td></tr>
<tr><td>Asset-liability ratio in the immediately preceding 3 years</td><td></td></tr>
<tr><td>Liquidity ratio in the immediately preceding 3 years</td><td></td></tr>
<tr><td>Number of branches</td><td></td></tr>
<tr><td>Internal control procedures related to the futures margin custody business</td><td></td></tr>
<tr><td>Further information</td><td></td></tr>
<tr><td colspan="3">Legal representative or authorized person: (signature/stamp)
Applicant: (stamp)</td></tr>
</table>

Appendix 2

Power of Attorney

To the Shanghai Futures Exchange：

We hereby authorize (Mr. / Ms.)　　, whose ID card number is (ID card number), in his or her capacity as our employee, to apply for the qualification as a futures margin settlement bank with you on our behalf. He/she is authorized to deal with all matters related to the application for qualifications as a futures margin settlement bank on our behalf, including but not limited to submitting such application and other application documents to you, executing documents related thereto and receiving documents related thereto which you will provide to us. This authorization shall become effective on_____ (date) and remain valid until_____ (date).

The authorization is hereby made

By: (stamp of the bank)

Legal representative: (signature and stamp)

Date:

PART VIII DELIVERY RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Delivery Rules are made in accordance with the General Exchange Rules of the Shanghai Futures Exchange to regulate the physical delivery under the terms of futures contracts traded on the Shanghai Futures Exchange, or the Exchange.

Article 2 These Delivery Rules are binding on the Exchange, members, customers and certified 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 customer's futures contracts shall be executed by a member in the name of such member on or through the Exchange.

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

A customer 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 customer who is a natural person shall be liquidated by the Exchange.

Article 5 Physical delivery shall be concluded within 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 certified delivery warehouse.

b) The seller must present a standard warrant (a mill warehouse standard warrant is applicable for the steel rebar, wire rod and hot-rolled coil futures contracts of the Shanghai Futures Exchange) and pay the carrying charges to the Exchange through the standard warrant system.

Provisions of the mill warehouse standard warrant are contained in the Certified Mill Warehouse Delivery Rules of the Shanghai Futures Exchange (Trial).

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 customer (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 or silver shall remain in the certified delivery warehouse), 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 spot 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, as specified in Appendix 1 to these Delivery rules. A list of certified assayers for lead and silver futures shall be announced by the Exchange in due course. If the submission is not received within the prescribed time, the buyer shall lose his right to have his dispute heard. Disputes involving the quality or quantity of steel rebar, wire rod and hot-rolled coil shall be treated as follows:

After the physical delivery process of steel rebar, wire rod or hot-rolled coil has concluded, if the buyer disputes the quality or quantity of the commodity (any disputed deliverable commodity shall remain in the certified delivery warehouse), 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 spot 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 and hot-rolled coil shall be announced by the Exchange in due course. The quality warranty for every batch of the delivered steel rebar, wire rod and hot-rolled coil 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 certified 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 certified delivery warehouse along with all necessary certificates prescribed in these Delivery Rules.

A customer 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 certified 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 certified 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 certified delivery warehouse shall enter its conclusions into the standard warrant system. The certified 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 certified 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 certified 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 certified delivery warehouse to deliver the commodity to a third party. In the latter case, the owner shall oversee the delivery at the certified delivery warehouse. Otherwise, he loses his right to dispute the propriety of the delivery made by the certified delivery warehouse.

Article 14 At the time the certified 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. The certified delivery warehouse shall stamp "GOODS DELIVERED" on the standard warrant he receives back from the legitimate holder thereof, match them with the corresponding warehousing records and keep them for the checks thereafter.

Chapter 4 COPPER CATHODE

Article 15 Minimum delivery size: twenty five (25) tons.

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

Article 17 Deliverable commodity
The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Article 18 Packaging for the deliverable commodity
(i) Packaging: the copper cathodes that each warrant represents shall be produced by the same producer and of the same trademark, grade, shape and set weight. The registered producer may decide, in his sole discretion, the weight of each set, provided that the sets form a minimum delivery size. 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) 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 proof issued by the registered producer.
(ii) Imported product: the product quality proof, 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 announce the revised requirements for certificates with regard to the imported product in due course.

Article 20 More or less clause and weight difference: The underlying copper cathode for each standard warrant weights twenty-five (25) 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 (0.2%).

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: certified delivery warehouse designated by the Exchange, as set forth in Appendix 2 to these Delivery Rules.

Chapter 5 ALUMINUM INGOT

Article 23 Minimum delivery size: twenty five (25) tons.

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

Article 25 Deliverable commodity
The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Article 26 Packaging for the deliverable commodity
(i) Packaging: the aluminum ingots that each warrant represents shall be produced by the same producer and of the same trademark, grade, shape and set weight. The registered producer may decide, in his sole discretion, the weight of each set, provided that the sets form a minimum delivery size. 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) 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 or twenty (20) 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 proof issued by the registered producer.
(ii) Imported product: the product quality proof, 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 announce the revised requirements for certificates with regard to the imported product in due course.

Article 28 More or less clause: The underlying aluminum ingots for each standard warrant weight twenty-five (25) tons. Differences between standard warrant weight and actual delivery weightshall 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: certified delivery warehouse designated by the Exchange as set forth in Appendix 2 to these Delivery Rules.

Chapter 6 ZINC INGOT

Article 32 Minimum delivery size: twenty five (25) tons.

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

Article 34 Deliverable commodity
The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Article 35 Packaging for the deliverable commodity
(i) Packaging: the zinc ingots that each warrant represents shall be produced by the same producer and of the same trademark, grade, shape and set weight. The registered producer may decide, in his sole discretion, the weight of each set, provided that the sets form a minimum delivery size. 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 proof issued by the registered producer.
(ii) Imported product: the product quality proof, 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 announce the revised requirements for certificates with regard to the imported product in due course.

Article 37 More or less clause and weight difference: The underlying zinc ingots for each standard warrant weights twenty-five (25) tons. Differences between standard warrant weight and actual delivery weightshall 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: certified delivery warehouse designated by the Exchange, as set forth in Appendix 2 to these Delivery Rules.

Chapter 7 LEAD INGOT

Article 40 Minimum delivery size: twenty five (25) tons.

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

Article 42 Deliverable commodity
The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Article 43 Packaging for the deliverable commodity
(i) Packaging: the lead ingots that each warrant represents shall be produced by the same producer and of the same trademark, grade, shape and set weight. The registered producer may decide, in his sole discretion, the weight of each set, provided that the sets form a minimum delivery size.

Each set shall be assembled with rust and corrosion-resistant straps of proper strength as prescribed by the Exchange in due course. 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 proof issued by the registered producer.
(ii) Imported product: the product quality proof, 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 announce the revised requirements for certificates with regard to the imported product in due course.

Article 45 More or less clause & weight difference: The underlying lead ingots for each standard warrant weights twenty-five (25) tons. Differences between standard warrant weight and actual delivery weightnot 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 certified delivery warehouse designated by the Exchange, as announced by the Exchange in due course. Lead ingots for delivery shall be stored indoors.

Chapter 8 STEEL REBAR

Article 48 Minimum delivery size: three hundred (300) tons.

Article 49 Grade and quality qualifications are provided in the Steel Rebar Contract Specifications of the Shanghai Futures Exchange.

Article 50 Quality specifications
The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Rules provided in the National Standard GB 1499.2-2007—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 certified delivery warehouse within thirty (30) days following the date of production.

Steel rebar for delivery at the certified delivery warehouse shall be nine (9) meters or twelve (12) meters in length.

Article 51 Packaging and stocking
Rules provided in the GB1499.2-2007—Steel for Steel Reinforced Concrete Part II: Hot-rolled Ribbed Steel Bar, shall apply to the packaging, marking and the quality proof of the commodity.

The underlying steel rebar that each warrant represents shall be produced by the same producer 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 under a standard warrant shall be stocked as one minimum delivery size.

Article 52 Necessary certificates for the deliverable goods
The product quality proof issued by the registered producer shall be provided.

Article 53 Measuring & more or less clause
The commodity shall be measured by weight. Differences between standard warrant weight and actual delivery weightfor each standard warrant shall not exceed three percent (3%). The weight difference shall not exceed three-tenths of one percent (0.3%).

Article 54 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 55 Delivery venue: the certified delivery warehouse and the mill warehouse designated by the Exchange, as announced by the Exchange in due course.

Chapter 9 WIRE ROD

Article 56 Minimum delivery size: three hundred (300) tons.

Article 57 Grade and quality qualifications are provided in the Wire Rod Contract Specifications of the Shanghai Futures Exchange.

Article 58 Quality specifications
The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Rules provided in the National Standard GB 1499.1-2008—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 certified delivery warehouse within thirty (30) days after the date of production.

Article 59 Packaging and stocking
Rules provided in the GB1499.1-2008—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 proof of the commodity.

The underlying wire rod that each warrant represents shall be produced by the same producer 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 two (2) 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 under a standard warrant shall be stocked as one minimum delivery size.

Article 60 Necessary certificates for deliverable goods

The product quality proof issued by the registered producer shall be provided.

Article 61 More or less clause & weight difference
The commodity shall be measured by actual weighing. Differences between standard warrant weight and actual delivery weightfor each standard warrant shall not exceed three percent (3%). The weight difference shall not exceed three-tenths of one percent (±0.3%).

Article 62 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 63 Delivery venue: the certified delivery warehouse and the mill warehouse designated by the Exchange, as announced by the Exchange in due course.

Chapter 10 HOT-ROLLED COIL

Article 64 Minimum delivery size: three-hundred (300) tons.

Article 65 Grade and quality qualifications are provided in the Hot-rolled Coil Contract Specifications of the Shanghai Futures Exchange.

Article 66 Quality Specifications
The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Rules provided in the National Standard GB/T3274-2007—Carbon Structural Steel, Hot-rolled Thick Steel Plate of Low Alloy Structural Steel and Steel Belt, or JISG 3101-2010—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 67 Grade
The underlying hot-rolled coil that each warrant represents shall be produced by the same producer and of the same brand, width and thickness.

Article 68 Packaging and stocking

Rules provided in the GB/T3274-2007—Carbon Structural Steel, Hot-rolled Thick Steel Plate of Low Alloy Structural Steel and Steel Belt, or JISG 3101-2010—Rolled Steel for General Structure, shall apply to the packaging, marking and the quality proof of the delivered commodity.

The hot-rolled coil under a standard warrant shall be stocked as one minimum delivery size.

Article 69 Necessary certificates for deliverable goods
The product quality proof issued by the registered producer shall be provided.

Article 70 More or less clause & weight difference
The commodity shall be measured by actual weighing. Differences between standard warrant weight and actual delivery weightfor each standard warrant shall not exceed five percent (5%). The weight difference shall not exceed three-tenths of one percent (±0.3%).

Article 71 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 72 Delivery venue: the certified delivery warehouse as designated and announced by the Exchange in due course.

Chapter 11 NATURAL RUBBER

Article 73 Minimum delivery size: five (5) tons.

Article 74 Grade and quality qualifications are provided in the Natural Rubber Contract Specifications of the Shanghai Futures Exchange.

Article 75 The registered trademarks of domestic natural rubber will

be announced by the Exchange in due course.

Article 76 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 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 producer, date of production and production license number.
(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 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 weightnot exceeding three percent (3%).

Article 77 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 certified 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 certified 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) 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 announce the revised requirements for certificates with regard to the imported product in due course.

Article 78 Period of validity
(i) Domestic product (SCR WF) is valid for delivery at the certified delivery warehouse up to the last delivery month of the second (2^{nd}) 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 certified 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 certified delivery warehouse up to the eighteenth ($18^{th)}$ 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 certified 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 certified delivery warehouse are valid up to the ninetieth ($90^{th)}$ 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 79 The natural rubber inbound to the certified delivery warehouse shall be dry and clean. The certified delivery warehouse shall open and inspect packs equal to ten percent (10%) of the inbound goods and then shall sew up those packs. The certified 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 80 The natural rubber that is delivered against a standard warrant shall be of the same delivery set and of the same packaging specification as described in the standard warrant.

Article 81 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 each of which and any of which generates trading volume to that contract.

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 (15^{th}) date of the month following the delivery month.

Article 82 Delivery venue: the certified delivery warehouses, as designated by the Exchange and provided in Appendix 3 to these Delivery Rules.

Chapter 12 SILEVER

Article 83 Minimum delivery size: Thirty (30) kilograms.

Article 84 Grade and quality qualifications are provided in the Silver Contract Specifications of the Shanghai Futures Exchange.

Article 85 The deliverable commodity shall be the goods whose producers and trademarks are registered with the Exchange.

Article 86 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 producer and of the same trademark, grade and shape.

Article 87 Packaging
There is no specific requirement of packaging for load-in or load-out of silver ingots.

Article 88 Necessary certificates for the deliverable commodity
(i) Domestic product: the product quality proof issued by the registered producer.
(ii) Imported product: announced by the Exchange in due course.

Article 89 More or less clause & weight difference: Differences between standard warrant weight and actual delivery weightfor 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 90 Inspection on the quantity and weight of the load-in silver ingots

The certified 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 producer if the weight difference is within the rage specified in Article 80.

Article 91
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 92
Delivery venue: the certified delivery warehouse designated by the Exchange, as announced by the Exchange in due course.

Chapter 13 EXCHANGE OF FUTURES FOR PHYSICALS

Article 93 The exchange of futures for physicals, or the EFP, is the process that the members or customers 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 94 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 customer) 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 95 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 96 The final settlement price for an EFP shall be the mutually agreed price between the buyer and seller (member or customer).

Article 97 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 98 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 99 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 100 The delivery payment pertaining to an EFP shall be posted through the in-house fund transfer system.

Article 101 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 102 Failure to conclude the settlement and delivery within the time specified in Article 99 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 certified 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 103 Any malicious EFP behavior shall be subject to the sanctions as provided the Enforcement Rules of the Shanghai Futures Exchange.

Article 104 The Exchange shall make a timely disclosure of information on each EFP.

Chapter 14 CHARGES AND FEES

Article 105 Parties to a physical delivery shall pay delivery fees to the Exchange based on the following rates:

- copper: two (2) Yuan/ton;
- aluminum: two (2) Yuan/ton;
- zinc: two (2) Yuan/ton;
- steel rebar and wire rod: one (1) Yuan/ton;
- natural rubber: four (4) Yuan/ton; and
- lead, silver and hot-rolled coil: to be set forth and announced by the Exchange in due course.

Article 106 The fee schedule with respect to the charges the certified delivery warehouse applies to the load-in, load-out and storage shall be approved by the Exchange.

Article 107 Among the services for which a certified 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, standard warrant printing fees, and other charges recognized and approved by the Exchange. The certified 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 certified 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 certified delivery warehouse. Advance payment is allowed.

Charges and fees imposed by a certified delivery warehouse for natural rubber shall be set forth and announced by the Exchange in due course.

Charges and fees of the certified delivery warehouse for copper, aluminum and zinc shall be set forth and announced by the Exchange in due course.

Charges and fees of the certified delivery warehouse for steel rebar, wire rod and hot-rolled coil shall be set forth and announced by the Exchange in due course.

Charges and fees of the certified delivery warehouse for lead and silver shall be set forth and announced by the Exchange in due course.

Chapter 15 DEFAULT

Article 108 Any of the following acts shall constitute a default on delivery:
(i) A seller fails to present standard warrant in sufficient amount within the specified time period;
(ii) A buyer fails to make payment in sufficient amount within the specified time period; or
(iii) The goods a seller delivers do not comply with the grade and specific qualifications in the futures contract.

Article 109 In calculating the amount the buyer owes for defaulting on a contract, a deposit of twenty percent (20%) of the value of the contract shall be reserved for liquidated damages and compensation.

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

SAD=ASWD−ASWP
BAD=(PD − PM)÷(1-20%)÷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

Article 110 If a default exists, the Exchange shall, by 16:30 hours on the day when such default occurs, notify the party who commits the default, or the defaulter, and the party who suffers a default, or the defaultee.

The defaultee shall, by 11:00 hours on the next trading day, submit to the Exchange his written intent on whether to terminate or continue the delivery. Failure to submit the intent within the specified time period shall be deemed by the Exchange as intent to terminate on the part of the defaultee.

Article 111 In the event of a default, the defaulter shall post a default deposit of five percent (5%) of the nominal value of the defaulted amount, and the following methods shall be applied:
(i) If the seller defaults, the buyer may opt for any of the following actions:

a) Terminate delivery. The Exchange shall refund the payment to the buyer; or

b) Continue delivery. The Exchange shall, on the next trading day after he rules that the seller has defaulted, request for procurement from the public to provide the standard warrant within seven (7) trading days. If the request for procurement proves successful, the Exchange shall present the procured standard warrant to the buyer; otherwise, the seller shall make payment to the buyer in the sum of fifteen percent (15%) of the nominal value of the defaulted amount as a compensation, the Exchange shall return the delivery payment to the buyer and the delivery shall be terminated. The seller shall bear all the losses and costs due to or arising from the public procurement.

(ii) If the buyer defaults, the seller may opt for any of the following actions:

a) Terminate delivery. The Exchange shall return the standard warrant to the seller.

b) Continue delivery. The Exchange shall, on the next trading day after he rules the buyer in default, call for an auction from the public for the sale of the standard warrant which shall take place within seven (7) trading days. If the call for auction proves successful, the Exchange shall post the delivery payment to the seller; otherwise, the buyer shall make payment to the seller of fifteen percent (15%) of the nominal value of the defaulted amount owed to the seller; the Exchange shall return the standard warrant to the seller; and the

delivery shall be terminated. The buyer shall bear all the losses and costs due to or arising from the public auction.

The Exchange's obligations to guarantee the delivery shall be dismissed with the termination of the delivery.

Article 112 The procurement price shall not be greater than one hundred and twenty five percent (125%) of the final settlement price and the auction price no lower than seventy five percent (75%) of the final settlement price.

Article 113 In the event of the buyer and seller defaulting simultaneously, the Exchange shall terminate the delivery and fine both sides five percent (5%) of the nominal value of the defaulted amounts.

Article 114 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 115 If a member intends to commit a default on physical delivery, he shall be subject to sanctions provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 116 The member and the certified 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 117 Disputes between the owner and the certified 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 certified 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 16 MISCELLANEOUS

Article 118 Provisions on delivery with regard to fuel oil, gold, bitumen or other listed products shall be announced by the Exchange in due course.

Article 119 Rules applicable to the trading of spot trades and standard warrant shall be made in due course.

Article 120 Any violations of these Delivery Rules shall be subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 121 The Exchange reserves the right to interpret these Delivery Rules.

Article 122 These Delivery Rules are effective as of March 21, 2014.

The Appendix 1 Certified Assayers on Copper, Aluminum, Zinc, and Natural Rubber Designated by the Exchange
The Appendix 2 Certified Delivery Warehouses Designated by the Exchange
The Appendix 3 Application Form for an EFP on the Shanghai Futures Exchange

Appendix I
Certified Assayers on Copper, Aluminum, Zinc, Natural Rubber Designated by the Exchange

Name	Product
1. Technical Center for Industrial Products and Raw Materials Inspection, Shanghai Entry-Exit Inspection and Quarantine Bureau	Copper, aluminum, zinc, rubber
2. Shandong Co., Ltd. Of China Certification & Inspection Group	Rubber
3. Center of Supervision, Inspection and Testing for the Quality of Natural Rubber under Ministry of Agriculture of the People's Republic of China (Hainan)	Rubber
4. Station of Supervision and Inspection for the Quality of Natural Rubber and Coffee Products of Yunnan Province (Kunming)	Rubber
5. East China Center of Quality Inspection of China Non-ferrous Metals Industry	Copper, aluminum, zinc
6. South China Center of Quality Inspection of China Non-ferrous Metals Industry	Copper, aluminum, zinc
7. Tianjin Co., Ltd. of China Certification & Inspection Group	Rubber
8. China Certification & Inspection Group Inspection Co., Ltd.	Copper, aluminum, zinc
9. Shanghai Zhong Chu Material Inspection Co., Ltd.	Copper, aluminum, zinc

Appendix II
Certified Delivery Warehouse Designated by the Exchange

	Warehouse Name	Business Address	Commodity for Delivery	Storage Location	Storage Address	Business Telephone Number	Contact Person	Zip Code	Railway Station/Port	Price Differential Rates for Distant Location
1.	Shanghai Guochu Tianwei Storage Ltd.	No.1289 Xingta Road, Huangdu Industrial Park, Jiading District, Shanghai	Copper, Aluminum, Zinc	Section Seven, Shanghai, State Reserves Bureau	No.1289 Xingta Road, Huangdu Industrial Park, Jiading District, Shanghai	(021)39003151 Fax: 39003152	Haiying Yang	201804	_	Standard
2.	Zhongchu Development Ltd.	Shunyi Avenue, Beichen District, Tianjing	Copper, Aluminum, Zinc	Shanghai Wusong Branch Office	No.495 Tieshan Road, Baoshan District, Shanghai	(021)33794175 33790944 Fax: 33791143	Simin Ding Quanjiang Cao	201900	Shanggangwuchang Private Siding (Zhongchuwusong Branch Office)	Standard

			Copper, Aluminum	Shanghai Dachang Branch Office	No.310, No.257 Nanda Road, Baoshan District, Shanghai	(021)62500165 Fax: 62500166	Lichun Hou Zhenjia Jin	200436	Taopu Station (Zhongchu Dachang Office Private Siding)	Standard
			Rubber	Shanghai Dachang Branch Office	No.310 Nanda Road, Baoshan District, Shanghai	(021)52843316 Fax:62508007	Jingyue Shi			
			Aluminum, Zinc	Shanghai Dachang Branch Office	No.137 Nanda Road, Baoshan District, Shanghai	(021)56681853 Fax: 56680969	Zheng Li			
			Aluminum	Wuxi Logistics Center	No.32-1 Chengnan Road, Wuxi	(0510)85368888 Fax: 85360319	Haisu Huang	214011	Zhoujing Tunnel	Standard

			Rubber	Tianjing Nanchang Branch Office	Shunyi Avenue, Beichen District, Tianjing	(022)86563365 86563351 Fax: 86563366	Fenglei Yang Li Yue	300400	(Beijing Bureau) Nancang Zhongchu Share, Nanchang Branch Office Private Siding	Standard
3.	Shanghai Qisheng Management of Storage and Transportation Ltd.	No.2280,Jianchuan Road, Minhang District, Shanghai	Copper, Aluminum,	Minhang Storage	No.2280,Jianchuan Road, Minhang District, Shanghai	(021)64305295 Fax: 64629397	Haimin Zhou Rongde Gong	200240	Minhang Station 541 Private Siding	Standard
			Zinc	Quansheng Storage	No.3645 Caoan Road, Shanghai	(021)51642912 Fax: 51642995	Xiaobo Wu		Shanghai Fengbang Station Stop four Private Siding	
4.	Shanggang Logistics & Metals Warehousing (Shanghai)	No.240 Anda Road, Baoshan District, Shanghai	Copper, Aluminum, Zinc	Shanggang Group, Anda Road	No.240 Anda Road, Baoshan District,	(021)56440120 Fax: 56443044	Jiangle Yan WenJun Pan	200940	Outbound Zhanghuabang Railway Station	Standard

	Co., Ltd			Branch Office	Shanghai					
			Copper, Aluminum, Zinc	Shanggang Group, Jungong Road Branch Office	No.4501 Jungong Road, Baoshan District, Shanghai	(021)56440120 Fax: 56443044	Jiangle Yan WenJun Pan	200432	Shanggang Group, Jungong Road Branch Office Railway Station	Standard
			Copper, Aluminum, Zinc	Shanggang Group, Jungong Road Branch Office	No.4049 Jungong Road, Baoshan District, Shanghai	(021)56440120 Fax: 56443044	Jiangle Yan WenJun Pan	200432	Shanggang Group, Jungong Road Branch Office Railway Station	Standard
5.	Shanghai Riches Logistics Co., Ltd	Floor 11,Block A, No.3699, Gonghexin Road, Shanghai	Copper, Aluminum, Zinc	Riches Logistics	No.3501 Gonghexin Road, Shanghai	(021)36521992 Fax: 56771694	Yijun Xu Fei Ye	200443	Shanghai Railway Beijiao Station	Standard
6.	Shanghai Tongsheng Logistics Park Investment&	No.777 Tongshun Avenue, Luchaogang,	Copper, Aluminum, Zinc	Tongsheng Logistics Luchao	No.777 Tongshun Avenue, Luchaoga	(021)68281891 Fax: 68281044	Wei Xu Kuizheng Li	201308	Shanghai Railway Luchaogang Container	Standard

	Development Co., Ltd.	Pudong District, Shanghai		Storage	ng, Pudong District, Shanghai				Center Station	
			Copper, Aluminum	Tongsheng Logistics Yangshangang Bonded Storage	No.389 Shunyun Road, Yangshangang District, Shanghai	(021)68281891 Fax: 68281044	Wei Xu Kuizheng Li	201308	Shanghai Railway Luchaogang Container Center Station	Bonded
7.	Shanghai Zhongchu Lingang Logistics Co,. Ltd	No.195 Shuanghui Road, Yangshangang, Shanghai	Copper, Aluminum	Zhongchu lingang Logistics Yangshangang Bonded Storage	No.195 Shuanghui Road, Yangshangang, Shanghai	(021)68280480 Fax: 68280497	Zhenghua Zhang Yuxiang Mao	201308		Bonded
8.	Guangdong Management of Storage Bureau	No.28 Huanghua Road, Guangzhou	Aluminum	Guangdong Management of Storage Bureau	The west side of the warehouse in Yanbuzhen Sanyanqi	(0757)85760802 Fax: 85760803	Hui Yu Youhua Zhang	528247	(Guang) Sanyanqiao	Standard

					ao, Nanhai, Guangdong					
9.	Guangzhou Shengshi Non-ferrous Metals Sales& Transportation Company of China	No.48 Zhongshan 2nd Road, Guangzhou	Aluminum	Sanyanqiao Branch Office	East Sanhe Road Hubang part, the west side of the warehouse in Yanbuzhen Sanyanqiao, Nanhai, Guangdong	(0757)85785606 Fax: 85785806	JianJun Ma Xiaoli Wang	528247	(Guang) Sanyanqiao	Standard
			Aluminum, Zinc	Shengshi Xiaotang Warehouse	Shengshi Logistics Xiaotang Storage, the West side of	0757-81162300 Fax: 81162309	Weicong Chen	528222	Guangdong Shengshi Logistics Line (Line Stock Nine, Line Stock	Standard

					the Xiaotang Freight Yard, Nanhai District, Foshan Guangdong Province				Ten)	
10.	Nanchu Management of Non-ferrous Metal Storage Ltd.	No.166 Foluogong Road, Chancheng District, Foshan, Guangdong	Aluminum, Zinc	Guangdong Nanhai Nanchun Management of Non-ferrous Metal Storage Ltd.	No.166 Foluogong Road, Chancheng District, Foshan, Guangdong	0757-88015023 Fax: 88015022	Junbin Li	528000	Jiebian Station (Guang) Nanchu Private Siding	Standard
11.	Zhangjiang Kangyun Storage Ltd.	No.98 Gongkang Road, Hangzhou （inside of the rail	Aluminum, Zinc	Zhangjiang Kangyun Storage Ltd.	No.98 Gongkang Road, Hangzhou (inside of the	0571-56725585 56725565 88293234 Fax: 88026467	Libing Huang	310015	Hangzhou North Station Kangqiao Freight Yard	Standard

		Kangqiao Freight Yard ）			Rail Kangqiao Warehouse)					
			Aluminum, Zinc	Zhuji Warehouse, Zhangjiang Kangyun Storage Ltd.	No.539 Xierhuai Road, Taozhujie Avenue, Zhuji, Zhejiang	0575-87501753 Fax: 87501753	Zhe Jin Zhenghao Zhang	311800	East Zhuji Station	Standard
12.	Zhejiang State Reserves Bureau	No.331 Dadao Road, Zhenhai District, Ningbo	Aluminum, Zinc	Zhejiang State Reserves Bureau	No.331 Dadao Road, Zhenhai District, Ningbo	0754-86266748 Fax: 86266748	Fuli Ding Zhenming Xu	315200	Zhejiang Ningbo Zhuangqiao Railway Station	Standard
13.	Ningbo Jiulongcang Warehousing Co., Ltd	No.299 Pinghai Road, Zhenhai District, Ningbo	Aluminum, Zinc	Ningbo Jiulongcang Warehousing Co., Ltd	No.299 Pinghai Road, Zhenhai District, Ningbo	0754-27685010 Fax: 27693476	XueDong Wan Chao Zhang	315200	Zhejiang Ningbo Zhuangqiao Railway Station	Standard
14.	Wuxi Guaolian	Meijingcunna	Aluminum,	Wuxi	Shitangw	0510-83268687	Lin Yu	214185	North Wuxi	Standard

	Logistics Ltd.	n, Shitangwan, Luoshe Town, Huishan District, Wuxi	Zinc	Guolian Logistics Ltd.	an Warehouse, Luoshe Town, Huishan District, Wuxi	Fax: 83071987	Guoyi Chen		Station	
15.	Shanghai Changqiao Logistics Ltd.	No.1070 Laohumin Road, Shanghai	Rubber	Shanghai Changqiao Logistics Ltd.	No.1070 Laohumin Road, Shanghai	(021)64766418 Fax: 64765262	Qifeng Wu	200237	(Neihe)Dianpuhe Third Bridge Dock	Standard
16.	Shanghai Jintong Huaqing Development Co. Ltd.	No.478 Nanda Road, Shanghai	Rubber	Shanghai Jintong Huaqing Development Co. Ltd.	No.478 Nanda Road, Shanghai	(021)62506616 Fax: 63639098	Jiming Wu	200436	Huaqing Company Taopu Warehousing Company Private Siding	Standard
17.	Shandong Aorunte Import & Export Co. Ltd.	No.15 Changshun Road, Chengyang District, Qingdao, Shandong	Rubber	Shandong Aorunte Import & Export Co. Ltd	No.15 Changshun Road, Chengyang District,	(0532)84816601 Fax: 84820047	Kaicheng Yu Hua Yan	266043	Shandong Import & Export of Livestock Product Company Qingdao Fur	Standard

					Qingdao, Shandong				Industry Private Siding	
18.	Shandong Management of Storage Bureau	No.80 Jingcheng Road, Chengyang District, Qingdao, Shandong	Rubber	Shandong Management of Storage Bureau	No.80 Jingcheng Road, Chengyang District, Qingdao, Shandong	(0532)87756153 Fax: 87756270	Haohua Chen Hua Yan	266109	Shandong Management of Storage Bureau Private Siding	Standard
19.	Yunnan Storage& Transportation of Caoutchouc Center	Yunnan Haikou Dongjiaoliangting	Rubber	Yunnan Storage& Transportation of Caoutchouc Center	Yunnan Haikou Dongjiaoliangting	(0871)3914605 Fax: 3915131	Ming Zhang Junfang Zeng	650215	Kunming Dongjiaoliangting Ten Avenue (supply by Yunnan land reclamation)	Discount of RMB 280
20.	Hainan Haikou Harbor Group Company	Haikougang Building floor 3rd, Xiuying Dock, Haikou, Hainan	Rubber	Freight Branch Office	Xiuying Dock, Haikou, Hainan	(0898)68652597 Fax: 68652597	Dibao Li	570311	Haikou Port	Discount of RMB 210
21.	Hainan Xinsike Electronic	Huaneng Building	Rubber	Yonggui Warehou	No.9Yonggui	(0898)66700097	Haiwang Wei	570102	Xiuying Dock, Binhai	Discount of RMB 210

	Business Ltd.	No.36 Datong Road, Haikou, Hainan		se	Road, Changliujinpan Yonggui Developing Area, Haikou, Hainan	Fax: 66721940			Avenue, Haikou, Hainan Province	

Appendix III
Application Form of EFP of the Shanghai Futures Exchange

We, as the buyer and seller, bound by the Delivery Rules of the Shanghai Futures Exchange, apply hereby on the following details

Product		Contract	
Lots for Delivery		Tons of Delivery	
Final Settlement Price	(Yuan/ton)		
Buyer (member) (Badge No.)		Seller (member) (Badge No.)	
Buyer (customer) Name		Seller (customer) Name	
Buyer (customer) Code		Seller customer Code	
Nature of Buyer Positions		Nature of Seller Positions	
*Delivery Point of Non-standard warrant		*Brand of Non-standard warrant	
*Non-standard warrant Code		*Amounts of Non-standard warrant (tons)	
*Reasons for delivery of non-standard warrant			

Note: *Only applicable in delivery of non-standard warrant. For a delivery of non-standard warrant, photocopies of relevant trading contracts and delivery claim statement shall be provided.

Buyer (member) stamp Seller (member) stamp

Date of Application MM/DD/YY

PART IX FEUL OIL FUTURES DELIVERY RULES (TRIAL)

(AMENDED SUBJECT TO THE SHFEA [2013] NO.7)

Chapter 1 GENERAL PROVISIONS

Article 1 These Fuel Oil Futures Delivery Rules, adopted in accordance with the General Exchange Rules of the Shanghai Futures Exchange and the Trading Rules of the Shanghai Futures Exchange, are intended to govern the physical delivery of fuel oil pursuant to the fuel oil futures contract on or through the Shanghai Futures Exchange, or the Exchange.

Article 2 These Fuel oil Futures Delivery Rules are binding on all members, customers, and certified delivery depots.

Article 3 The term "physical delivery" means the process of delivering standard warrants representing the commodity underlying a futures contract following the last trading day, during the delivery period.

Physical delivery on an expired fuel oil futures contract is conducted through regular delivery procedures prescribed by the Exchange. Delivery for a contract before its expiration can be done through an exchange of futures for physicals, or the EFP. Parties about to enter into an EFP, whether by an exchange of warrants or by the method of lightering, shall apply to the Exchange for permission to establish an EFP deal between them.

Article 4 Where a customer wishes to make or take a physical delivery, the FF member of that customer shall represent him to conduct the entire procedures of the delivery. Customers, who are unable to provide or receive the value added tax invoice, or the VAT invoice, shall not make a physical delivery.

After the close of the third trading day prior to the last trading day of a fuel oil futures contract, a customer (natural person) shall hold no open interest of that contract on his account. As of the second trading day prior to the last trading day, any open interest of that

customer shall be liquidated by the Exchange.

Article 5 Delivery venue: Physical delivery for a contract due shall take place at the certified delivery depots as provided in the Appendix 1. Venues for delivery for a contract undue shall be specified in the EFP agreement between the parties.

Chapter 2 STANDARD DELIVERY PROCEDURES

Article 6 The term "standard delivery procedures" means the procedures whereby the buyer and the seller of the underlying commodity of a futures contract transfers the standard warrant between them when the contract expires.

Article 7 Test and Assayers
Certified assayers, as listed in Appendix 2, shall test the oil products for load-in and load-out, using the sampling method set forth in ASTMD4057 and by the testing methods specified in the Fuel Oil Contract Specifications of the Shanghai Futures Exchange.

The seller (short) shall designate an assayer from the list of certified assayers to test the products intended for load-in and the buyer (long) shall designate an assayer from the same list to test products for load-out. If the certified delivery depot does not agree with the buyer's or seller's choice of an assayer, he may negotiate with the party for a different choice. If the negotiation fails, the certified delivery depot may request the Exchange to select the assayer. The buyer, seller and certified delivery depot shall cooperate with the certified assayer in his testing and the testing costs for load-in and load-out shall be borne by the buyer and seller, respectively.

Article 8 Load-in Application (Delivery Notice)
The owner of the good, or the owner, intending to deliver goods to a certified delivery depot shall submit a load-in application, or a delivery notice, to the Exchange for approval of his inbound delivery and issuance of standard warrants. The name of the commodity, grade or brand, quantity, sender and name of the certified delivery depot shall be specified in the application. The customer's FF member shall handle all matters relating to the load-in application.

Article 9 Load-in Application Approval
Given the availability of storage capacity, the Exchange shall, in its discretion, determine within three (3) trading days whether to

approve the load-in application. The owner shall deliver them to the certified delivery depot within the time limit specified in the approved load-in application. Delivery shall be rejected if the owner does not represent an approved load-in application or seeks to deliver the goods after the load-in period specified in the load-in application.

Article 10 Load-in Application Deposit
The documents accompanying the load-in application shall be true and accurate. The owner shall post a load-in application deposit of thirty (30) Yuan per ton. The application deposit shall be held by the Exchange and debited from the member's futures settlement account.

If the owner makes delivery within the specified time period and in compliance with the terms of the load-in application, the Exchange shall post the load-in application deposit to the member's futures settlement account. If only a portion of the total amount is delivered, the load-in application deposit shall be proportionally reimbursed. If no delivery is made in violation of the terms of the approved application, the load-in application deposit shall be paid by the Exchange to the certified delivery depot.

Article 11 Load-in Documents
The certified delivery depot shall inspect the arrived oil products and verify the accompanying documents.

Article 12 Load-in Inspection
The owner shall designate a certified assayer to inspect his inbound oil products with regard to their quality and quantity.
i) Quality testing
Prior to entry of the products into the depot tank, the certified assayer shall take samples from the ship tank (Sample A) and from the depot tank (Sample B) and seal them. Sample A shall be divided into Samples A1 and A2. A1 shall contain several samples taken from each single ship tank or single container. Sample A2 shall contain a mixture of all the samples of A1. After the load-in, the certified assayer shall test a mixed sample from the depot tank (Sample C) and issue a report. If Sample C passes the test, this means that the quality of the owner's oil products is up to the required graded and quality. The quality assaying report provided by the owner shall be the assaying report based on Sample C.

If the Sample C is found not to satisfy the requirements for good delivery, the certified assayer shall conduct tests on Samples A and B, which will lead to one of the following four scenarios:

a) If Sample A complies with the grade and qualifications of the oil products as prescribed by the Exchange, but Sample B does not, this means that the oil products the owner has delivered are up to the required grade and quality. In this case, the certified delivery depot shall be fully accountable for the incompliance with the grade of the oil products after the load-in and the testing expenses shall be borne by the certified delivery depot;

b) If Sample A does not comply with the grade and qualifications of the oil products as prescribed by the Exchange, but Sample B does, this means that the oil products the owner has delivered does not reach the required grade and quality. The owner shall be fully accountable for the incompliance with the grade of the oil products after the load-in and the testing expenses shall be borne by the owner;

c) If both Sample A and Sample B comply with the grade and qualifications of oil products as prescribed by the Exchange, this means that the oil products the owner has delivered are up to the required standard. The certified delivery depot shall be fully accountable for the incompliance with the grade of the oil products after the load-in and the testing expenses shall be borne by the certified delivery depot.

d) If neither Sample A nor Sample B complies with the grade and qualifications of oil products as prescribed by the Exchange, this means that neither the oil products the owner has delivered nor the oil products the certified delivery deport holds prior to the load-in is up to the quality standard. The owner and the certified delivery depot shall be jointly accountable for the incompliance with the grade of the oil products after the load-in. The owner shall pay for the testing of Sample A, and the certified delivery depot shall pay for the testing of Sample B.

Under any of these four scenarios, if any of the samples contained in Sample A1 and A2 does not comply with the grade and qualifications of oil products as prescribed by the Exchange, Sample A shall be deemed not to be up to the quality standard. The quality assaying report provided by the owner shall be the assaying report on Sample 1.

ii) The tank level gauge shall be used to confirm the quantity of the load-in oil products.

Article 13 Owner’s Accountability for Quality

The owner shall ensure the quality of the oil products submitted for delivery. If the oil products do not reach the quality standard which

makes the contents of the entire tank storage non-deliverable under the quality standards set out by the Exchange, the owner shall be held accountable for any resulting damages. If the certified delivery depot questions the quality of the products in storage, he may require the owner to provide evidence demonstrating that the products satisfy the standards for delivery before unloading them by the owner.

Article 14 Owner's Oversight
The owner shall oversee the load-in of the oil products into the certified delivery depot; otherwise, the owner is deemed to agree with the certified assayer's opinions.

Article 15 Documents Accompanying the Goods
i) Domestic product: the originals of the assaying report issued by the certified assayer;
ii) Imported product: originals of the declaration to the customs on import goods and the customs clearance certificate that are to be returned after the Exchange makes photocopies thereof and an original each of the quality inspection certificate issued by a national quality inspection organization and the assaying report issued by the certified assayer.

Article 16 Issuance of Standard Warrant
i) After the oil products are loaded in and tested to be eligible for delivery, the member shall file with the Exchange all the necessary documents for delivery. Once he confirms that the products satisfy the standards for delivery, the Exchange shall instruct the certified delivery depot to issue the standard warrant through the standard warrant system.
ii) Upon receiving the instruction from the Exchange, the certified delivery depot shall issue the standard warrant through the standard warrant system.

Article 17 Procedures for Delivery for Contract Due
Physical delivery for delivery for a contract due shall be concluded within the first five (5) business days of the contract's delivery month. These five (5) business days are referred to as the first delivery day, the second delivery day, the third delivery day, the fourth delivery day and the fifth delivery day. The fifth delivery day is the last delivery day.
i) The First Delivery Day
a) The buyer shall submit to the Exchange a letter to indicate his intention to take the delivery in a form as prescribed by the Exchange.

b) The seller shall post a valid standard warrant of which the carrying charges have been paid to eh Exchange through the standard warrant system. Up to the fifth delivery day (inclusive), the seller shall be responsible for paying the carrying charges. Thereafter the burden of payment these charges shall shift to the buyer. The charges and other rates relating to the storage of oil products at the certified delivery depot will be approved by the Exchange in due course.

ii) The Second Delivery Day
The Exchange shall assign the standard warrants submitted for delivery. The Exchange shall make its assignments to the buyers standing for delivery at its discretion.

iii) The Third Delivery Day
a) The buyer shall make payment and receive the standard warrants at the Exchange by 14:00 hours.
b) The Exchange shall make payment to the seller by 16:00 hours; however, under exceptional circumstances, the Exchange may delay the payment.

iv) The Fourth Delivery Day and Fifth Delivery Day
The seller shall submit the VAT invoice, and the Exchange shall disburse to the seller the trade margin applied to the contract in the commodity.

Article 18 Circulation of the Standard Warrant
The standard warrant for physical delivery on or through the Exchange shall circulate as follows:
i) the customer (seller) shall endorse the standard warrants to his member (seller) for use in effecting physical delivery;
ii) the member (seller) shall submit the standard warrants to the Exchange;
iii) the Exchange shall assign the standard warrants to the member (buyer);
iv) the member (buyer) shall assign the standard warrants to the customer (buyer).

Article 19 Disbursement of Margin
Within the delivery period, if the procedures for submitting and receiving the standard warrants, the VAT invoice, and payment are concluded by 14:00 hours on the current day, the Exchange shall disburse on that day the margin deposited for the positions for which physical delivery has been made. If the procedures are concluded

after 14:00 hours on that current day, the Exchange shall disburse the margin on the following trading day.

Article 20 Taking Delivery
i) If the bearer of the standard warrants is about to take delivery, the certified delivery depot shall not permit delivery unless the standard warrants are verified as being accurate. The owner may, in his sole discretion, take delivery by himself or consign the certified delivery depot to deliver the oil products.

ii) The certified delivery depot shall bring about the circulation and heating of the tank oil at the time of the load-out. The temperature of the oil to be loaded out shall not be lower than forty degrees Celsius (40℃).

iii)Quality Testing
The bearer of the standard warrant taking delivery shall instruct the certified assayer to make an on-site inspection of the quality and quantity of the oil products. The tank level gauge shall be used to confirm the quantity of oil products that are loaded out. If the quantity to be loaded out is short of the minimum load-out level prescribed by the Exchange, the certified assayer may apply a flow-meter or other proper instruments to the measurement. Samples taken from the tank shall be used to confirm the quality of the products. Samples are divided into Sample A and Sample B. Sample A provides the basis for chemical analysis and Sample B is held in a sealed storage container.

If the owner does not instruct a certified assayer to make an inspection, the oil products shall be deemed to satisfy the description on the standard warrants and the certified delivery depot will decline to hear any request for dispute resolution with respect to the oil products.

iv) Disputes on Quality
If the party taking delivery disputes the quality of the delivered oil products, he shall have ten (10) business days following the completion of delivery to submit a written request to the certified delivery depot for resolution of the dispute. The request shall include quality assaying conclusions drawn by the certified assayer. If the request is not presented within the specified time period, it shall be assumed that the delivered oil products conform to the terms of the standard warrant and the certified delivery depot will decline to hear any request for dispute resolution with respect to the delivered

products.

v) Filling out the Goods Load-out Confirmation
Once the oil products have been loaded out from the certified delivery depot, the certified delivery depot shall fill out a Goods Load-out Confirmation (in duplicate that both the owner and the certified delivery depot receive an original), stamp "GOODS DELIVERED" on the standard warrants he receives, cross-reference them with the corresponding records at the certified delivery depot and keep them for any checks thereafter.

Article 21 Loss, more or less clause
i) The total loss of the oil products for each round of load-in and load-out shall not exceed 2% and the owner for the load-in and the owner for the load-out shall be responsible for 50% of such total loss.
ii) The weight of the oil products listed in each standard warrant is fifty (50) tons and the actual differences between standard warrant weight and actual delivery weightfor load-in and load-out shall not exceed 3% up or down.

Article 22 Calculation of Final Settlement Price; More or less clause
i) Final settlement price
The final settlement price (P_j) of a fuel oil futures contract shall be the basis on which the delivery payment is calculated. It is based on the temporal weighted average of the settlement prices on the last ten (10) trading days of the contract, illustrated as follows:

$$P_j = \frac{\sum_{i=1}^{10} iP_i}{\sum_{i=1}^{10} i}$$

$$= \frac{1}{55}P_1 + \frac{2}{55}P_2 + \frac{3}{55}P_3 + \frac{4}{55}P_4 + \frac{5}{55}P_5 + \frac{6}{55}P_6 + \frac{7}{55}P_7 + \frac{8}{55}P_8 + \frac{9}{55}P_9 + \frac{10}{55}P_{10}$$

, where P_i stands for the settlement price of the trading day as i=1, 2, ・・・10, i.e., the ninth trading day prior to the last trading day is denominated as i=1, the eighth is i=2, and so on till the last is i=10.

The buyer and seller to a contract shall settle their delivery payment using this final settlement price.

ii) Calculation of differences between contract weight and standard warrant weight
The payment for the differences between contract weight and standard warrant weight, of which wastage of one thousandth (1‰) is deducted Differences between contract weight and standard warrant weight, shall be calculated by the owner based on the settlement price of the fuel oil contract of the nearest delivery month on the trading day prior to the date on which the process of load-in of the oil products is complete and shall be settled within the next three (3) business days directly with the certified delivery depot.

The payment for the differences between contract weight and standard warrant weight, of which wastage of one thousandth (1‰) is deducted, shall be calculated by the owner according to the settlement price of the fuel oil contract of the nearest delivery month on the trading day prior to the date on which the process of load-out of the oil products is complete and shall be settled within the next three (3) business days directly with the certified delivery depot.

Article 23 Delivery Charge Rates
i) The buyer and seller to a physical delivery shall each pay to the Exchange a delivery fee of one (1) Yuan per ton;
ii) The bearer of the standard warrant shall, if taking delivery by a tank truck, pay to the certified delivery depot a handling fee of fifty (50) Yuan per ton.

Article 24 The buyer and seller shall agree to the transportation means by which the physical delivery occurs at the designated delivery venue.

Article 25 The certified delivery depot shall assume all the responsibilities for the quality and security of the warranted oil products while stored in the tank.

Article 26 Before and after the load-in and load-out of the oil products, the certified delivery depot shall clean the pipelines.

Article 27 The contract size of the fuel oil futures contract is fifty (50) tons and the oil products shall be physically delivered in multiples of fifty (50) tons.

Article 28 The grade and quality of the oil products included in a standard warrant shall conform to or exceed the grade and quality specifications prescribed by the Exchange in the Fuel Oil Contract

Specifications of the Shanghai Futures Exchange.

Chapter 3 EXCHANGE OF FUTURES FOR PHYSICALS

Article 29 The exchange of futures for physicals, or the EFP, is the process that the members (customers) 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 or bill of lading or lightering that represent the underlying commodity of the contract at the mutually agreed price.

Fuel oil contract before its expiration may be settled by EFPs.

Article 30 Each EFP on a futures contract is exercisable from the first trading day of the futures contract till the third (inclusive) from the last business day of the month prior to the delivery month of the contract. Within this time period either of the parties may apply to the Exchange to initiate the EFP procedure. The Exchange makes one announcement, of each contract, of all the requests for an EFP on that contract

The seller shall submit the VAT invoice to the Exchange within seven (7) business days following the initiation of the EFP.

Article 31 The Exchange's Announcement of EFP Request
Before 16:00 hours on the 20th day of the month (the date shall be postponed to the next business day if the 20th day is not a business day) prior to the contract's delivery month, members who intend to perform physical delivery on the contract may submit their request to engage in an EFP using the format set forth by the Exchange to the Exchange through the member service system. Items to be identified in the submission of request include name of member, name of customer, methods of the EFP either by warrant or lightering, quantity of delivery, delivery venues, time of delivery and means of contact.

By 12:00 hours on the next business day following the 20th day of the month prior to the contract's delivery month, the Exchange shall announce all members' requests to engage in the EFPs through the member service system. The buyer and seller may proceed to look for a match according to the information shown on the member service system.

Article 32 After members or customers holding opposite (i.e., long or short) positions in a futures contract to the same delivery month agree to enter into an EFP, they shall present a completed EFP application in the form designated by the Exchange to the Exchange by 14:00 hours on each trading day, or the Application Day, within the time period specified in Article 30.

An EFP may be used only with positions opened before the Application Day for the fuel oil futures contract.

The handling procedures with regard to lightering delivery shall be followed according to the Instructions for Delivering Fuel Oil by Lightering contained in Appendix 3 of these Fuel Oil Futures Delivery Rules.

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

Article 33 The positions of the buyer and seller before the Application Day to the EFP shall be closed out by the Exchange by 15:00 hours on the Application Day at the settlement price of the delivery month on the trading day immediately prior to the Application Day.

Article 34 For an EFP involving standard warrants, the Exchange shall handle the transfer of all documents including the standard warrants and the payment. The trade margin on the EFP positions shall be calculated by reference to the settlement price of the delivery month on the trading day immediately prior to the Application Day. The documents required to be exchanged by each party shall be submitted to the Exchange by 14:00 hours on the first business day following the Application Day.

Article 35 For the EFP involving non-standard warrants including lightering, the exchange of payment and documents may be handled through the Exchange or by the buyer and seller, as they shall agree. Any dispute arising from the exchange process shall be resolved between the buyer and seller on their own. The Exchange will not assume any responsibilities in any dispute resolution.

Article 36 Failure to follow the requirements with regard to the EFP shall be subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 37 The Exchange shall promptly disclose all material information relating to each EFP.

Chapter 4 DEFAULT

Article 38 Any of the following behaviors constitute a default on delivery:
i) a seller fails to present standard warrants in the required amount within the specified time period;
ii) a buyer fails to make payment in the required amount within the specified time period; or
iii) other behavior as the Exchange deems, in its sole discretion, to be a default.

Article 39 In calculating the amounts of the buyer's defaulted contracts for delivery, a deposit of 20% of the nominal value of the defaulted amounts shall be reserved for liquidated damages and compensation.

The following formulas shall be applied to calculate the amounts of the defaulted contracts for delivery:

SAD=ASWD– ASWP
BAD=(PD – PM)÷(1-20%)÷FSP÷CS
where
SAD=seller's amounts (in lot) defaulted
ASWD=amounts (in lot) of standard warrants due
ASWP=amounts (in lot) of standard warrants presented
BAD=buyer's amounts (in lot) defaulted
PD=payment due
PM=payment made
FSP=final settlement price
CS=contract size

Article 40 If a default occurs, the Exchange shall, by 16:30 hours on the day when such default occurs, notify the party who commits the default, or the defaulter, and the party who suffers a default, or the defaultee.

The defaultee shall by 11:00 hours on the next trading day, submit to the Exchange his written intent to terminate or continue the delivery. Failure to notify the Exchange of his intent within the specified time period shall be deemed by the Exchange as the defaultee's decision to terminate delivery.

Article 41 In the event of a default, the defaulter shall post liquidated damages in the sum of five percent (5%) of the nominal value of the defaulted amounts, and one of the following methods shall apply:

i) If the seller defaults, the buyer may opt for any of the following:

a) Terminate delivery. In this case, the Exchange shall refund the payment to the buyer; or

b) Continue delivery. The Exchange shall, on the next trading day after he rules that the seller has defaulted, request for procurement from the public to provide the standard warrant within seven (7) trading days. If the request for procurement proves successful, the Exchange shall present the procured standard warrant to the buyer; otherwise, the seller shall make payment to the buyer in the sum of fifteen percent (15%) of the nominal value of the defaulted amount as a compensation, the Exchange shall return the delivery payment to the buyer and the delivery shall be terminated. The seller shall bear all the losses and costs due to or arising from the public procurement.

ii) If the buyer defaults, the seller may opt for any of the following actions:

a) Terminate delivery. The Exchange shall return the standard warrant to the seller.

b) Continue delivery. The Exchange shall, on the next trading day after it rules the buyer in default, call for an auction from the public for the sale of the standard warrant which shall take place within seven (7) trading days. If the call for auction proves successful, the Exchange shall post the delivery payment to the seller; otherwise, the buyer shall make payment to the seller of fifteen percent (15%) of the nominal value of the defaulted amount owed to the seller; the Exchange shall return the standard warrant to the seller; and the delivery shall be terminated. The buyer shall bear all the losses and costs due to or arising from the public auction.

The Exchange’s obligation to guarantee the delivery shall be dismissed upon the termination of the delivery process.

Article 42 The procurement price shall not be greater than 125% of the final settlement price and the sale price no less than 75% of the final settlement price.

Article 43 In the event the buyer and seller default simultaneously, the Exchange shall terminate the delivery and impose a fine on both sides

in the sum of five percent (5%) of the nominal value of the defaulted amounts.

Article 44 If a member commits a partial delivery default, the standard warrants or the payment the defaulter receives may be applied to resolve the default.

Article 45 If a member intends to commit a default on a physical delivery, he shall be subject to sanctions provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 46 The member involved in a default and the certified delivery depot are obligated to provide evidence of all kinds with regard to the default. A member's failure to provide this evidence shall not prevent the acknowledgement of the fact of the default.

Article 47 Disputes involving delivery between the buyer or seller and the certified delivery depot shall be negotiated and resolved between the two sides. If they fail to resolve their dispute, the two parties shall present a written request to the Exchange to do so. The written request shall be received within ten (10) business days after the dispute arises. The Exchange shall decline to hear any dispute if the written request is received after the prescribed time period expires. If the Exchange is unable to resolve the dispute, a request for arbitration may be submitted to the arbitrary authorities in accordance with the agreement on arbitration. If there is no such agreement on arbitration or the existing agreement proves invalid, the parties may appeal to a people's court.

Article 48 If the buyer and seller, or either of them, fails to perform part or all of the obligations in satisfaction of a contract due to force majeure, they may be partially or totally exempted by the Exchange, based on the effect arising from the force majeure, from the liabilities incurred in the default.

Chapter 5 MISCELLANEOUS

Article 49 The Exchange reserves the right to interpret these Fuel Oil Futures Delivery Rules.

Article 50 Provisions in the Articles of Association of the Shanghai Futures Exchange, the General Exchange Rules of the Shanghai Futures Exchange and any other applicable rules of the Exchange shall

be applicable to matters that are not addressed by these Fuel Oil Futures Delivery Rules.

Article 51 These Regulations are effective as of June 25, 2013 (requirements as otherwise provided in the SHFEA [2013] No. 7 shall be adhered to.)

The Appendix 1—List of the Certified Delivery Depots
The Appendix 2—List of the Certified Assayers
The Appendix 3—Instructions for Delivering Fuel Oil by Lightering

APPENDIX 1—LIST OF THE CERTIFIED DELIVERY DEPOTS

Depot Name	Business Address	Tankage Address	Business Telephone and Fax Number	Contract Person	Zip Code
Guangzhou Development Bibi Oil Products Co. Ltd.	No. 19, North Huanshi Avenue, Nanshao District, Guangzhou	No. 19, North Huanshi Avenue, Nanshao District, Guangzhou	Tel: 020-84684191 13711033258 Tax: 020-84688600 34682007	Peihui Guo	511458
CNPC Fuel Oil Co., Ltd.	Zhanjiang oil depot, China Oil Fuel Oil, No.2 work zone, Zhanjiang Port	Zhanjiang oil depot, China Oil Fuel Oil, No.2 work zone, Zhanjiang Port	Tel: 0759-2259018 0759-2259028 13828200607 Fax: 0759-2259009	Hongxin Li	524027
Chimbusco Petroleum (Zhuhai) Co., Ltd.	2rd Floor, Shihang Buiding, No.171, Jidajingshan Rd., Zhuhai	Gushan Island, Zhuhai	Tel: 0756-3231867 Fax: 0756-3231670	Wei Si	519015
Sinopec, Guangdong Subsidiary	Fuel oil sales center, Guangdong Petroleum Tower,	Xiji Village, Guangzhou Economics and Technology	Tel: 020-81298061 020-81298296 13602810366 Tax: 020-81298172	Wei Zhong Zhijie Ni	510145

	No.81, 7th Zhongshan Rd., Guangzhou	Development Zone	020-82099963		
Guangzhou Nansha Taishanshi Development Co., Ltd.	Yuehai Avenue, Petrochemical Industrial District, Xiaohu Island, Huangge Town, Nansha District, Guangzhou	Yuehai Avenue, Petrochemical Industrial District, Xiaohu Island, Huangge Town, Nansha District, Guangzhou	Tel: 020-34689468 13928898020 Tax: 020-84416284	Jijun Zhu	511455
Sinochem Xingzhong oil Staging (Zhoushan) Co., Ltd	No.1, Xingzhong Rd., Zhoushan, Zhejiang Province	Aoshan Island, Zhoushan, Zhejiang Province	Tel: 0580-2061786 13906807550 Tax: 0580-2036444	Bin Xiao	316000
Yangshan Shenggang International Petroleum Logistics Co., Ltd	16th Floor, Donglv Building, South Pudong Rd., Shanghai	South Port, Yangshan Shenshui Port, Shanghai	Tel: 021-68405060 13701805559 12774250296 Tax: 021-68405060	Hangjie Fu Jinqin Miao	200122
Zhengjiang Offshore Petroleum Warehousing Co., Ltd.	No.22, Offshore Petroleum Industrial Park (Smoke Pier), Cengang Town, Dinghai District, Zhoushan, Zhejiang	No.22, Offshore Petroleum Industrial Park (Smoke Pier), Cengang Town, Dinghai District, Zhoushan, Zhejiang	Tel: 0580-8710828 0580-8710858 13857205955 15005808007 Tax: 0580-8710858 0580-8710777	Rong Ding Bin Yang	316053

Shanghai Bailian Petrochemical Logistics Co., Ltd.	No.158, Zhougong Rd., Jinshan District, Shanghai	No.158, Zhougong Rd., Jinshan District, Shanghai	Tel: 021-67250066 13801648386 Tax: 021-67250178	Yang Yang Erhui Wu	201507

Appendix 2—LIST OF THE CERTIFIED ASSAYERS

1.China Assay and Authentication Group, Guangdong Co., Ltd
2.Tongbiao Standard Technology Service Co, Ltd.

Appendix 3—INSTRUCTIONS FOR DELIVERING FUEL OIL BY LIGHTERING

Article 1 The term "lightering delivery" refers to transferring fuel oil from vessel to vessel. A lightering delivery shall comply with the applicable rules set forth by the national or local government. A buyer and seller intending to use a lightering delivery shall fill out the Exchange's standard EFP Application Form, carry out the specific procedures and sign the relevant sales contract.

Article 2 In the process of a lightering delivery, the responsibilities of the buyer and seller shall be separated physically at the flange connection between the oil tanker and the barge. The buyer and seller shall cooperate to make the lightering delivery successful.

Article 3 The seller is entitled to choose the anchor ground for the lightering. The seller shall give the buyer at least seven (7) days' notice the expected arrival date of the tanker and notify the buyer of the status of the tanker four (4) days before the arrival.

Article 4 The seller shall

- Complete his declarations to customs, port administrations and assayers;
- Inform the buyer of the status of the tanker, including the name of the tanker, time of arrival, anchor ground for arrival and anchor berth;
- Provide documents showing that the fuel oil satisfies the delivery requirements; and
- Pay the expenses incurred in submitting the declarations to customs, port administrations and assayers.

Article 5 The buyer shall

- Make available all the barges needed for the delivery;
- Inform the seller in writing of the name of the barge before the lightering takes place; and
- Work with the seller to conclude the lightering in a timely manner

Article 6 The seller shall choose the assayer and bear the cost of the assayer's inspection. After the conclusion of the lightering, the assayer shall inspect the oil products and issue to the seller a quantity assaying report and a quality assaying report, or the Barge Measuring Certificate. The seller shall hold copies of these reports in his possession.

Article 7 The quality of the oil products in the lightering shall be determined by the samples taken from the oil tanker and the quantity of the oil products in the lightering shall be determined by the barge’s measurement.

Article 8 After the completion of the lightering, the captain of the barge shall sign the oil delivery certificate. Amounts being lightered must conform to those set forth in the quantity assaying report. The amounts lightered specified in the quantity assaying report shall be regarded by the buyer and seller as the basis for calculating the delivery payment.

PART X GOLD FUTURES DELIVERY RULES (TRIAL)

(AMENDED SUBJECT TO SHFEA [2013] NO. 7)

Chapter 1 GENERAL PROVISIONS

Article 1 These Gold Futures Delivery Rules are made in accordance with the General Exchange Rules of the Shanghai Futures Exchange and are intended to govern the physical delivery of gold pursuant to the gold futures contract on or through the Shanghai Futures Exchange, or the Exchange.

Article 2 These Gold Futures Delivery Rules shall also apply to the settlement, calculation of the differences between standard warrant weight and actual delivery weightand all invoicing procedures relating to delivery under the gold futures contract and are binding on the Exchange, the member, the customer and the certified depository.

Chapter 2 DELIVERY PROCEDURES

Article 3 The term "physical delivery" means the process of delivering standards warrants representing the commodity underlying a futures contract following the last trading day, during the delivery period.

Article 4 After the last trading day of a gold futures contract, all the holders of open interest shall either make or take a physical delivery. The FF member of that customer shall represent him to conduct the entire procedures of delivery.

A customer (natural person) may not engage in the physical delivery on a gold futures contract. After the close of the third trading day prior to the last trading day of a gold futures contract, a customer (natural person) shall hold no open interest of that contract on his account. As of the second trading day prior to the last trading day, any open interest of that customer shall be liquidated by the Exchange.

Article 5 Physical delivery shall be concluded within the delivery period

that is specified in the futures contract. The delivery period is the five consecutive trading days succeeding the last trading day of the contract, as named the first delivery day, the second delivery day, the third delivery day, the fourth delivery day and the fifth delivery day.

Article 5 Delivery Procedures
i) The first delivery day
Within the day, the seller shall post to the Exchange through the standard warrant system the valid standard warrant of which the carrying charges are fully paid. The carrying charges until the fifth delivery day (the day inclusive) is at the seller's costs, and thereafter is at the buyer's.
ii) The second delivery day
The Exchange shall assign the standard warrants.
iii) The third delivery day
a) On the day the buyer shall make payment and receive the standard warrants at the Exchange by the 14:00 hours.
b) On the day the Exchange shall post the payment to the seller by the 16:00 hours.
iv) The fourth delivery day and the fifth delivery day
The seller shall submit invoice.

Article 7 A standard warrant applied to the physical delivery on or through the Exchange is circulated in the order of the following procedures:
i) the customer (seller) entrusts the standard warrants to the member (seller) for dealings of physical delivery;
ii) the member (seller) submits the standard warrants to the Exchange;
iii) the Exchange assigns the standard warrants to the member (buyer); and
iv) the member (buyer) distributes the standard warrants to the customer (buyer).

Chapter 3 LOAD-IN AND LOAD-OUT

Article 8 Physical delivery on an expired contract shall take place at a gold delivery depository certified by the Exchange, or the certified depository.

Article 9 Load-in Application (Delivery Notice)
An owner of the goods, or the owner, about to deliver goods to the certified depository to be placed on warrant shall present a completed

load-in application which shall specify the name of the commodity, grade or brand, quantity, sender and name of the certified depository. The customer shall instruct his FF member to present the application.

Article 10 Approval of the Load-in Application
Given the availability of storage capacity, the Exchange shall, in its discretion, determine within three (3) trading days whether to approve the load-in application. The owner shall deliver them to the certified depository specified in the load-in application with the time limit prescribed by the Exchange. The gold bullion will be rejected for warranting if the Exchange does not grant the approval to the load-in or the move-in exceeds the specified time limit.

Article 11 Load-in Inspection
i) When domestic bars of bullion arrive at the certified depository, the clerk employed by an approved refiner, which has registered the clerk's information with the Exchange, shall handle the load-in;
ii) When imported bars of bullion arrive at the certified depository, the clerk employed by the importing bank, which has registered the clerk's information with the Exchange, shall handle the load-in;
iii) If spot bars of bullion stored in the same depository are to be placed on warrant, documents or other pertinent certificates shall be provided by the refiner of those spot bars of bullion or by the importing bank showing that the load-in procedures have been fulfilled;
iv) The certified depository shall inspect the newly-arrived bullion and verify the accompanying documents. Inspection shall include quality and quantity assay.

For domestic bullion:
a) The quality proof submitted by the refiner shall be referred to for the purpose of quality assaying;
b) For quantity assaying
The certified depository shall check the refiner's quality proof and packaging certificate, count the bars of bullion, and re-weigh each one of the bullion. If there is an weight difference, the gross weight information listed in the refiner's quality proof and packaging certificate shall be regarded as the final weight for the three kilograms (3kg) bullion bars; the gross weight of a one-kilogram (1kg) bullion bars shall be no less than one kilogram (1kg), and if greater than one kilogram (1kg) shall be counted as one kilogram (1kg).

For imported bullion:
a) The brand mark incised on each bullion bar and the corresponding

quality proof shall be referred to for the purpose of quality assaying;
b) Quantity assaying
The certified depository shall count the bullion bars and re-weigh each one of the bullion. The re-weighing by the depository shall determine the gross weight of each three-kilogram (3Kg) bullion bar; the gross weight of a one-kilogram (1kg) bullion bar shall be no less than one kilogram (1kg), and if greater than one kilogram (1kg) shall be counted as one kilogram (1kg).

Article 12 The Owner's Oversight of Delivery
The owner shall be present at the certified depository to oversee the load-in; otherwise, the owner is deemed to agree with the conclusions of inspection drawn by the certified depository.

Article 13 Issuance of the Standard Warrant.
i) After the bullion is loaded in and tested to be eligible of delivery, the member representing the customer shall apply to the Exchange for issuance of the standard warrant. Once he has confirmed that the bullion satisfies the standards for delivery, the Exchange shall instruct the certified depository to issue the standard warrant through the standard warrant system.
ii) The certified depository, as ordered by the Exchange, shall issue the standard warrant. The owner shall notify the depository of the issuance by means of the standard warrant system. If the depository is notified before 14:00 hours on the current trading day, the Exchange shall settle the differences between standard warrant weight and actual delivery weighton that business day and the standard warrant shall become valid accordingly. If the confirmation is made after 14:00 hours, the Exchange shall settle the differences between standard warrant weight and actual delivery weighton the next trading day and the standard warrant shall become valid at that time. The trading day on which the standard warrant becomes valid is called the valid warrant day.

Article 14 Load-out
i) When the owner wishes to take delivery, he shall submit the Load-Out Application through the standard warrant system. The application shall indicate the region where the owner wants to take delivery. The Exchange shall designate the delivery venue in the region preferred by the owner and choose a day as the load-out day from any of the five (5) trading days following receipt of the Load-Out Application. The Exchange will notify the owner of the load-out day on any trading day prior to the load-out day, or the load-out notification day. The owner shall take possession of the bullion at the

certified depository within two (2) business days as of the load-out day.
ii) On the load-out notification day, the Exchange will, settle the weight difference, if any, of the bullion bars which are selected to be loaded out by the Exchange.
iii) When the owner takes delivery, he shall input the load-out password in the standard warrant system and provide the valid ID certificates. The certified depository shall permit the load-out after verifying the identity of the person who takes delivery.
iv) Fill out the Standard Warrant Load-out Confirmation
In delivering the goods, the certified depository shall complete two originals of the Standard Warrant Load-out Confirmation. The certified depository and the owner shall each keep one copy.
v) The standard warrants shall be invalidated if the owner, after submitting the Load-Out Application, fails to take delivery at the certified depository within the specified time period, and the bullion on those warrants shall be converted into physicals. Charges and costs relating to the conversion of the bullion into physicals shall be negotiated and settled between the owner and the certified depository.

Article 15 Disputes on quality and quantity
If the person taking the delivery disputes the quality or quantity of the bullion to be delivered, he shall present his dispute to the certified depository when the delivery takes place and select a certified assayer to take samples from the bullion and conduct quality and quantity testing.

The certified assayer’s conclusions as to the quality and quantity of the bullion shall be final. If problems are found with the quality or quantity, the person taking delivery shall, within five (5) business days of receiving the certified assayer’s conclusions, request in writing that the Exchange undertake an examination of the problem. The certified assayer’s conclusions shall be appended to the request. The Exchange will not hear the dispute if the person taking delivery does not submit his request along with the certified assayer’s conclusions or within the prescribed time, and the delivery will be deemed valid.

If the certified assayer concludes that the quality and quantity of the delivery conform to the specifications in the contract, the person taking delivery shall pay all charges and costs relating to the examination. Otherwise, the person who is determined to be accountable for the inconformity shall bear all the charges and costs.

Chapter 4 PRODUCT

Article 16 Contract Size
The contract side of a gold futures contract is there kilograms (3kg) net for each standard warrant. Amounts for delivery shall be in multiples of three kilograms (3kg).

Article 17 Grades and Quality Specifications
Domestic bullion bars with fineness no lower than 99.95% or standard bullion of the suppliers and refiners listed as acceptable for delivery by the London Bullion Market Association, or the LBMA, and must be certified by the Exchange.

Article 18 Product
i) Domestic products: bullion registered with the Exchange
ii) Imported products: standard bullion of the suppliers and refiners of the gold list of LBMA good delivery that are certified by the Exchange for physical delivery

Article 19 Grades and Quality Specifications
One kilogram (1kg) bullion of minimum fineness of 99.99% or three kilogram (3kg) bullion of minimum fineness of99.95%. The bullion for each standard warrant shall be from the same producer and have the same brand, trademark, grade and quality specifications, and shape.

Article 20 Packaging
Each bullion bar shall be wrapped with clean paper or plastic film and packed in wooden or plastic boxes. The bullion shall be free from any damage or contamination as a result of their transportation and storage.

Article 21 More or less clause and weight difference
For each three-kilogram (3kg) bullion bar, differences between standard warrant weight and actual delivery weightof its net weight shall not exceed fifty grams (50g). For each one- kilogram (1kg) bullion bar, differences between standard warrant weight and actual delivery weightof its gross weight shall be no less than one kilograms (1kg), and if greater than one kilogram (1kg) shall be counted as one kilogram (1kg).

The weight difference for each bullion shall not exceed one-tenth

grams (0.1g).

Chapter 5 DELIVERY SETTLEMENT, MORE OR LESS CLAUSE SETTLEMENT AND INVOICING PROCEDURES

Article 22 The term "more or less clause" means the difference between the net weight of the bullion described in the standard warrant ("standard warrant weight") and the net weight of bullion of each standard warrant when taking or making delivery of the bullion ("actual delivery weight"). Such differences can be either positive or negative. The Exchange shall settle the differences between standard warrant weight and actual delivery weight either on the valid warrant day or delivery notification day, or the more or less clause settlement day.

bullion's net weight = bullion's gross weight x bullion's fineness

bullion's differences between standard warrant weight and actual delivery weight = bullion's net weight - the net weight as described in the standard warrant

Article 23 The Gold Futures Settlement Invoice is printed based on the approval of the taxation authorities for the sole purpose of paying the gold futures delivery settlement and more or less clause settlement. The Gold Futures Settlement invoice consists of three pages: the Invoice Page, the Settlement Page and the Record Page.

Article 24 Delivery Settlement and Invoicing Procedures
i) The final settlement price of a gold futures contract means the volume-weighted average of the prices of that contract during the last five (5) trading days each of which and any of which generates trading volume to that contract. The final settlement price is applied to calculate the payment due upon delivery of the bullion, or the delivery payment.

ii) The delivery payment between the buyer and seller is calculated by reference to the net weight described on the standard warrant. The Exchange shall settle the payment between its members only. The buyer's (customer's) payment shall be made through his buying (member), and the customer (seller) shall receive his payment from his member (seller).

The delivery payment shall be calculated using the following formula: delivery payment = number of standard warrants x the net weight described in each standard warrant x delivery settlement price.

(iii) A regular invoice shall be issued at the time of each delivery;

(iv) Circulation of the invoice:

- the seller (non-FF member) or the customer (seller) shall issue a regular invoice to the Exchange;
- the Exchange shall issue to the buyer (non-FF member) or the customer (buyer) the invoice page of the Gold Futures Settlement Invoice and shall issue the settlement page to the seller (non-FF member) or the customer (seller). The Exchange shall retain the record page.
- the customer's FF member shall deliver the invoices and other related documents between the customer and the Exchange on the customer's behalf.

Article 25 Load-in more or less clause Settlement; Invoicing Procedures

i) The settlement price of the gold futures contract for the nearest delivery month on the trading day prior to the more or less clause settlement day shall be referred to in calculating the more or less of the bullion when loaded in.

ii) For an overfill, the enterprise taking the delivery of the bullion shall issue a regular invoice to the Exchange. For an underfill, the Exchange shall issue to the enterprise taking the delivery of the bullion the invoice page of the Gold Futures Settlement Invoice and shall keep for itself the record page thereof.

iii) more or less clause settlement payment = differences between standard warrant weight and actual delivery weight x the settlement price of the gold futures contract of the nearest delivery month on the trading day prior to the more or less clause settlement day

Article 26 Load-out more or less clause Settlement; Invoicing Procedures

i) When the member or customer, whoever takes delivery, makes the load-out of the product using the standard warrants that are not yet applied to physical delivery, or the unapplied standard warrants, the payment for the differences between standard warrant weight and actual delivery weight shall be calculated based on the settlement price of the gold futures contract of the nearest delivery month on the

trading day prior to the more or less clause settlement day. For an overfill, the Exchange shall issue to the person taking delivery the invoice page of the Gold Futures Settlement Invoice and keep the settlement page and record page thereof. For an underfill, the person taking the delivery shall submit a regular invoice to the Exchange.

ii) When the member or customer makes the load-out of the product by standard warrants that are applied to physical delivery, or the applied standard warrants, the payment for the differences between standard warrant weight and actual delivery weight shall be calculated based on the settlement price of the gold futures contract of the nearest delivery month on the trading day prior to the more or less clause settlement day. After the member (buyer) or the customer (buyer) submit the Delivery Settlement Certificate, the Standard Warrant Load-out Confirmation and the More or Less Clause Settlement Certificate, the taxation authority over the Exchange, acting on the Exchange's behalf, shall issue to the member (buyer) or customer (buyer) a reimbursement page of the VAT invoice based on the actual delivery payment which includes:
(a) the delivery payment;
(b) the more or less clause settlement payment, and
(c) the amounts of delivery.

The Exchange shall retain the invoice page and record page of the VAT invoice for its files. The VAT invoice shall not be issued to any member or customer taking delivery if he is not an eligible taxpayer for VAT.

(iii) more or less clause settlement payment = differences between standard warrant weight and actual delivery weight x the settlement price of the gold futures contract of the nearest delivery month on the trading day prior to the more or less clause settlement day.

Article 27 The actual delivery payment at the load-out is comprised of the delivery payment and the more or less clause settlement payment. The delivery payment shall be determined using the first-in-first-out method. The unit price, gross value and tax due of the VAT invoice shall be calculated using the following formulas:

the actual delivery payment = the delivery payment + the more or less clause settlement payment;

the actual settlement price = the actual delivery payment ÷ the

amounts of delivery;

the unit price of the VAT invoice = the actual settlement price ÷(1 + the VAT rate);

the gross value of the VAT invoice = the amounts of the VAT invoice x the unit price of the VAT invoice;

(e) The VAT due = the gross value of the VAT invoice x the VAT rate.

Chapter 6 EXCHANGE OF FUTURES FOR PHYSICALS

Article 28 The exchange of futures for physicals, or the EFP, is the process that the members (customers) 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.

A gold futures contract before its expiration may apply EFP for physical delivery.

Article 29 Each EFP on a futures contract is exercisable from the first business day of that futures contract till the second business day (inclusive) prior to the last business day of the EFP contract delivery month.

The buyer and the seller (member or customer) agreeing on the EFP shall apply to the Exchange by the 14:00 hours on any trading day falling in the prescribed time period, or the application day, through the standard warrant system for the EFP.

For the delivery on the non-standard warrants, the buyer and the seller (member or customer) shall comply with the applicable laws, regulations and rules, and provide photocopies of relevant sales agreement and bill of lading.

Article 30 The EFP shall be applied to all the interests opened before the application day but not to the interests opened on the application day.

Article 31 The final settlement price for the EFP is the price negotiated

and agreed by the buyer and the seller (member or customer).

Article 32 The open interest to the contract of the delivery month held by the buyer and the seller (member or customer) into the EFP will be closed out at the settlement price of the contract on the trading day prior to the application day by the Exchange by the 15:00 hours of the application day.

Article 33 For the EFP in which the standard warrants are applied, the exchange of the notes and papers (including payment, warrants) is made through the Exchange. The trade margins in relation to the EFP shall be calculated based on the settlement price of the contract on the trading day prior to the application day, and the exchange of notes and papers shall be concluded by the 14:00 hours of the trading day after the application day on the Exchange.

Article 34 For the EFP in which the standard warrants are applied, the seller shall submit the regular invoice to the Exchange within seven (7) days as of the conclusion of the EFP procedures. The Exchange will issue the buyer the regular invoice on the first business day after he receives the seller's regular invoice and disburse the seller the trade margins for the EFP.

Failure to submit the regular invoice subject to the prescribed time period shall be disciplined pursuant to the rules provided in the Clearing Rules of the Shanghai Futures Exchange with regard to the delay of the submission of the VAT invoice.

Article 35 For the EFP in which the non-standard warrants are applied, the exchange of payment and warrants is made, as agreed between the buyer and the seller (member or customer), either through the Exchange or directly between the buyer and the seller (member or customer). Any disputes incurred in such process shall be negotiated and resolved by the buyer and the seller (member or customer) and the Exchange will not be accountable for the performance of the obligations specified in the agreement.

Article 36 The delivery payment for the EFP which is settled by the Exchange shall be transferred through the in-house fund transfer system.

Article 37 Failure to conclude the EFP in compliance with the provisions in this Chapter shall be subject to the sanctions provided in these Gold Futures Delivery Rules on delivery default.

Article 38 Any malicious EFP behavior shall be subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 39 The Exchange shall make a timely disclosure of information on the EFP.

Chapter 7 CHARGES AND FEES

Article 40 Delivery Fees
Parties involved in the physical delivery shall pay to the Exchange 0.06 Yuan per gram as the delivery fee.

Article 41 Carrying Fees
Once the Owner has indicated where to make or take delivery, the Exchange shall make allocation and transportation arrangements of the bullion among the certified depositories. The Exchange shall receive the carrying fees from the owner through the member on the valid warrant Day and the load-out notification day. The fee schedule for the carrying fees will be pronounced by the Exchange in due course.

Article 42 The fee schedule of the charges and fees incurred in the handling of load-in, load-out and storage shall be approved by the Exchange and pronounced in due course.

Article 43 The storage fees for bullion shall be paid regularly by the Exchange which will then tender the payment to the certified depository.

Chapter 8 DEFAULT

Article 44 Any of the following acts shall constitute a default on delivery:
(i) a seller fails to present standard warrant in sufficient amount within the specified time period;
(ii) a buyer fails to make payment in sufficient amount within the specified time period; or
(iii) the goods a seller delivers do not comply with the grade and specific qualifications in the futures contract.

Article 45 In calculating the amount the buyer owes for defaulting on a contract, a deposit of twenty percent (20%) of the value of the contract shall be reserved for liquidated damages and compensation.

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

SAD=ASWD–ASWP

BAD=(PD – PM)÷(1-20%)÷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

Article 46 If a default exists, the Exchange shall, by 16:30 hours on the day when such default occurs, notify the party who commits the default, or the defaulter, and the party who suffers a default, or the defaultee.

The defaultee shall, by 11:00 hours on the next trading day, submit to the Exchange his written intent on whether to terminate or continue the delivery. Failure to submit the intent within the specified time period shall be deemed by the Exchange as intent to terminate on the part of the defaultee.

Article 47 In the event of a default, the defaulter shall post a default deposit of five percent (5%) of the nominal value of the defaulted amount, and the following methods shall be applied:

(i) If the seller defaults, the buyer may opt for any of the following actions:

a) Terminate delivery. The Exchange shall refund the payment to the buyer; or

b) Continue delivery. The Exchange shall, on the next trading day after it rules that the seller has defaulted, request for procurement from the public to provide the standard warrant within seven (7) trading days. If the request for procurement proves successful, the Exchange shall present the procured standard warrant to the buyer; otherwise, the seller shall make payment to the buyer in the sum of fifteen percent (15%) of the nominal value of the defaulted

amount as a compensation, the Exchange shall return the delivery payment to the buyer and the delivery shall be terminated. The seller shall bear all the losses and costs due to or arising from the public procurement.

(ii) If the buyer defaults, the seller may opt for any of the following actions:

a) Terminate delivery. The Exchange shall return the standard warrant to the seller.

b) Continue delivery. The Exchange shall, on the next trading day after it rules the buyer in default, call for an auction from the public for the sale of the standard warrant which shall take place within seven (7) trading days. If the call for auction proves successful, the Exchange shall post the delivery payment to the seller; otherwise, the buyer shall make payment to the seller of fifteen percent (15%) of the nominal value of the defaulted amount owed to the seller; the Exchange shall return the standard warrant to the seller; and the delivery shall be terminated. The buyer shall bear all the losses and costs due to or arising from the public auction.

The Exchange's obligations to guarantee the delivery shall be dismissed with the termination of the delivery.

Article 48 The procurement price shall not be greater than one hundred and twenty five percent (125%) of the final settlement price and the auction price no lower than seventy five percent (75%) of the final settlement price.

Article 49 In the event of the buyer and seller defaulting simultaneously, the Exchange shall terminate the delivery and fine both sides five percent (5%) of the nominal value of the defaulted amounts.

Article 50 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 51 If a member intends to commit a default on physical delivery, he shall be subject to sanctions provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 52 The member and the certified depository 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 53 Disputes between the owner and the certified depository as to the conclusions resulting from an inspection of goods shall be resolved by making a joint inspection with both parties participating. A certified 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 9 MISCELLANEOUS

Article 54 The Exchange reserves the right to interpret these Gold Futures Delivery Rules.

Article 55 The term "gross weight" as referred to in this Gold Futures Delivery Rules means the weight of a bullion (excluding the packaging materials). The term "net weight" means the weight of the fine gold in the bullion determined by the following formula:
net weight =gross weight x fineness.

Article 56 Provisions in the Articles of Association of the Shanghai Futures Exchange, the General Exchange Rules of the Shanghai Futures Exchange and the other applicable rules of the Exchange shall be applicable to the circumstances or conditions that are not addressed in these Gold Futures Delivery Rules.

Article 57 These Gold Futures Delivery Rules are effective as of June 5, 2013 (requirements as otherwise provided in the SHFEA [2013] No. 7 shall prevail.

PART XI BITUMEN FUTURES DELIVERY RULES (TRIAL)

Chapter 1 GENERAL PROVISIONS

Article 1 These Bitumen Futures Delivery Rules are made in accordance with the General Exchange Rules of the Shanghai Futures Exchange and the Trading Rules of the Shanghai Futures Exchange, and are intended to govern the physical delivery of bitumen pursuant to the bitumen futures contract on or through the Shanghai Futures Exchange, or the Exchange.

Article 2 Delivery of bitumen shall be governed by these Bitumen Futures Delivery Rules. These Bitumen Futures Delivery Rules are binding on the Exchange, its members, their customers, certified delivery warehouses and certified factory warehouses.

Chapter 2 GENERAL TERMS AND CONDITIONS

Article 3 The term "physical delivery" means the process wherein the parties to a trade settle the futures contract by transferring the ownership of the underlying commodity of the contract on the expiry date thereof.

Article 4 Delivery Methods
The physical delivery on an expiring bitumen futures contract may be performed at a certified delivery warehouse or a certified factory warehouse, as applicable, in accordance with the respective applicable delivery procedures (hereinafter referred to respectively as the "delivery at a certified factory warehouse" and the "delivery at a certified factory warehouse").

Bitumen contracts which have not expired may be delivered by exchange of futures for physicals, or EFP. To make and take delivery by an EFP transaction, the delivery maker and the delivery taker must have tendered a notice of EFP and matched the EFP trade.

Article 5 Physical delivery on any customer's futures contracts shall be executed by a member in the name of such member on or through the Exchange. Any customer who is unable to issue or receive VAT invoices shall not be permitted to make or take delivery.

After the close of the third trading day prior to the last trading day of a bitumen futures contract, any customer who is a natural person shall have a zero-lot position in such contract. Following the second trading day prior to the last trading day, the Exchange will enforce liquidation of the positions in such expiring contract month held by such customer.

Article 6 Delivery Venue
Physical delivery on expiring contracts shall be effectuated at a certified delivery warehouse or a certified factory warehouse, as applicable. A list of certified delivery warehouses and certified factory warehouses will be made available by the Exchange through announcements.

To deliver by an EFP transaction any futures contract which has not expired, the parties to such EFP transaction shall specify the delivery venue in the EFP agreement.

Article 7 Delivery Unit
The delivery unit of a standard bitumen futures contract shall be ten (10) tons and the quantity delivered shall be in multiples of ten (10) tons.

Article 8 Quality and Grade Specifications
Standard prescribed by the Ministry of Transport. The quality of the 70# Class-A road bitumen being used in the physical delivery on a bitumen futures contract shall meet the technical requirements specified in Table 4.2.1-2 of the currently effective Regulations for the Construction of Highway Bitumen Pavements ("Regulations") promulgated by the Ministry of Transport.

Further to any amendment to the Regulations, the Exchange shall publish any specific updated requirements with regard to the implementation of the Regulations, as amended.

The bitumen being delivered must be registered commodities approved by the Exchange. A list of registered commodities and the premium and discount standards shall be published by the Exchange.

Article 9 Delivery Procedures

Physical delivery on any contract shall be completed during the delivery period specified in the contract. The term "delivery period" means the period of five (5) consecutive business days immediately following the last trading day of any contract. The aforementioned five (5) business days shall be respectively referred to as the first delivery day, the second delivery day, the third delivery day, the fourth delivery day, and the fifth delivery day.

(i) The first delivery day

a) On the first delivery day, a buyer shall submit to the Exchange a notice of intent to deliver to specify such information as the product and quantity to be delivered, the identification of the certified delivery warehouse or certified factory warehouse, as applicable, or otherwise prescribed by the Exchange.

b) On the first delivery day, a seller shall submit, through the standard warrant system, to the Exchange valid standard warrants for which warehousing fees have been paid in full. The warehousing fees incurred until the fifth delivery day (inclusive) shall be borne by the seller, and those incurred thereafter shall be borne by the buyer. The items and rates charged by the certified delivery warehouse or certified factory warehouse, as applicable, shall have been approved and published by the Exchange.

(ii) The second delivery day

Assignment of standard warrants. The Exchange will, taking into account existing standard warrants, assign standard warrants to buyers at its discretion.

(iii) The third delivery day

a) Payment and receipt of delivery of standard warrants. The buyer shall remit payment to the Exchange and take delivery of standard warrants from the Exchange by 14:00 on the third delivery day.

b) Receipt of payment. The Exchange will remit the payment to the seller by 16:00 on the third delivery Day. Such deadline may be extended by the Exchange under special circumstances.

(iv) The fourth and fifth delivery days

The seller shall provide the VAT invoice. The Exchange shall refund the margins to the seller.

Refund of margins and invoice-related matters shall be governed by the Clearing Rules of the Shanghai Futures Exchange.

Article 10 Transfer Procedures of Standard Warrants
For purpose of physical delivery, the transfer procedures of standard warrants are as follows:
(i) the seller (customer) endorses standard warrants to the futures firm member, or the FF member, representing such seller for physical delivery;
(ii) the FF member representing the seller tenders the standard warrants to the Exchange;
(iii) the Exchange assigns standard warrants to a futures firm member representing a buyer; and
(iv) the futures firm member representing the buyer assigns the standard warrants to the buyer (customer).

Article 11 Standards for Loss, More or Less Cause
(i) The total loss of bitumen for each load-in and load-out shall not exceed 2‰ and such loss shall be borne equally by the respective owner of the commodity upon load-in and load-out.
(ii) More or less clause: the weight of bitumen shown on each standard warrant shall be ten (10) tons and the actual differences between standard warrant weight and actual delivery weight upon load-in or the taking of delivery shall be within the range of ±3%.

Article 12 Final Settlement Price and Settlement of More or Less Clause
(i) Final settlement price
The final settlement price of a standard bitumen futures contract is the arithmetic average of the respective settlement prices of the same contract of the last five (5) trading days with a positive trading volume, and serves as the benchmark price for the delivery and settlement of such contract. The buyer and the seller shall settle the contract on the basis of the final settlement price plus the
or discount applicable to different registered commodities.

(ii) Settlement of More or Less Clause
Within three (3) business days immediately following the completion of load-in, the differences between standard warrant weight and actual delivery weight of bitumen (after deducting a loss of 1‰) arising in the course of the load-in shall be settled by the owner of the commodity directly with the certified delivery warehouse at the nearby futures month settlement price for the trading day immediately preceding the completion of load-in.

Within three (3) business days immediately following the completion of load-out, the differences between standard warrant weight and

actual delivery weight of bitumen (after deducting a loss of 1‰) arising in the course of a load-out shall be settled by the owner of the commodity with the certified delivery warehouse or the certified factory warehouse, as applicable, at the nearby futures contract settlement price for the trading day immediately preceding the completion of load-out.

Article 13 Delivery Costs
The buyer and the seller involved in the physical delivery shall respectively pay to the Exchange delivery fees at the rate of RMB 1 Yuan / ton.

Chapter 3 DELIVERY AT A CERTIFIED FACTORY WAREHOUSE

Article 14 The term "delivery at a certified factory warehouse" means a process of delivery wherein, following expiry of a contract, the buyer and the seller perform delivery in accordance with the required procedures by transferring the possession of standard warrants on the form as is prescribed by the Exchange.

Article 15 Inspection Methods and Assayers
Load-in and load-out shall be subject to inspection by an assayer designated from the list of certified assayers made available through announcements by the Exchange, or the certified assayers. Sampling methods shall be subject to the currently effective Rules for Testing of Highway Bitumen and Bitumen Mixtures promulgated by the Ministry of Transport, and testing methods shall be subject to the current Regulations.

The seller shall designate a certified assayer to inspect the load-in, and the buyer shall designate a certified assayer to inspect the load-out. If the certified delivery warehouse challenges the designation of the certified assayer by the buyer or the seller, as applicable, such warehouse may negotiate with the buyer or the seller, as applicable, for re-designation. If they fail to reach an agreement through negotiation, they may request the Exchange to make the re-designation. The buyer, the seller and the Certified Delivery Warehouse shall cooperate with the Certified Assayer in the inspection. The load-in and load-out inspection costs shall be borne by the seller and the buyer respectively.

Article 16 The minimum quantity of each load-in and load-out shall comply with the requirements prescribed by the Exchange, with such requirements being made available by the Exchange through announcements. The means of transport being used shall meet the requirements with respect to receiving, unloading and measurement established by the harbor, the dock and the certified delivery warehouse and shall comply with the safety operation rules issued by the certified delivery warehouse.

Article 17 Notice of Load-in Intent (Delivery Notice)
Prior to shipment to the certified delivery warehouse, the owner of the commodity shall submit a notice of load-in intent (delivery notice) and a request for standard warrants to the Exchange. A notice of load-in intent shall specify, among other things, the product, grade and quantity covered by the notice, identification of the producer, and identification of the certified delivery warehouse. The customer shall be represented by an FF member in submitting the notice of load-in intent (delivery notice).

Article 18 Review and Approval of the Notice of Load-in Intent
Within three (3) trading days of receipt of a notice of load-in intent, the Exchange shall, taking into account the intention of the owner of the commodity and the capacity of the certified delivery warehouse, decide whether to approve the notice of load-in intent. Upon the approval, the owner of the commodity shall, within the period during which the notice of load-in intent is in effect as specified by the Exchange, ship the commodity to the certified delivery warehouse as identified in the approved notice of load-in intent. A load-in conducted without approval or beyond the effective period of notice of load-in intent may not be used for delivery.

A notice of load-in intent shall become effective on the date of approval, and shall be in effect for a period of fifteen (15) days.

Article 19 Deposit for the Notice of Load-in Intent
The notice of load-in intent submitted by the owner of the commodity must be true, and the owner shall pay a deposit for the notice of load-in intent at the rate of RMB 30 Yuan / ton. Such deposit shall be debited by the Exchange from the clearing deposit account of the member representing the owner of the commodity.

Following the completion of load-in by the owner of the commodity within the effective period of the notice of load-in intent, the Exchange shall return the deposit for the notice of load-in intent to the clearing

deposit account of such member. In case of partial load-in, the deposit shall be returned in proportion to the quantity of commodity actually delivered; in case of failure by the owner of the commodity to perform load-in according to the approved notice of load-in intent, the deposit for the notice of load-in intent shall not be returned and the Exchange shall pay such deposit to the certified delivery warehouse.

Article 20 Load-in Inspection
Upon arrival of the load-in shipment to the certified delivery warehouse, the latter shall examine such shipment and relevant documents.

The load-in shall be shipped by the registered producer directly from the production site to the certified delivery warehouse. The load-in shall not be blended during transportation and storage. The certified delivery warehouse shall reserve the right to monitor the entire process of bitumen transportation. Where the load-in is deemed by the certified delivery warehouse to have potential quality flaws, samples may be drawn for testing. The certified delivery warehouse will permit the owner to unload only after the commodity passes the testing stage.

The load-in shall be inspected by a certified assayer with respect to quality and weight.

The result of quality testing shall be as shown in the assay report issued by the certified assayer. A standard warrant shall be created only when the assay report meets the bitumen quality standards as is prescribed by the Exchange. The result of weight testing shall be as shown in the weight assay report issued by a certified assayer. The owner of the commodity shall ensure that the load-in meets the bitumen quality standards as is prescribed by the Exchange.

Article 21 Oversight of the Delivery Process by the Owner of the Commodity
The owner of the commodity shall oversee the load-in process at the certified delivery warehouse. The owner of the commodity shall be deemed to have accepted the testing result delivered by the certified assayer, should such owner of the commodity fail to be physically present at the certified delivery warehouse to oversee the delivery process.

Article 22 Storage
The load-in delivered by different producers shall be stored in

separate tanks.

Article 23 Documents Required for the Delivery of Commodities
(i) For domestic bitumen: a product quality certificate and a proof of shipment by the original producer issued by the registered producer as well as the original of the inspection certificate issued by the certified assayer.
(ii) For imported bitumen: the originals of the customs declaration form and the customs clearance form (which shall be returned after being photocopied by the Exchange) for imported goods, the quality inspection certificate and the original of the inspection certificate issued by the certified assayer.

Further to any amendment to any applicable national tax and quality inspection policies, the Exchange shall publish updated documentation requirements in respect of imported commodities accordingly.

Article 24 Issue of a Standard Warrant
(i) Review of Documents by the Exchange
Following the completion of load-in and satisfactory acceptance, the member shall present the required documents to the Exchange for review. If such documents are acceptable to the Exchange, the latter shall instruct the certified delivery warehouse to issue standard warrants through the standard warrant system.
(ii) Issuance of Standard Warrants by the Certified Delivery Warehouse
After receiving an instruction from the Exchange, the certified delivery warehouse shall issue a standard warrant through the standard warrant system.

Article 25 Delivery Taking
(i) After ascertaining the accuracy of the standard warrant, the certified delivery warehouse shall ship the commodity covered by such receipt to the bearer of such receipt taking delivery. The owner of the commodity may be physically present at the warehouse to take delivery, or have the delivery shipped by the certified delivery warehouse.

(ii) The certified delivery warehouse shall heat the load-out bitumen stored in the tanks to no lower than 130 degrees Celsius and no higher than 160 degrees Celsius.

(iii) Load-out Inspection
The bearer of the standard warrant shall designate a certified assayer to conduct an onsite inspection of the quality and weight of the bitumen being delivered. The result of weight testing of the load-out shall be as shown in the weight assay report issued by the certified assayer. The quality testing shall be conducted on samples drawn from the shore tanks. A total of two samples will be drawn, i.e. Sample A, to be used for testing, and Sample B, to be sealed up for safekeeping.

In the event of failure of designation of a certified assayer, the delivery taker shall be regarded as satisfied with the delivery shipped by the certified delivery warehouse. From that point on, the delivery warehouse shall not accept any complaint regarding the quality or weight of the delivery.

(iv) Acceptance of Quality Disputes
To challenge the quality of the delivery, the bearer of the standard warrant shall, within ten (10) business days of the completion of physical delivery, submit to the certified delivery warehouse a written complaint together with the quality authentication conclusion issued by the certified assayer. If no complaint is submitted within the specified time limit, the bearer of the standard warrant shall be deemed to have accepted the delivery. From that point on, the certified delivery warehouse shall not accept any complaint regarding the quality or weight of the delivery.

(v) Filling In the Load-out Confirmation Form
When shipping the delivery, the certified delivery warehouse shall promptly complete the Load-out Confirmation Form of the Standard Warrant, which is to be established in two copies with one copy being kept by the owner of the commodity and the certified delivery warehouse respectively, affix the seal for commodity delivery on the copy of standard warrant covered by the aforementioned form it has received, match such copy with the copy in its possession, and properly preserve such receipt to be made available for possible examination.

Article 26 The buyer and the seller shall directly arrange the transportation of the delivery made and taken at the certified delivery point.

Article 27 During the period commencing from load-in, upon satisfactory acceptance, and ending on load-out, the certified delivery warehouse shall assume the full responsibility for the quality, quantity and safety of the stored bitumen. The Exchange shall carry out quality inspection of the bitumen stored in certified delivery warehouses on an annual basis.

Chapter 4 DELIVERY AT A CERTIFIED FACTORY WAREHOUSE

Article 28 The term "delivery at a certified factory warehouse" means a process of delivery wherein a certified factory warehouse's standard warrant issued by a certified factory warehouse is delivered in accordance with the required procedures.

The term "certified factory warehouse" means a facility of a bitumen producer which has been approved and certified by the Exchange for the physical delivery on bitumen futures. The term "certified factory warehouse's standard warrant" means a receipt entitling the bearer thereof to take delivery of the physical commodity created by the standard warrant system of the Exchange and issued by a certified factory warehouse in accordance with the applicable procedures prescribed by the Exchange.

Article 29 Request for the Issuance of a Certified Factory Warehouse's Standard Warrant
Before a certified factory warehouse's standard warrant is issued, a certified factory warehouse must submit a request therefor to the Exchange. The content of the request shall include the covered product, the identification of the carrying member, the identification of the owner of the commodity, and the quantity of standard warrant s proposed to be issued.

A customer shall be represented by an FF member in submitting such request.

Article 30 Guaranty Provided by the Certified Factory Warehouse
Prior to or upon submission of the request for the issue of a certified factory warehouse's standard warrant, the certified factory warehouse must, pursuant to the applicable requirements, provide to the Exchange a performance bond acceptable to the Exchange the amounts of which match with that specified in the certified factory warehouse's standard warrant to be issued or any other guaranty of payment acceptable to the Exchange.

The Exchange may, taking into consideration the developments in the market, require the certified factory warehouse to modify the existing guaranty to cope with significant fluctuations in the price of bitumen futures contracts.

Article 31 Review by the Exchange
The Exchange shall decide whether or not to approve the issuance of the certified factory warehouse's standard warrant within three (3) trading days immediately following the verification of the certified factory warehouse's storage capacity and the guaranty provided by the certified factory warehouse in compliance with pertinent rules.

The term "certified factory warehouse's storage capacity" means the maximum total quantity of a certified factory warehouse's standard warrants (including those outstanding and not cancelled) which such certified factory warehouse may issue.

The determination and modification of a certified factory warehouse's storage capacity must have been approved and published by the Exchange.

The Exchange shall determine the storage capacity of a certified factory warehouse according to such indicators as daily production capacity, storage capacity, daily shipment quantity and credit standing of the certified factory warehouse.

Article 32 Issuance of the Certified Factory Warehouse's Standard Warrant
(i) Review of documents by the Exchange
A carrying member shall present such required documents to the Exchange as the certificate verifying the settlement of payment between the owner of the commodity and the certified factory warehouse and the performance bond issued by a bank with the certified factory warehouse as the beneficiary to initiate the review procedures. If such documents are acceptable to the Exchange, the latter shall instruct the certified factory warehouse to issue the standard warrants through the standard warrant system.

(ii) Issuance of a standard warrant
Upon receiving the instruction of approval of the issuance of a certified factory warehouse's standard warrant, the certified factory warehouse shall issue the certified factory warehouse's standard warrant through the standard warrant system.

Article 33 The certified factory warehouse's standard warrants may be used for the purposes of delivery, assignment and delivery taking and otherwise as is prescribed by the Exchange. However, the certified factory warehouse's standard warrant issued by the certified factory warehouse as the owner of the commodity may not be used as the margins for any contract.

Article 34 The bearer of the certified factory warehouse's standard warrant is required to pay warehousing fees to the certified factory warehouse for the duration of possession of such warrant.

Article 35 The term "cancellation of a certified factory warehouse's standard warrant" means a process wherein the bearer of a certified factory warehouse's standard warrant, through the standard warrant system, tenders a notice of delivery taking or eventually substitutes a bill of lading of physical commodity for such certified factory warehouse's standard warrant, and the certified factory warehouse ends the procedures of transfer of such certified factory warehouse's standard warrant.

Article 36 All certified factory warehouse's standard warrants created prior to September 15th of each year (which shall be deferred in case of a public holiday) shall be cancelled by the last business day of October in that year.

Article 37 Requirements with Respect to the Daily Shipment Quantity
The term "certified factory warehouse's daily shipment quantity" means the minimum total quantity of bitumen arranged for shipment by a certified factory warehouse in a period of twenty-four (24) consecutive hours. The determination and modification of a certified factory warehouse's daily shipment quantity must have been approved and published by the Exchange. The certified factory warehouse shall not modify its daily shipment quantity without approval. To modify its daily shipment quantity due to a routine maintenance and repair or as otherwise required, a producer shall submit the proposed modification to the Exchange for approval prior to such modification.

Article 38 Notice of Delivery Taking
(i) Before the 25th day of the month (or an earlier day in case of a public holiday) immediately preceding the one in which the owner of the commodity intends to take delivery, the owner of the commodity shall tender a notice of delivery taking to the certified factory warehouse through the standard warrant system. The content of the

notice of delivery taking shall include such information as the product covered by the notice and the quantity thereof, the proposed date of delivery taking, the delivery method used, the delivery taking schedule (daily quantity of delivery taking), the ID number and phone number of the person designated to take delivery, or otherwise prescribed by the Exchange.

(ii) Within two (2) business days after the owner of the commodity tenders the notice of delivery taking, the certified factory warehouse shall confirm such notice of delivery taking, taking into account the proposed date of delivery, the delivery taking schedule submitted by the owner of the commodity, the producer's production schedule or otherwise.

If two or more owners of the commodity bearing the certified factory warehouse's standard warrants request the same date of delivery and the aggregate daily quantity of deliveries exceeds the certified factory warehouse's daily shipment quantity, the certified factory warehouse may, at its discretion, arrange shipments based on the rule of time priority with respect to the dates when the notices of delivery taking were tendered by the owners of the commodity and taking into account their respective delivery taking schedule and production schedule. The certified factory warehouse shall propose to each owner a delivery taking window and a shipment schedule (Daily Shipment Quantity) within two business days of tendering of the Notice of Delivery Taking. Any owner of the commodity who accepts the proposed delivery taking window and the shipment schedule may determine a date of delivery taking within such delivery taking window, at its discretion, and confirm the shipment schedule. In case of disagreement, any owner of the commodity may renegotiate with the certified factory warehouse the date of delivery taking and the shipment schedule until they reach an agreement thereupon. Commencing from the first business day of the intended month of delivery taking, the certified factory warehouse shall arrange shipments day by day, unless otherwise agreed upon by and between the owner of the commodity and the certified factory warehouse.

(iii) The certified factory warehouse shall not be held financially liable for any delay in delivery taking caused to two or more owners of the commodity requesting the same date of delivery taking, provided that the certified factory warehouse shall promptly report such delay to the Exchange for filing and clarify the causes therefor.

Article 39 The weight of each load-out shall be subject to the result of

the weight testing conducted by the certified factory warehouse. Underfill (minus a loss of 1‰) shall be settled by the certified factory warehouse with the owner of the commodity at the settlement price of the covered nearby futures contract listed and traded on the Exchange for the trading day immediately preceding the day of load-out.

Article 40 The owner of the commodity may be physically present at the warehouse to take delivery or have the delivery shipped by the certified factory warehouse on their behalf. In the latter situation, the owner of the commodity shall oversee the shipment at the warehouse. Should the owner of the commodity fail to do so, he shall be regarded as satisfied with the delivery shipped by the certified factory warehouse. The owner of the commodity shall settle expenses associated with such commodity with the certified factory warehouse upon delivery taking.

Article 41 The certified factory warehouse shall ensure that the quality of load-out meets the standards as specified in the bitumen futures contract listed on the Exchange. Upon load-out, the certified factory warehouse shall provide the owner of the commodity with a product quality certificate and shall, under the oversight of the owner of the commodity, draw samples from all tanks and seal up such samples, which have been confirmed by both the said warehouse and the owner of the commodity. The certified factory warehouse shall retain the samples to be available for use in the resolution of any possible quality dispute for a period of 60 days commencing from the date of shipment. The temperature of load-out shall be no lower than 130 degrees Celsius and no higher than 160 degrees Celsius.

Article 42 The certified factory warehouse shall report, on a daily basis, to the Exchange the respective quantity of shipment to each owner of the commodity for possible examination.

Article 43 Each certified factory warehouse and each owner of the commodity must properly keep the shipment and delivery documents available for the resolution of any possible disputes.

Article 44 The owner of the commodity shall take delivery at the certified factory warehouse at the scheduled date of delivery taking and pursuant to the agreed delivery taking schedule. If the owner of the commodity takes late delivery at the certified factory warehouse within seven (7) days (inclusive of the 7^{th} day) immediately following the scheduled date of delivery taking, or fails to take delivery

pursuant to the agreed daily delivery taking schedule due to any reason other than the certified factory warehouse' error, the certified factory warehouse shall remain responsible for the quality of the covered commodity in accordance with the required standards of bitumen futures delivery and shall arrange the shipment schedules for all owners of the commodity at its discretion, taking into account their respective delivery taking, until all due shipments are completed. The owner of the commodity taking late delivery shall pay late charges to the certified factory warehouse.

Amount of late charges = RMB 5 Yuan / ton per day * quantity of commodity the delivery of which should have been taken * number of days of delay

If the owner of the commodity and the certified factory warehouse agree to otherwise deal with any shipment delay caused by the owner of the commodity through negotiation, such shipment delay shall be resolved in a manner agreed upon through negotiation by the parties.

Article 45 When the owner of the commodity fails to take delivery at a certified factory warehouse within seven (7) days (inclusive of the 7^{th} day) immediately following the scheduled date of delivery taking and the certified factory warehouse's standard warrant is cancelled, the owner of the commodity must pay late charges to the certified factory warehouse, the covered commodity shall become actuals, and the parties shall otherwise deal with the specific issue of delivery taking through negotiation.

Amount of late charges = RMB 35 Yuan / ton * quantity of commodity the delivery of which should have been taken

Article 46 Where the owner of the commodity takes delivery at the certified factory warehouse on the date of delivery, but the certified factory warehouse fails to ship the commodity in accordance with the agreed shipment schedule and does not start to ship the commodity in accordance with the schedule until a day within the period of seven (7) days (inclusive of the 7^{th} day) immediately following the scheduled date of delivery taking, the certified factory warehouse shall pay compensations to the owner of the commodity.

Amount of the compensations = RMB 50 Yuan / ton * quantity of commodity which should have been shipped in accordance with the daily shipment schedule.

Article 47 Where a certified factory warehouse fails to start shipping the commodity in accordance with the daily shipment schedule within seven (7) days (inclusive of the 7th day) immediately following the scheduled date of delivery taking, the owner of the commodity may elect:
(i) to notify the certified factory warehouse on the 7th day immediately following the scheduled date of delivery taking that the owner of the commodity will cease to accept the delinquent commodity starting from the 8th day immediately following the scheduled date of delivery taking which the certified factory warehouse should have shipped, and thus the certified factory warehouse must refund the payment of the commodity and pay an additional compensation to the owner of the commodity.

Amount of refunded payment and the additional compensation = settlement price used for the computation of the compensation * quantity of commodity which should have been shipped * 120%

The settlement price used for the computation of the compensation is the settlement price of the covered nearby futures contract listed and traded on the Exchange for the trading day immediately preceding the 8th day immediately following the scheduled date of delivery taking; or
(ii) not to notify the certified factory warehouse on the 7th day immediately following the scheduled date of delivery taking that the owner of the commodity will cease to accept the delinquent commodity which the certified factory warehouse should have shipped, and thus the matters concerning the delivery taking of the delinquent commodity shall be dealt with by the parties through negotiation.

Article 48 Any certified factory warehouse in default as specified in Articles 46 or 47 shall pay compensations to the owner of the commodity directly. Should the certified factory warehouse fail to pay part or all of the compensation, the Exchange shall perform the obligation of payment of the remaining compensation:
(i) by calling the performance bond issued by the bank or any other guaranty provided by the certified factory warehouse; or

(ii) by paying the amount due to the owner of the commodity and otherwise recovering such payment from the certified factory warehouse through including but not limited to legal proceedings.

Article 49 Any owner of the commodity in default as specified in

Articles 44 or 45 shall pay late charges directly to the certified factory warehouse. Should the owner of the commodity fail to pay part or all of the late charges, the certified factory warehouse may otherwise claim such payment to the owner of the commodity through including but not limited to legal proceedings.

Article 50 The manner in which the losses caused to the certified factory warehouse or the owner of the commodity by any event as described in Articles 44, 45, 46 or 47 will be resolved may be determined through negotiation, if the parties so agree. The resolution shall be reported in writing to the Exchange for filing.

Article 51 Neither the certified factory warehouse nor the owner of the commodity is required to pay late charges or compensations for any failure to ship the commodity or to take delivery due to a force majeure event.

Article 52 When the owner of the commodity submits the notice of delivery taking, the certified factory warehouse and the owner of the commodity may elect to otherwise determine the time of shipment and the shipment schedule through negotiation. If they mutually agree on such election, the certified factory warehouse's standard warrant shall be cancelled, and as a result, the covered commodity, regarded as physical commodity, shall not be governed by the applicable provisions of these Bitumen Futures Delivery Rules, provided that the appropriate agreements shall be kept by the parties for record.

Article 53 After the certified factory warehouse's standard warrant is cancelled, the certified factory warehouse may request the Exchange to revise the amount of guaranty.

Article 54 Resolution of Quality Disputes
If the bearer of the certified factory warehouse's standard warrant challenges the quality of the commodity to be delivered stored in the certified factory warehouse, such bearer shall submit a written complaint to the Exchange together with the quality authentication conclusion issued by the certified assayer within ten (10) business days immediately following the completion of the delivery. If the bearer fails to submit the complaint within the specified time limit, he shall be regarded as satisfied with the delivery. From that point on, the Exchange shall not accept any complaint regarding the quality of the delivery.

Chapter 5 EXCHANGE OF FUTURES FOR PHYSICALS

Article 55 The term "exchange of futures for physicals, or EFP" means the process wherein members or customers holding a contract of opposite direction which expires in the same month reach an agreement through negotiation to, upon approval of the Exchange, tender a notice of EFP to have their respective positions in such contract closed out by the Exchange at the price specified by the Exchange, and exchange, at the price mutually agreed upon, the warrant or the bill of lading in their respective possession the underlying commodity of which has a quantity equivalent to, is identical to or similar with, and has the same trade direction with that of the covered futures contract.

Article 56 The seller and the buyer may effect an EFP transaction in a period between the date on which the futures contract proposed for the EFP transaction is listed and the second trading day (inclusive of the second trading day) prior to the last trading day of the delivery month.

After a seller member (customer) and a buyer member (customer) respectively holding a contract of the same delivery month reach an agreement to effect an EFP transaction, they shall tender an EFP notice to the Exchange through the standard warehouse system before 14:00 on any trading day (date of notification) within the foregoing prescribed period.

A seller member (customer) and a buyer member (customer) using a non-standard warrant for the delivery must comply with the pertinent laws and regulations of the PRC and provide photocopies of the sales and purchase agreement and bill of lading covered by such non-standard warrant.

Article 57 EFP trades may be used for positions established prior to the date of tendering of the notice of EFP, not for positions established on such date.

Article 58 The final settlement price of an EFP trade shall be the price agreed upon by the seller member (customer) and the buyer member (customer).

Article 59 The positions in the futures contract of a specific delivery month held by the buyer and the seller having tendering the notice of

EFP shall be closed out by the Exchange before 15:00 of the date of submission of the notice at the settlement price of the contract of the same delivery month for the trading day immediately preceding the date of submission of the notice.

Article 60 Where a standard warrant is used in an EFP transaction, the exchange of documents (including the payment and the warrant) required for the execution of the EFP transaction shall be completed through the Exchange before 14:00 of the trading day immediately following the date of tendering of the notice of EFP. The margins required for the EFP transaction shall be computed at the settlement price of the contract for the trading day immediately preceding the date of tendering of the notice.

Article 61 The seller shall provide the VAT invoice to the Exchange within seven (7) days of the completion of the procedures required for the execution of the EFP transaction. After the review of the invoice, the Exchange shall refund the margins covered by the EFP transaction to the seller, provided that the seller delivers the VAT invoice before 14:00. If the seller delivers the invoice after 14:00, the Exchange shall refund the covered margins to the seller when the clearing is conducted on the following trading day. The Exchange shall issue a VAT invoice to the buyer within the business day immediately following the receipt of the seller's VAT invoice.

Any failure to provide a VAT invoice in due time shall be subject to the applicable provisions of the Clearing Rules of the Shanghai Futures Exchange.

Article 62 If a seller member (customer) and a buyer member (customer) use a non-standard warrant in an EFP transaction, as per the mutual agreement reached between such members, payment and documents may be transferred either through the Exchange or directly between the parties. Disputes which may arise from such delivery shall be resolved directly by and between such members. The Exchange will be relieved from any responsibility of guaranty for the performance of the contract.

Article 63 All delivery payments for EFP trades settled through the Exchange shall be handled through internal transfer.

Article 64 Any failure to complete the delivery of an EFP transaction within the time limit as specified in this Chapter shall be subject to the provisions on delivery default of these Bitumen Futures Delivery

Rules.

Article 65 Any EFP trade which is not entered into in good faith shall be subject to the applicable provisions of the Enforcement Rules of the Shanghai Futures Exchange.

Article 66 The Exchange will promptly make information on EFP trades publicly available through announcements.

Chapter 6 DELIVERY DEFAULTS

Article 67 Any of the following shall constitute a delivery default:
(i) a seller fails to deliver all of the standard warrants required to be delivered within the required delivery period;
(ii) a buyer fails to make payment in full within the required delivery period; or
(iii) any other act determined by the Exchange as a default.

Article 68 Where the defaulting party is the buyer, for the purpose of computation of the number of contracts in default, 20% of the total value of all the contracts required to be delivered shall be deducted for the payment of liquidated damages and compensations.

Where the defaulting party is the seller or the buyer, the number of contracts in default shall be computed according to the following formulas:
in the case of the seller, number of contracts in default (in lots) = number of standard warrants due to be delivered (in lots) - number of standard warrants delivered; and

in the case of the buyer, number of contracts in default (in lots) = (amount of payment due – amount of payment made) / (1-20%) / final settlement price / trading unit

Article 69 The Exchange shall issue a notification of default to the defaulting party and the non-defaulting party before 16:30 of the day on which the delivery default occurs.

Before 11:00 of the following trading day, the non-defaulting party shall submit in writing to the Exchange a notice to specify his intention to terminate or continue the delivery. Failure by the non-defaulting party to submit such notice of intention before the aforementioned deadline shall result in termination of the delivery.

Article 70 The defaulting party shall pay liquidated damages of an amount equal to 5% of the total value of the contracts in default, and:
(i) where the seller is in default, the buyer may elect to:

a) terminate the delivery, whereby the Exchange shall refund the payment to the buyer; or

b) continue the delivery, whereby the Exchange shall, on the trading day immediately following the determination of the seller's default, publish a tender notice for purchase of standard warrants, and implement the tender offer within (seven) 7 trading days. The Exchange shall deliver the standard warrants thus purchased to the buyer. If the Exchange fails to purchase the required standard warrants through the tender offer process, the seller shall pay to the buyer compensations of an amount equal to 15% of the total value of the contacts in default, and the Exchange shall terminate the delivery after refunding the delivery payment to the buyer. All economic losses and expenses incurred in connection with the tender offer process shall be borne by the seller.

(ii) Where the buyer is in default, the seller may elect to:

a) terminate the delivery, whereby the Exchange shall return the standard warrants to the seller; or

b) continue the delivery, whereby the Exchange shall, on the trading day immediately following the determination of the buyer's default, release a public announcement of auction of the standard warrants and host such auction within seven (7) trading days. The Exchange shall remit the proceeds of auction to the seller as delivery payment. If the auction fails, the buyer shall pay to the seller compensations of an amount equal to 15% of the total value of the contracts in default, and the Exchange shall terminate the delivery after returning the standard warrants to the seller. All economic losses and expenses incurred in connection with the auction shall be borne by the buyer.

The termination of the delivery shall relieve the Exchange from any responsibility of guaranty for the delivery.

Article 71 The price of the offer to buy shall not be higher than 115% of the final settlement price. The price of the auction shall not be lower than 85% of the final settlement price.

Article 72 If both the buyer and the seller are in default, the Exchange shall terminate the delivery and impose to the seller and the buyer respectively a penalty of an amount equal to 5% of the total value of

the contracts in default respectively.

Article 73 In the event of a partial delivery default by a member, the standard warrants or payment received by such defaulting member may be used as remedy.

Article 74 Any intentional default by any member in connection with physical delivery shall be subject to the applicable provisions of the Enforcement Rules of the Shanghai Futures Exchange.

Article 75 Any member or certified delivery warehouse in default shall be obligated to provide evidences related to such default. The member's refusal to provide such evidences shall have no impact on the determination of such default.

Article 76 Any delivery-related dispute arising between any buyer or any seller and any certified delivery warehouse shall be resolved in accordance with the applicable provisions of the Enforcement Rules of the Shanghai Futures Exchange.

Article 77 In the event of failure to perform a contract in full or in part due to a force majeure event, the buyer and/or the seller may be entirely or partially exempted from the default liability depending on the effects of the force majeure.

Chapter 7 MISCELLANEOUS

Article 78 The Exchange reserves the right to interpret these Bitumen Futures Delivery Rules.

Article 79 Matters not covered by these Bitumen Futures Delivery Rules shall be subject to the applicable provisions of the Articles of Association, the General Exchange Rules and other applicable rules of the Exchange.

Article 80 These Bitumen Futures Delivery Rules shall come into effect as of October 9, 2013.

PART XII BONDED DELIVERY RULES (TRIAL)

Chapter 1 GENERAL PROVISIONS

Article 1 These Bonded Delivery Rules are made in accordance with the General Exchange Rules of the Shanghai Futures Exchange to regulate bonded futures delivery activities on or through the Shanghai Futures Exchange, or the Exchange.

Article 2 These Bonded Delivery Rules are binding on the Exchange, members, customers and certified bonded delivery warehouses, or bonded warehouses.

Article 3 The term "futures bonded delivery" means the delivery of the underlying commodity of a futures contract in bonded status within a special customs or bonded area.

Article 4 A physical delivery on a futures contract can be a bonded delivery, a customs-cleared delivery or a mixture of the two. A physical delivery includes a delivery at the expiry of the contract or an exchange of futures for physicals, or an EFP.

Article 5 A bonded warehouse, is a venue certified by the Exchange for futures bonded delivery activities.

Article 6 A bonded standard warrant is a claim for the delivery of goods in a bonded warehouse. It is created through the Exchange's standard warrant system and issued by a bonded warehouse in compliance with the procedure s prescribed by the Exchange.

Chapter 2 CREATION OF A BONDED STANDARD WARRANT

Article 7 Load-in Application (delivery notice)
An owner of deliverable goods, or an owner, shall submit a load-in application before he sends the goods to a bonded warehouse.

The load-in application shall specify:

- name of deliverable goods;
- grade;

- trademark;
- quantity;
- consignee transporter;
- name of owner;
- name of the bonded warehouse for load-in.

The application shall be accompanied with all necessary certificates.

A customer shall authorize his FF-member to handle all the procedures with regard to his load-in application (delivery notice).

Article 8 Approval of the Load-in Application
The Exchange shall, based on the storage capacity and the owner's will, determine within three (3) trading days whether to approve the load-in application. The owner shall send goods to the bonded warehouse that is specified in the approved application within the time limit the Exchange prescribes. Goods that are not approved for load-in by the Exchange or fail to be loaded in within the prescribed time period shall not be eligible for bonded delivery.

Article 9 Issuance of Bonded Standard Warrant
The bonded warehouse shall, subject to the Exchange's applicable rules, inspect the goods upon their arrival and verify whether they conform to the specifications listed in the accompanying certificates. A bonded standard warrant shall not be issued unless the goods are inspected and verified to be good.

The owner shall oversee in person the inspection and verification of the arrived goods. Otherwise, the owner shall be deemed to have agreed with the conclusions drawn by the bonded warehouse.

Chapter 3 TRANSFER OF A BONDED STANDARD WARRANT

Article 10 A bonded standard warrant is used for physical delivery, margin collateral or as a claim for delivery of goods.

Article 11 A bonded standard warrant and a customs-cleared standard warrant follow the same procedures for transfer on the Exchange during the process of physical delivery.

Chapter 4 CANCELLATION OF A BONDED STANDARD WARRANT

Article 12 The cancellation of a bonded standard warrant occurs when the legitimate holder of the warrant applies to take delivery of the goods from a bonded warehouse through the Exchange's standard warrant system for the purpose of clearing customs, exiting the country or converting the warrant into a delivery order for physicals and the bonded warehouse withdraws the warrant from circulation.

Article 13 Taking Delivery
In the event that the legitimate holder of a bonded standard warrant takes delivery, the bonded warehouse shall send off the goods once he verifies the warrant. The owner may take delivery in person at the warehouse or consign the bonded warehouse to deliver the goods. In the latter case, the owner shall oversee the delivery at the warehouse; otherwise, the owner shall be deemed to have acknowledged that the delivery met all the terms of the warrant.

Article 14 Customs Declaration of a Bonded Standard Warrant
The holder of a bonded standard warrant shall comply with the provisions of the customs' regulations if he needs to make a customs declaration in order to import the goods. The warrant shall be cancelled once the warrant holder is issued the bonded delivery settlement statement and the bonded standard warrant checklist for the purpose of the customs declaration. The goods and their quantity shall be consistent with what is provided in the bonded delivery settlement statement and the bonded standard warrant checklist.

Chapter 5 BONDED DELIVERY SETTLEMENT AND INVOICING PROCEDURES

Article 15 Delivery Settlement of a Bonded Standard Warrant
i) A buyer shall receive a bonded standard warrant once he stands for physical delivery upon the expiry of a futures contract. The payment for the goods shall be calculated based on the contract's bonded delivery settlement price, which is determined as follows:

bonded delivery settlement price=[(tariff-included delivery settlement price—corresponding expenses)/(1+import VAT rate)—exercise tax]/(1+import tariff rate)

Tariff-included delivery settlement price is generated on the last trading day of a futures product pursuant to the applicable rules of the Exchange.

Bonded price differentials=[price differentials/(1+import VAT rate)]/(1+import tariff rate)

bonded delivery payment=(bonded delivery settlement price+ bonded price differentials)X quantity of bonded delivery goods

ii) The bonded delivery settlement price for an EFP shall be calculated as follows:

EFP bonded delivery settlement price=[(settlement price of the spot month contract on the trading day prior to the date of EFP application — corresponding expenses)/(1+import VAT rate) — exercise tax]/(1+import tariff rate)

bonded price differentials=[price differentials/(1+import VAT rate)]/(1+import tariff rate)

EFP bonded delivery payment=(EFP bonded delivery settlement price+ bonded price differentials) X quantity of bonded delivery goods

iii) The formulas mentioned in this Article 15 apply to the futures products whose exercise taxes are levied on the basis of quantity and whose price differentials in those formulas are indicative of the adjustments to the delivery settlement price owing to the delivery grade and quality specifications, quality, and location of the warehouses. The price differentials and the corresponding expenses referred to in those formulas shall be prescribed by the Exchange in due course.

If the relevant national tax policies undergo a change, the Exchange shall revise the formulas for the bonded delivery settlement price, and announce them in due course.

Article 16 With regard to the futures products on bonded delivery, the Exchange shall announce the tariff-included delivery settlement price and the bonded delivery settlement price of each futures contract upon its expiry.

Article 17 Invoicing of the bonded standard warrant shall be based on

the following:
i) the customer shall issue an invoice to the seller's FF member;
ii) the seller's FF member or the seller's non-FF member shall issue an invoice to the Exchange;
iii) the Exchange shall issue the invoice to the buyer's FF member or the buyer's non-FF member;
iv) the buyer's FF member issues the invoice to his customer; and
v) the format and contents of the invoice shall be in compliance with the Exchange's rules.

Chapter 6 MISCELLANEOUS

Article 18 The Exchange reserves the right to interpret these Bonded Delivery Rules.

Article 19 Provisions in the Articles of Association of the Shanghai Futures Exchange, the General Exchange Rules of the Shanghai Futures Exchange and the Trading Rules of the Shanghai Futures Exchange shall apply to matters that are not addressed by these Bonded Delivery Rules.

Article 20 The customs-cleared standard warrant and the tariff-included delivery settlement price are the standard warrant and delivery settlement price as referred to in the Articles of Association of the Shanghai Futures Exchange, the General Exchange Rules of the Shanghai Futures Exchange and the Trading Rules of the Shanghai Futures Exchange.

Article 21 These Bonded Delivery Rules are effective as of December 24, 2010

PART XIII CERTIFIED DELIVERY WAREHOUSE RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Certified Delivery Warehouse Rules are made in accordance with provisions in the Contract Law of the People's Republic of China and the General Exchange Rules of the Shanghai Futures Exchange, or the Exchange, to ensure that all certified delivery warehouses, or certified warehouses, comply with the Exchange's rules governing the physical delivery of commodities on or through the Exchange.

Article 2 A certified delivery warehouse is a venue approved by the Exchange for the storage and delivery of commodities meeting the terms for physical delivery on a futures contract.

Article 3 Each certified warehouse and its staff shall abide by these Certified Delivery Warehouse Rules.

Chapter 2 APPLICATION AND CERTIFICATION

Article 4 An applicant for certification under these Certified Delivery Warehouse Rules shall meet the following criteria: he shall
i) possess the business license issued by an administrative bureau for industry and commerce;
ii) possess fixed assets and registered capital of the sum up to the level prescribed by the Exchange;
iii) have good financial conditions and strong ability of risk resistance;
iv) have a goodwill and a complete set of rules on warehousing management ; no record of having violated major Exchange's rules or ever being delisted as a certified warehouse;
v) comply with applicable Exchange's rules on trading and delivery;
vi) be operated by senior managers each having more than five (5) years' experience in the commodity warehousing business; and having a high-caliber management team;
vii) have explicit written rules on the load-in, storage and load-out of commodities deliverable against the Exchange's listed contracts;
viii) have facilities of the proper size and condition to store and measure and from which to transport deliverable commodities; and
ix) satisfy other criteria as otherwise prescribed by the Exchange.

Article 5 An applicant for certification as a delivery warehouse shall provide:
i) a completed application form;
ii) a photocopy of the business license issued by an administrative bureau for industry and commerce;
iii) the original audit reports issued by a certified public accounting firm for the applicant's two (2) most recent years, or a photocopy of these reports bearing the accounting firm's business seal;
iv) a photocopy of the applicant's land use permit for the certified warehouse and other supporting documents;
v) the letter authorizing the filing of the application issued by the applicant's immediate superior authority or board of directors and the letter of joint guarantee by the relevant establishments;
vi) the warehouse rulebook and a brief introduction to it; and
vii) other documents as required by the Exchange from time to time.

Article 6 The certification process shall consist of the following procedures:
i) the Exchange shall review the application by examining the supporting documents as provided in Article 5;
ii) the Exchange shall conduct an on-site due diligence on the applicant;
iii) the certified warehouse shall, pursuant to these Certified Delivery Warehouse Rules, adopt corresponding operational rules or procedures, and carry out the physical delivery on a futures contact subject to the approval of the Exchange of such rules and procedures.
iv) based on the on-site due diligence and the applicant's supporting documents, the Exchange shall enter into a Certified Delivery Warehouse Agreement with the applicant.

Article 7 When it secures the Exchange's certification, the certified warehouse shall
i) file with the Exchange all the seals and stamps it uses in issuing standard warrants;
ii) file with the Exchange the letter of designation of the futures delivery clerk and a facsimile of its signature;
iii) pay the required risk collateral;
iv) designate those of its executives who will take the Exchange's delivery business training program; and
v) carry out all other regulatory requirements as adopted by the Exchange from time to time.

Article 8 A certified warehouse that decides to give up its certification shall submit a Waiver Application for Certified Delivery Warehouse Certification to the Exchange for its approval.

Article 9 A certified warehouse giving up its certification or being delisted shall complete the following:
i) move out all warranted goods or convert them into physicals;
ii) settle any debt obligations with the Exchange; and
iii) submit a claim for the refund of its risk collateral being held by the Exchange.

Article 10 With regard to the confirmation, give-up or delisting of certified warehouse certification, the Exchange shall make a timely notification to members and the certified warehouses, and submit a report to the China Securities Regulatory Commission, or the CSRC.

Chapter 3 RIGHTS AND OBLIGATIONS

Article 11 A certified warehouse is entitled to:
i) issue standard warrants in compliance with the applicable rules of the Exchange;
ii) charge fees for its services and facilities pursuant to the fee schedule the Exchange approves;
iii) advise the Exchange on the Exchange's rules with respect to physical delivery; and
iv) exercise those rights as otherwise provided in the Delivery Rules of the Shanghai Futures Exchange and the Certified Delivery Warehouse Agreement.

Article 12 A certified warehouse is obligated to:
i) abide by the Delivery Rules of the Shanghai Futures Exchange and all other applicable rules of the Exchange, and inform the Exchange of all relevant matters with regard to delivery on a timely basis;
ii) inspect and accept the goods for load-in pursuant to futures contract specifications;
iii) create a safe facility for the storage of deliverable goods in compliance with the applicable rules of the Exchange;
iv) make goods available for physical delivery on the standard warrants and provide prompt assistance to the owner of the goods, or the owner, in the transportation thereof;
v) keep confidential the trade secrets with regard to futures trading activities;
vi) participate in the Exchange's annual audit;
vii) pay risk collateral;
viii) report to the Exchange in a timely manner with regard to any modification to its legal representative, registered capital, shareholders or

shareholding structure, storage venue and designated clerks; and
ix) comply with all other duties as otherwise provided in the Delivery Rules of the Exchange and the Certified Delivery Warehouse Agreement.

Chapter 4 REGULAR OPERATIONS

Article 13 The regular operations of a certified warehouse include three stages in the following order:

- load-in
- storage
- load-out

Article 14 A certified warehouse shall grant priority to the load-in and load-out of the goods for delivery under the terms of a futures contract.

Article 15 The load-in shall take place as follows:

i) Taking delivery. A certified warehouse shall effectuate a timely and precise take-over of deliverable goods from a consignee transporter. If any event occurs such as:

- label damage;
- good's wrap appears in an abnormal condition;
- a discrepancy between goods and the specifications on the certificates;
- quantity shortfall;
- goods impairment; or
- damage to packaging,

The certified warehouse shall sort out the liabilities, obtain the business records of the consignee transporter and share a copy of these records with the owner. Meanwhile, the certified warehouse shall record the results of the inspection and acceptance of the goods for load-in in its load-in journal.

ii) Goods inspection and acceptance. The Exchange shall examine the extrinsic quality and the quantity of the goods to ensure compliance with the certificate specifications and the Exchange's rules on delivery. Items to be inspected are:

- name of goods;
- trademark;
- grade and quality specifications;
- quantity;
- necessary materials accompanying the load-in;
- packaging;
- extrinsic quality, defined as what is apparent without the need to open

the packaging or dismantle the bundle. Crates, bundles and packs may be opened or dissembled for inspection if many problems appear on the exterior or any applicable rules prescribe a sampling inspection.

iii) Load-in and issuance of standard warrants. If the goods are accepted or the problems found in inspection are all resolved, the certified warehouse shall undertake the following:

- register the load-in in its journal;
- earmark the goods for identification;
- establish a product file for the goods; and
- issue standard warrants per the owner's request and pursuant to the applicable rules of the Exchange.

Article 16 Once the goods are loaded into the certified warehouse, he shall store the goods properly using scientific methods based on their attributes and the local natural conditions.

Article 17 The load-out of goods shall occur in response to the owner's requests by way of dispatch, delivery or consignment, which brings an end to the storage of the goods.

Article 18 The goods shall not be released by the certified warehouse until the load-out certificates are verified. The certified warehouse shall undertake the following procedures on the day the load-out is concluded: it shall

- conduct write-in and write-off for the load-out in its journal;
- clear the corresponding certificates;
- clear the storage yard and racks;
- notify the consignee transporter of the transportation plan for the consigned goods; and
- withdraw the standard warrants, stamp GOODS DELIVERED on the warrants, cross-reference them with their records at the warehouse and retain them for record.

Article 19 Goods transfer. A clear record of transfer and the write-in and write-off in the warehouse journal shall be made.

Article 20 In handling the load-in and load-out, the certified warehouse shall enter on a timely basis the relevant information into the standard warrant system and ensure the accuracy of such information.

Chapter 5 BUSINESS MANAGEMENT AND AUDIT

Article 21 The certified warehouse shall establish a separate journal for the goods for delivery.

Article 22 The certified warehouse shall designate an executive in charge of the futures delivery business and a clerk to manage the goods for delivery and deal with the business with regard to standard warrant.

Article 23 The Exchange mandates that a certified warehouse conduct monthly internal audit. The Exchange also undertakes random and annual audit of each certified warehouse in order to enhance the warehouse's services and functioning for the benefit of members and customers.
i) Internal audit. The certified warehouse, pursuant to these Certified Delivery Warehouse Rules, the Delivery Rules of the Shanghai Futures Exchange, the Standard Warrant Rules of the Shanghai Futures Exchange and in its sole discretion, shall conduct an audit every month of compliance with one or more regulatory requirements and record its conclusions.

ii) The Exchange's random audit. The Exchange, in its sole discretion or in response to a member's or customer's complaints, shall undertake random audit of one or more of the requirements imposed on the certified warehouse and make detailed records of its inspection and findings.

iii) Annual audit. The Exchange shall conduct an annual audit on the functioning of each certified warehouse, evaluate it subject to the Certified Delivery Warehouse Evaluation and Appraisal Rules of the Shanghai Futures Exchange, and notify it of any deficiencies requiring remedy for next year. For an underperforming warehouse, the Exchange may reduce its certified storage capacity, suspend its delivery business or delist it from the list of certified warehouses.

Items that the Exchange's audit shall cover:
- warehousing facilities;
- storage profile;
- business handling capacity;
- business performance;
- accuracy of books;
- members' satisfaction with services of the warehouse;
- others as the Exchange deems necessary.

Article 24 Each certified warehouse shall pay risk collateral to the Exchange to guarantee the performance of its obligations. If no indemnification is incurred, the Exchange will remit interest on the collateral to the certified warehouse at the current deposit rate set by the People's Bank of China for cash deposits. If the certified warehouse fails to perform as necessary, the Exchange will use the funds deposited as risk collateral and claim the outstanding shortfall from the certified warehouse.

The sum and assessment of the risk collateral fund shall be specified in the Certified Delivery Warehouse Agreement.

Article 25 The certified warehouse shall be responsible for any losses arising from its fault that make the holder of the standard warrants be unable to exercise, wholly or partially, any rights granted by the standard warrants.

Chapter 6 MISCELLANEOUS

Article 26 Any violations of these Certified Delivery Warehouse Rules shall be subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 27 The Exchange reserves the right to interpret these Certified Delivery Warehouse Rules.

Article 28 These Certified Delivery Warehouse Rules are effective as of December 25, 2008.

PART XIV CERTIFIED DELIVERY DEPOT RULES (TRIAL)

Chapter 1 GENERAL PROVISIONS

Article 1 These Certified Delivery Depot Rules are made in accordance with provisions in the Contract Law of the People's Republic of China and the General Exchange Rules of the Shanghai Futures Exchange, or the Exchange, to ensure that all certified delivery depots, or certified depots, comply with the Exchange's rules governing the physical delivery of commodities on or through the Exchange.

Article 2 A certified depot is a venue approved by the Exchange for the physical delivery of oil products on a futures contract.

Article 3 The Exchange regulates the certified depot's futures activities pursuant to these Certified Delivery Depot Rules. The certified depot and the staff thereof shall abide by these Certified Delivery Depot Rules.

Chapter 2 APPLICATION AND CERTIFICATION

Article 4 An applicant for certification as a delivery depot shall meet the following criteria: he shall
i) possess a business license and warehousing license for oil products issued by an administrative bureau for industry and commerce;
ii) possess fixed assets and registered capital as prescribed by the Exchange;
iii) have good financial conditions and strong ability of risk resilience;
iv) have a goodwill and established warehousing rules; no record of having violated any major laws or regulations or ever being delisted as a certified depot in the recent three (3) years;
v) comply with applicable Exchange's rules on trading and delivery;
vi) be operated by senior managers each having more than five (5) years' experience in the commodity warehousing business; has a high-caliber management team;

vii) have adopted detailed rules on the load-in and load-out of the oil products and inventory administration;
viii) have tanks of ample capacity, access to port facilities and harbors and conditions to store, safeguard, measure and transport the oil products listed on the Exchange; and
ix) comply with other rules as prescribed by the Exchange from time to time.

Article 5 The applicant for certification as a delivery depot shall submit:
i) an application letter;
ii) a photocopy of the business license issued by an administrative bureau for industry and commerce;
iii) original audit reports issued by a certified public accounting firm for the most recent two (2) years, or the photocopies thereof bearing the accounting firm's business seal;
iv) a photocopy of the land use permit, port use permit (or port lease agreement) of the applicant, a photocopy of the oil products warehousing permit and other applicable documents;
v) a letter issued by the applicant's immediate superior authority or board of directors granting permission for the applicant to file for certification and a letter of joint guarantee signed by the relevant establishments;
vi) the rulebook of the certified deport, including a brief introduction thereof; and
vii) other documents as required by the Exchange from time to time.

Article 6 Upon receiving the application and accompanying documents, the Exchange shall:
i) examine the documents as provided in Article 5;
ii) send staff to the applicant for an on-site due diligence;
iii) approve the operational rules and procedures the applicant has adopted, in accordance with these Certified Delivery Depot Rules, to carry out the physical delivery on an oil product futures contact;
iv) based on the conclusions formed in the on-site due diligence, select the qualified depot and enter into a Certified Delivery Depot Agreement with it.

Article 7 When it secures the Exchange's certification, the Certified Depot shall:
i) file with the Exchange all the seals and stamps it uses in issuing standard warrants;
ii) file with the Exchange the letter of designation of the futures delivery clerk and a facsimile of its signature;

iii) pay the required risk collateral;
iv) designate those of its executives who will take the Exchange's delivery business training program; and
v) carry out all other regulatory requirements as adopted by the Exchange from time to time.

Article 8 A certified depot that decides to give up its certification shall submit a Waiver Application for Delivery Depot Certification to the Exchange for its approval.

Article 9 A certified depot giving up its certification or being delisted shall complete the following:
i) move out all warranted goods or convert them into physicals;
ii) settle any debt obligations with the Exchange; and
iii) submit a claim for the refund of its risk collateral being held by the Exchange.

Article 10 With regard to the confirmation, give-up or delisting of certified depot certification, the Exchange shall make a timely notification to members and the certified depots, and submit a report to the China Securities Regulatory Commission, or the CSRC.

Chapter 3 RIGHTS AND OBLIGATIONS

Article 11 A certified depot is entitled to:
i) issue standard warrants in compliance with the applicable rules of the Exchange;
ii) charge fees for its services and facilities pursuant to the fee schedule the Exchange approves;
iii) advise the Exchange on the Exchange's rules with respect to physical delivery; and
iv) exercise those rights as otherwise provided in the Delivery Rules of the Shanghai Futures Exchange and the Certified Delivery Depot Agreement.

Article 12 A certified depot is obligated to:
i) abide by the Delivery Rules of the Shanghai Futures Exchange and all other applicable rules of the Exchange, and inform the Exchange of all relevant matters with regard to delivery on a timely basis;
ii) inspect and accept the oil products for load-in pursuant to futures contract specifications;
iii) assist the certified assayer in his inspection on the oil products for delivery;

iv) make a fine and safe storage of the oil products in compliance with the applicable rules of the Exchange; otherwise, the certified depot shall assume all the liabilities incurred;
v) designate tanks for use in the storage of oil products for delivery according to the availability of storage capacity, and ensure the segregation of futures oil products from physicals;
vi) keep confidential the trade secrets with respect to futures trading activities;
vii) participate in the Exchange's annual audit;
viii) pay risk collateral;
ix) make timely reports to the Exchange on any modifications to its legal representative, registered capital, shareholders or shareholding structure, tanks venue, designated clerks, port facilities, harbor conditions or items of charges and fees and such other matters as the Exchange deems necessary to report; and
x) undertake such other duties as provided in the Delivery Rules of the Exchange and the Certified Delivery Depot Agreement.

Chapter 4 REGULAR OPERATIONS

Article 13 The regular operations of a certified depot include three stages in the following order:

- load-in
- storage
- load-out

Article 14 A certified depot shall grant priority to the load-in and load-out of the oil products for delivery under the terms of a futures contract.

Article 15 The load-in shall take place as follows::
i) Taking delivery. A certified depot shall effectuate a timely and precise take-over of deliverable oil products from a consignee transporter.
ii) Goods inspection and acceptance. The certified depot shall, in compliance with the Exchange's rules, verify the accompanying documents and inspect the quality and quantity of the oil products for delivery. When the oil products are of good delivery after inspection, load-in procedures will be undertaken as to load in the oil products, register in the journal, earmark the oil products for identification, set up a file for the oil products.
iii) Load-in and issuance of standard warrants. The certified depot shall, pursuant to the Exchange's order, fill out a Certified Delivery

Depot Load-in Inspection Report of the Shanghai Futures Exchange (in duplicates each of which is retained by the owner and the certified depot), and issue standard warrants pursuant to the applicable Exchange's rules.

Article 16 The certified depot shall make a fine storage of the oil products after the oil products are loaded in, pursuant to the applicable national rules and regulations.

Article 17 The load-out of the oil products shall occur in response to the owner's requests by way of shipment, delivery or consignment, which brings an end to the storage.

Article 18 The certified depot shall effect the circulation and heating of the oil products in tank before the load-out. Temperature of the oil products upon the load-out shall be no lower than forty degrees Celsius (40℃).

Article 19 Prior to the load-in and after the load-out, the certified depot shall clean the pipes in use for delivery.

Article 20 The oil products shall not be released by the certified depot until the load-out certificates are verified.

Article 21 At the owner's intent, a certified assayer will conduct the quality and quantity inspection, or the certified depot will conduct the quantity inspection, on the goods for load-out. After the load-out process is completed, the certified depot shall, pursuant to the assaying reports, timely fill out the Certified Delivery Depot Load-out Inspection Report of the Shanghai Futures Exchange (in duplicates each of which is retained by the owner and the certified depot) and, meanwhile, stamp GOODS DELIVERED on the corresponding standard warrants withdrawn, cross-reference them with the records kept by the certified depot and retain them for checks thereafter.

Article 22 Goods Transfer. A clear record of transfer and the write-in and write-off in the depot's journal shall be made.

Article 23 In handling the load-in and load-out, the certified depot shall enter on a timely basis the relevant information into the standard warrant system and ensure the accuracy of such information.

Chapter 5 MEASUREMENT AND RISK MANAGEMENT

Article 24 The certified depot shall measure oil products subject to the Metrology Law of the People's Republic of China, the Implementing Rules to the Metrology Law of the People's Republic of China and the Regulations on the Measurement Instruments Subject to Mandatory Calibration of the People's Republic of China. The facilities or instruments used in the delivery of oil products on a futures contract, such as a flow meter, thermometer, density meter, oil (water) gauge, tank, or measurement instruments subject to mandatory calibration, are prohibited from use if they do not have documents to evidence their accuracy.

Article 25 Measurement clerks employed by the certified depot shall possess a professional certificate warranted by a government authority in charge of metrology, abide by the Metrology Law of the People's Republic of China and have a good command of metrological knowledge and of the rules and norms relating to technical standards as they apply to the measurement of oil products.

Article 26 Measurement Instruments and Inspection
i) The tank level gauge shall be used to measure the amount of the oil products in the tank. However, if this gauge indicates that the load-out quantity is lower than the minimum level prescribed by the Exchange, the assayer may use a flow meter or other instrument for measurement;

ii) A truck scale or measurement meter that complies with applicable Exchange's rules shall be used to measure the oil products to be transported by truck;

iii) When the certified depot handles a load-in or load-out operation, the clerks of the depot shall work with the certified assayer, owner and representatives of the trucking company to inspect the quantity, quality and loading rate, and take and seal samples pursuant to applicable rules of the Exchange. After completion of the delivery, the clerks shall record the measurement results and recheck them.

Article 27 The more or less clause for the deliverable oil products shall be three percent (3%) up or down.

Article 28 The payment for the differences between standard warrant weight and actual delivery weight for the deliverable oil products shall

be calculated using the settlement price of the nearest fuel oil futures contract on the trading day prior to the date when the load-in or load-out delivery is completed (the "Conclusion Day") within three (3) business days after the Conclusion Day.

Article 29 The inspection of the quality and quantity of goods for load-in shall be conducted by a certified assayer chosen by the owner, or by a certified depot for load-out. The certified depot shall provide reasonable assistance to the certified assayer in its sampling and measurement activities.

Article 30 The certified depot shall be liable for the deterioration of grades and quality of the oil products due to the mixture of two or more brands of those products that have previously been verified as meeting the terms for delivery under the futures contract. The applicable provisions in the Fuel Oil Futures Delivery Rules of the Shanghai Futures Exchange (Trial) shall apply to the quality inspection, payment and attribution of responsibilities with regard to the deliverable oil products.

Article 31 The certified depot shall bear the natural loss due to pipe transportation, pump wastage or vaporization after the oil products enter the tank. However, the certified depot may, pursuant to provisions in the National Wastage Standards for Retail Oil Products GB11085-89, pre-deduct a fixed wastage of two thousandths (2‰) from the amounts the owner loads in or loads out from the tanks.

Article 32 The Exchange shall, according to the difference between the amount the owner reports for load-in and the actual amount of load-in, remit payment on a periodic basis from the load-in application deposit to the certified depot.

Article 33 The certified depot shall purchase a business insurance policy to cover the losses or risks to the deliverable oil products that it stores.

Article 34 Frequency of calibration for tanks and measurement instruments:
i) new tanks shall be calibrated before put into use and once every four (4) years thereafter. Tanks deformed for any reason shall be re-calibrated before being put into use again;
ii) flow meters and oil (water) gauges used in the physical delivery process shall be calibrated once every six (6) months; and
iii) other measurement instruments shall be equipped and calibrated

pursuant to applicable rules of the Exchange.

Chapter 6 BUSINESS MANAGEMENT AND AUDIT

Article 35 The certified depot shall establish a separate journal for the oil products for delivery.

Article 36 The certified depot shall designate an executive in charge of the futures delivery business and a clerk to manage the oil products for delivery and deal with the business with regard to standard warrants.

Article 37 The Exchange mandates that a certified depot conduct monthly internal audit. The Exchange also undertakes random and annual audit of each certified depot in order to enhance the depot's services and functioning for the benefit of members and customers.
i) Internal audit. The certified depot, pursuant to these Certified Delivery Depot Rules, the Delivery Rules of the Shanghai Futures Exchange, the Standard Warrant Rules of the Shanghai Futures Exchange and in its sole discretion, shall conduct an audit every month of compliance with one or more regulatory requirements and record its conclusions.
ii) The Exchange's random audit. The Exchange, in its sole discretion, or in response to a member's or customer's complaints, shall undertake random audit of one or more of the requirements imposed on the certified depot and make detailed records of its audit and findings.
iii) Annual audit. The Exchange shall conduct an annual audit on the functioning of each certified depot, evaluate it subject to the Certified Delivery Depot Evaluation and Appraisal Rules of the Shanghai Futures Exchange, and notify it of any deficiencies requiring remedy for next year. For an underperforming depot, the Exchange may reduce its approved storage capacity, suspend its delivery business or delist it from the list of certified depots.

Items that the Exchange's audit shall cover:
- warehousing facilities;
- storage profile;
- business handling capacity;
- business performance;
- accuracy of books;
- members' satisfaction with services of the depot; and
- others as the Exchange deems necessary.

Article 38 Each certified depot shall pay risk collateral to the Exchange to guarantee the performance of its obligations. If no indemnification is incurred, the Exchange will remit interest on the collateral to the depot at the current deposit rate set by the People's Bank of China for cash deposits. If the depot fails to perform as necessary, the Exchange will use the funds deposited as risk collateral and claim the outstanding shortfall from the depot.

The sum and assessment of the risk collateral fund shall be specified in the Certified Delivery Depot Agreement.

Article 39 The certified depot shall be responsible for any losses arising from its fault that make the holder of the standard warrants be unable to exercise, wholly or partially, any rights granted by the standard warrants.

Chapter 7 MISCELLANEOUS

Article 40 Any violations of these Certified Delivery Depot Rules shall be subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 41 The Exchange reserves the right to interpret these Certified Delivery Depot Rules.

Article 42 These Certified Delivery Depot Rules are effective as of December 25, 2008.

PART XV CERTIFIED DEPOSITORY RULES (TRIAL)

Chapter 1 GENERAL PROVISIONS

Article 1 These Certified Depository Rules are made in accordance with provisions in the Contract Law of the People's Republic of China and the General Exchange Rules of the Shanghai Futures Exchange, or the Exchange, to ensure that all certified depositories comply with the Exchange's rules governing the physical delivery of the gold futures on or through the Exchange.

Article 2 A certified depository is a venue approved by the Exchange for the physical delivery of gold on a futures contract.

Article 3 The Exchange regulates the certified depository's futures activities pursuant to these Certified Depository Rules. The certified depositories and the staff thereof shall abide by these Certified Depository Rules.

Chapter 2 APPLICATION AND CERTIFICATION

Article 4 An applicant for certification as a certified depository shall meet the following criteria: it shall
i) possess a business license issued by an administrative bureau for industry and commerce;
ii) possess fixed assets and registered capital as prescribed by the Exchange;
iii) have ample storage capacity and conditions to store, safeguard and measure the gold bullion which shall satisfy the Exchange's requirements; have sound supervision and control system and safety facilities;
iv) have good financial conditions and strong ability of risk resilience;
v) have a goodwill and established storage rules; no record of having violated any major laws or regulations or ever being delisted as a certified depository;
vi) comply with applicable Exchange's rules on trading and delivery;
vii) be operated by senior managers each having professional

managing experience in the gold storage business; has a high-caliber management team;
viii) have adopted detailed rules on the load-in and load-out of the gold bullion and inventory administration;
ix) comply with other rules as prescribed by the Exchange from time to time.

Article 5
The applicant for certification as a certified depository shall submit:
i) an application letter;
ii) a photocopy of the business license issued by an administrative bureau for industry and commerce;
iii) original audit reports issued by a certified public accounting firm for the most recent year, or the photocopies thereof bearing the accounting firm's business seal;
iv) a photocopy of the land use permit of the applicant and other applicable documents;
v) the rulebook of the certified depository; and
vii) other documents as required by the Exchange from time to time.

Article 6 Upon receiving the application and accompanying documents, the Exchange shall:
i) examine the documents as provided in Article 5;
ii) send staff to the applicant for an on-site due diligence;
iii) approve the operational rules and procedures the applicant has adopted, in accordance with these Certified Depository Rules, to carry out the physical delivery on a gold futures contact;
iv) based on the conclusions formed in the on-site due diligence, select the qualified depository and enter into a Certified Depository Agreement with it.

Article 7 When it secures the Exchange's certification, the certified depository shall:
i) open an account in the standard warrant system at the Exchange;
ii) file with the Exchange all the seals and stamps it uses in issuing printouts of the standard warrants;
iii) file with the Exchange the letter of designation of the futures delivery clerk and a facsimile of his signature;
iv) designate those of its executives who will take the Exchange's delivery business training program; and
v) carry out all other regulatory requirements as adopted by the Exchange from time to time.

Article 8 A certified depository that decides to give up its certification

shall submit a Waiver Application for Certified Depository Certification to the Exchange for its approval.

Article 9 A certified depository giving up its certification or being delisted shall complete the following:
i) load out all warranted gold bullion or convert them into physicals; and
ii) settle any debt obligations with the Exchange.

Article 10 With regard to the confirmation, give-up or delisting of certified depository certification, the Exchange shall make a timely notification to the members and certified depositories, and submit a report to the China Securities Regulatory Commission, or the CSRC.

Chapter 3 RIGHTS AND OBLIGATIONS

Article 11 A certified depository is entitled to:
i) issue standard warrants in compliance with the applicable rules of the Exchange;
ii) charge fees for its services and facilities pursuant to the fee schedule the Exchange approves;
iii) advise the Exchange on the Exchange's rules with respect to physical delivery; and
iv) exercise those rights as otherwise provided in the Delivery Rules of the Shanghai Futures Exchange and the Certified Depository Agreement.

Article 12 A certified depository is obligated to:
i) abide by the Delivery Rules of the Shanghai Futures Exchange and all other applicable rules of the Exchange, and inform the Exchange of all relevant matters with regard to delivery on a timely basis;
ii) inspect and accept the gold bullion for load-in pursuant to futures contract specifications;
iii) make a fine and safe storage of the gold bullion in compliance with the applicable rules of the Exchange; otherwise, the certified depository shall assume all the liabilities incurred thereof;
iv) designate space for use in the storage of gold bullion for delivery according to the availability of storage capacity, and store and stack the gold bullion pursuant to the Exchange's requirements; provide gold bullion of the amount and quality specifications as prescribed in the standard warrants;
v) keep confidential the trade secrets with respect to futures trading activities;

vi) participate in the Exchange's annual audit;
vii) make timely reports to the Exchange on any modifications to its legal representative, registered capital, shareholders or shareholding structure, storage facilities, designated clerks and such other matters as the Exchange deems necessary to report; and
viii) undertake such other duties as provided in the Delivery Rules of the Exchange and the Certified Depository Agreement.

Chapter 4 REGULAR OPERATIONS

Article 13 The regular operations of a certified depository include the following four parts:

- load-in
- storage
- load-out
- transportation

Article 14 A certified depository shall grant priority to the load-in and load-out of the gold bullion for delivery under the terms of a futures contract.

Article 15 The load-in is the first stage of storage and shall take place as follows:
i) Taking delivery. The load-in procedures shall be conducted by an enterprise whose brand of gold has been registered with the Exchange or by a designated inventory clerk of an importing bank, who has been filed with the Exchange, except otherwise prescribed by the Exchange. If the goods loaded in do not correspond with those specified in the certificates or the amount of load-in is in shortage, the certified depository shall inspect, record and proceed with any other procedures as required by the Exchange.
ii) Goods inspection and acceptance. The certified depository shall, in compliance with the Exchange's rules, verify the accompanying documents for the gold bullion loaded in. It shall carefully check whether the name of the producer, serial number and the grade and quality specifications of the gold bullion are in line with those specified in the accompanying documents and certificates. The certified depository shall also inspect the quantity of the bullion and make records thereof. The bullion which does not reach the required standard shall be rejected for load-in. The certified depository shall keep good maintenance of all the accompanying documents and certificates.
iii) Load-in and issuance of standard warrants. When the gold bullion

is of good delivery after inspection or the problems found in the inspection have been solved, the certified depository will undertake the load-in procedures including registering in the journal, earmarking the gold bullion for identification, setting up a file for the bullion and issuing standard warrants pursuant to the procedures prescribed by the Exchange.

Article 16 The certified depository shall make a fine storage of the gold bullion after the bullion are loaded in, pursuant to the applicable Exchange's rules.

Article 17 The load-out of the gold bullion shall occur in response to the owner's requests by way of shipment and delivery, which brings an end to the storage.

Article 18 The gold bullion shall not be released by the certified depository until the load-out certificates and identification of the person taking delivery are verified pursuant to the procedures prescribed by the Exchange.

Article 19 The certified depository may, per the request of the owner who is taking delivery, open the cases holding the gold bullion for the owner's check, which shall be conducted under the surveillance of a monitor with the presence of both the owner and the certified depository. The certified depository shall make re-weighing record if the customer (investor) makes a request to check the quantity of each bullion.

Article 20 The certified depository shall conduct the procedures of load-in and load-out of the gold bullion pursuant to those prescribed by the Exchange.

Article 21 The transportation of the gold bullion refers to the load-out of the gold bullion for physical delivery from a certified depository and transport for load-in to another certified depository pursuant to the Exchange's order. The procedures for such transportation of the gold bullion shall comply with those prescribed by the Exchange.

Chapter 5 BUSINESS MANAGEMENT AND AUDIT

Article 22 The certified depository shall establish a separate journal for the gold bullion for delivery.

Article 23 The certified depository shall designate an executive in charge of the futures delivery business and a clerk to manage the gold bullion for physical delivery and the business with regard to standard warrants.

Article 24 The Exchange mandates that a certified depository conduct internal audit. The Exchange also undertakes random and annual audit of each certified depository in order to enhance the depository's services and functioning for the benefit of members and customers.
i) Internal audit. The certified depository, pursuant to these Certified Depository Rules, the Delivery Rules of the Shanghai Futures Exchange, the Standard Warrant Rules of the Shanghai Futures Exchange and in its sole discretion, shall conduct an audit, on a regular basis, of compliance with one or more regulatory requirements and record its conclusions.
ii) The Exchange's random audit. The Exchange, in its sole discretion, or in response to a member's or customer's complaints, shall undertake random audit of one or more of the requirements imposed on the certified depository and make detailed records of its audit and findings.
iii) Annual audit. The Exchange shall conduct an annual audit on the functioning of each certified depot, evaluate it subject to the Certified Delivery Depot Evaluation and Appraisal Rules of the Shanghai Futures Exchange, and notify it of any deficiencies requiring remedy for next year. For an underperforming depot and any rectifying measures for it would be futile, the Exchange may delist it from the list of certified depositories.

Items that the Exchange's audit shall cover:
- storage facilities;
- storage profile;
- business handling capacity;
- business performance;
- accuracy of books;
- members' satisfaction with services of the certified depository; and
- others as the Exchange deems necessary.

Article 25 The certified depository shall be responsible for any losses arising from its fault that make the holder of the standard warrants be unable to exercise, wholly or partially, any rights granted by the standard warrants.

Chapter 7 MISCELLANEOUS

Article 26 Any violations of these Certified Depository Rules shall be subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 27 The Exchange reserves the right to interpret these Certified Depository Rules.

Article 28 These Certified Depository Rules are effective as of January 9, 2008.

PART XVI CERTIFIED MILL WAREHOUSE DELIVERY RULES (TRIAL)

Chapter 1 GENERAL PROVISIONS

Article 1 These Certified Mill Warehouse Delivery Rules are made pursuant to the General Exchange Rules of the Shanghai Futures Exchange, or the Exchange, and other applicable rules, to ensure that all certified mill warehouses, comply with the Exchange's rules governing the physical delivery of steel futures on or through the Exchange.

Article 2 The futures activities conducted by or through the certified mill warehouse, or the mill warehouse, is regulated by these Certified Mill Warehouse Delivery Rules. The Exchange, members, customers, or the mill warehouse shall abide by these Certified Mill Warehouse Delivery Rules.

Article 3 A mill warehouse is a venue approved by the Exchange for the physical delivery of steel products on a futures contract.

Article 4 A mill warehouse standard warrant, or a mill standard warrant, is the certificate of claim to the goods that is issued by the warehouse through the standard warrant Management System in compliance with the procedures prescribed by the Exchange.

Chapter 2 CREATION OF THE MILL STANDARD WARRANT

Article 5 Application
The mill warehouse shall apply to the Exchange for permission before issuing a mill standard warrant. The application includes the product name, brand name, trademark, member's name, name of the owner of the goods, or the owner, amounts of warrants to be issued.

Article 6 Guarantee By The Mill Warehouse

Before or at the time of issuing the mill standard warrant, the mill warehouse shall, subject to the applicable rules of the Exchange, present to the Exchange a letter of guarantee that is verified by the Exchange and conformed to the approved storage capacity of the warehouse.

In the event that the steel prices undergo drastic fluctuations, the Exchange may, in its sole discretion, require the mill warehouse to renew its guarantee.

Article 7 The Exchange's Approval
The Exchange will, given the availability of approved storage capacity and the valid guarantee provided by the mill warehouse, determine within three (3) business days whether to approve the mill warehouse to issue the standard warrant.

The term "approved storage capacity" of a mill warehouse means the maximum amount of the standard warrants it is allowed to issue (including those issued but not yet cancelled).

Determination of and adjustment to the approved storage capacity of each mill warehouse shall be approved by the Exchange.

Article 8 Issuance
The mill warehouse, after receiving the Exchange's order of approval, will issue mill standard warrants through the standard warrant system.

Chapter 3 CIRCULATION OF THE MILL STANDARD WARRANT

Article 9 The mill standard warrant can be applied to the physical delivery, assignment, delivery taking, or other functions that is prescribed by the Exchange. Nonetheless, the mill warehouse in its capacity as an owner shall not apply the standard warrant it issues as collaterals to satisfy the margin requirements.

Article 10 The procedures in which the mill standard warrant is applied to the physical delivery are identical to those that are provided in the Delivery Rules of the Shanghai Futures Exchange.

Article 11 The legitimate holder of the mill standard warrant during his holding thereof shall pay the storage fees to the mill warehouse, and the handling fees thereto in the load-out of the goods. The detailed fee schedule will be pronounced and adjusted by the Exchange in due

course.

Chapter 4 CANCELLATION OF THE MILL STANDARD WARRANT

Article 12 Cancellation of the mill standard warrant is referred to as the process in which the legitimate holder of the mill standard warrant, through the standard warrant system, applies to the mill warehouse for taking delivery of or unwarranting the goods, and the mill warehouse withdraws the warrant from the circulation.

Article 13 Prescriptions Over The Daily Shipment Amounts
The term "daily shipment amounts" of a mill warehouse means the minimum amounts that the mill warehouse arranges to deliver within twenty-four (24) hours. The determination of and adjustment to the daily amounts shall be approved and pronounced by the Exchange.

Article 14 Application For Taking The delivery
i) The owner shall apply to the Exchange for taking the delivery within seven (7) business days before the date agreed upon for taking the delivery through the standard warrant system. The application shall include:

- quality and grade specifications;
- quantity;
- the date agreed upon for taking the delivery;
- method of taking the delivery;
- plan of taking the delivery, or daily amounts to be taken;
- ID number of the person taking the delivery; and
- contact telephone number.

ii) The mill warehouse shall, within three (3) business days as of the owner's submission of the application, subject to the owner's date agreed upon for taking the delivery, quality and grade specifications, the mill's production plan, confirm with the owner on its application of taking the delivery.

In the event that the date agreed upon for taking the delivery that the owner identifies coincides with the day when many other holders of the mill standard warrant intends to take the delivery and the daily amounts to be taken exceeds the mill warehouse' daily shipment amounts, the mill warehouse will make the shipment, in its sole discretion, depending on the temporal order of each owner's submission of his application, plan of taking the delivery, the mill's production plan. The mill will, within

three (3) business days as of the owner's submission of his application, offer the owner an alternative timeframe of taking the delivery and plan of making the shipment or daily amounts to be delivered. If the owner agrees to the alternatives offered by the mill warehouse, he will pick up a day falling in the said timeframe and confirm the plan of making the shipment; otherwise, he can negotiate with the mill warehouse till they reach an agreement on the date of delivery and plan of shipment.

iii) The mill warehouse is exempt from any financial claims arising from the delay to the time of owner's taking the delivery due to the events provided in Article 14 (ii). Nonetheless, the mill warehouse shall report to the Exchange in writing of such events and causations in a timely manner.

Article 15 Prescriptions over the Production Date of the Goods for Load-out
The production date of the goods for load-out shall be within forty five (45) days before the date of delivery that is agreed upon between the owner and the mill warehouse.

Article 16 Settlement for More or Less Clause
The weight of the goods for load-out shall be measured by the mill warehouse and shall be deemed as the actual weight of the goods. The differences between standard warrant weight and actual delivery weight of the goods for load-out shall be settled by the mill warehouse with the owner by the settlement price of the corresponding futures contract of the nearest delivery month on the trading day prior to the date of delivery.

Article 17 The owner can choose to take the delivery in person or consign the mill warehouse to deliver the goods. In the case of consignment, the owner shall oversee the send-off of the goods at the mill warehouse; otherwise, he is deemed that the owner agrees to the goodness of such delivery.

Article 18 When the owner takes the delivery, he shall settle with the mill warehouse on all the related fees and costs.

Article 19 The mill warehouse shall ensure the quality of all the goods he delivers for load-out to be in conformity with the standards of grades and qualifications that are provided in the Exchange's steel futures contract specifications.

Article 20 For the purpose of verification and cross-referencing, the mill

warehouse shall report to the Exchange, on a daily basis, the amounts of goods for shipment to owners.

Article 21 The mill warehouse and owners shall retain and keep the documents of making shipment and taking the delivery which will serve as the references for the resolution of disputes.

Article 22 The owner shall take the delivery at the mill warehouse according to the date agreed upon for delivery and plan of shipment as agreed between them. If the owner takes the delivery exceeding the date agreed upon for delivery but within fifteen (15) days (inclusive) as of the date agreed upon for delivery, or the mill warehouse fails to make the delivery at the date agreed upon for shipment but not due to its own mistakes, the mill warehouse shall still be responsible for the quality of the goods to be in compliance with the due standards of the futures and make the delivery up to each owner's intention. The owner shall pay to the mill warehouse a fine, or the owner's fine I, for his failure to observe the date agreed upon for delivery.

the owner's fine I=two (2) Yuan/ton × number of days × amounts of the goods due to be taken but not × number of days delayed for the batch of goods

For the delay of shipment due to the owner's causes, if both parties reach an agreement otherwise as to his resolution, such an agreement shall prevail.

Article 23 If the owner does not take the delivery at the mill warehouse within fifteen (15) days (inclusive) as of the date agreed upon for delivery, the mill standard warrant will be cancelled and the owner shall pay to the mill warehouse a fine, or the owner's fine II, for his failure to observe the date agreed upon for delivery. The goods in the warrant will be converted into physicals and both parties shall negotiate by themselves to resolve the matters in relation to the delivery.

the owner's fine II=thirty five (35) Yuan/ton × amounts of the goods due to be taken but not

Article 24 If the owner takes the delivery at the mill warehouse on the date agreed upon for delivery but the mill warehouse does not fulfill the shipment up to the plan of delivery until a day within fifteen (15) days (inclusive) as of the date agreed upon for delivery, the mill warehouse shall pay to the owner a fine, or the mill warehouse' fine, for its failure to observe the plan of shipment.

the mill warehouse' fine=fifty (50) Yuan/ton × amounts of the goods due to be made under the daily shipment plan but not

Article 25 If the mill warehouse does not fulfill the shipment up to the amounts under the daily shipment plan within fifteen (15) days (inclusive) as of the date agreed upon for shipment, the owner can subject himself to either of the following choices:
i) If he notifies the mill warehouse on the fifteenth (15^{th}) day as of the date agreed upon for delivery that since the sixteenth (16^{th}) day as of the date agreed upon for delivery he will cease to accept the delivery of the goods from the mill warehouse that due to be made but not, the mill warehouse shall refund to him the payment for the goods and pay a compensation, or the mill warehouse' compensation.

sum of the refund and mill warehouse' compensation=compensating settlement price × amounts of the goods due to be delivered but not × one hundred and thirty percent (130%)

The compensating settlement price is the settlement price of the corresponding futures contract of the nearest delivery month on the trading day prior to the sixteenth (16^{th}) day as of the date agreed upon for delivery; or

ii) If he does not notify the mill warehouse on the fifteenth (15^{th}) day as of the date agreed upon for delivery that he will cease to accept the delivery of the goods from the mill warehouse that due to be made but not, both parties will negotiate as how to dispose of the outstanding goods to be delivered.

Article 26 If the mill warehouse commits the default as provided in Article 24 and Article 25, it will pay directly to the owner the compensation. If it fails to pay or pay the sufficient sum, the Exchange will pay such compensation to the owner in the order of the following procedures:
i) apply the collaterals that the mill warehouse posts as its guarantee; and
ii) the Exchange will pay for the compensation to the owner first and recourse to the mill warehouse for it by means including legal actions.

Article 27 If the owner commits the default as provided in Article 22 and Article 23, he shall pay directly to the mill warehouse the fines. If he fails to pay or pay the sufficient sum, the mill warehouse may recourse to the owner for the payment by means including legal actions.

Article 28 If losses are incurred on either party of the mill warehouse or the owner due to conditions and events as provided in Article 22, Article 23, Article 24 and Article 25, both parties can negotiate to agree as how to resolve he and a written agreement shall be submitted to the Exchange for filing.

Article 29 Shipment fails to be made or delivery fails to be taken due to a force majeure event, the mill warehouse and the owner shall not be accountable to pay any fines or compensation.

Article 30 If the mill warehouse and the owner mutually agree, they can select the time and plan of making the shipment by themselves in the submission of application for taking the delivery. In that case, the mill standard warrant is cancelled and the goods on it are converted into physicals. The relevant provisions in these Certified Mill Warehouse Delivery Rules shall not be applicable in carrying out the delivery but the parties shall retain and keep the documents in evidence of such agreement between them.

Article 31 Prescriptions over the Validity of the Mill Standard Warrant
The mill standard warrant will expire after six (6) months as of its creation. The invalidated warrant shall not be applied to physical delivery. The owner with the invalidated warrant shall select a negotiable delivery method in application for taking the delivery, in that case, the owner and the mill warehouse shall agree by themselves as to the time and plan of making the shipment. When the owner takes the delivery at the mill warehouse, the mill standard warrant is cancelled and the goods on it are unwarranted. Both parties will adhere to the applicable provisions in these Certified Mill Warehouse Delivery Rules in carrying out the delivery.

Article 32 After the mill standard warrant is cancelled, the mill warehouse can apply to the Exchange for adjusting the level of the guarantee it pledges.

Article 33 Quality Disputes
If the owner has disputes over the quality of the goods he takes in the delivery, he shall, within twenty (20) business days as of the conclusion of the physical delivery, apply to the Exchange in writing and provide the quality assaying conclusions drawn by the certified assayer. If such an application is not made within the prescribed time period, it is deemed that the owner has no objection to the goodness of the delivery and the Exchange will not hear any more of such application thereafter.

Chapter 5 MISCELLANEOUS

Article 34 The Exchange reserves the right to interpret these Certified Mill Warehouse Delivery Rules.

Article 35 Matters that are not addressed in these Certified Mill Warehouse Delivery Rules shall be subject to the provisions in the Standard Warrant Rules of the Shanghai Futures Exchange and the Delivery Rules of the Shanghai Futures Exchange.

Article 36 These Certified Mill Warehouse Delivery Rules are effective as of March 27, 2009.

PART XVII STANDARD WARRANT RULES

(Amended Subject to SHFEA [2012] No.10)

Chapter 1 GENERAL PROVISIONS

Article 1 These Standard Warrant Rules are adopted in accordance with the General Exchange Rules of the Shanghai Futures Exchange, to govern the use of standard warrants and ensure the orderly operation of the futures delivery business of the Shanghai Futures Exchange, or the Exchange.

Article 2 These Standard Warrant Rules are binding on the Exchange, its members, their customers, all certified delivery warehouses and any other standard warrant business participants in their dealings with standard warrants.

Article 3 The standard warrants include warehouse standard warrants, or standard warehouse receipts, and mill warehouse standard warrants. A warehouse standard warrant is issued by a certified delivery warehouse through the Exchange's standard warrant system to the owner of the warranted goods after these goods are confirmed as acceptable for delivery by the certified delivery warehouse pursuant to these Standard Warrant Rules.

The mill standard warrant is the document of title issued by a certified mill warehouse for delivery in accordance with the procedures set by the Exchange, through the standard warrant system. The mill standard warrant is, as of the effective date of these Standard Warrant Rules, applicable solely to the steel rebar, wire rod, bitumen and hot-rolled coil futures contracts.

The term "standard warrant" as used in these Standard Warrant Rules and unless otherwise defined, refers solely to the warehouse standard warrant.

Chapter 2 THE STANDARD WARRANT SYSTEM

Article 4 The Exchange shall set up and operate the electronic system, known as the standard warrant system, to handle the issuance and transfer of the standard warrants and keep maintenance of them.

Article 5 The Exchange and any member, customer of a member, certified delivery warehouse, or standard warrant business participant shall use the standard warrant system for all matters related to the standard warrants.

Article 6 Each member shall designate his settlement clerk as his authorized representative with respect to all matters requiring use of the standard warrant system, such as delivery and settlement.

Article 7 A standard warrant business participant shall open a standard warrant account in the standard warrant system before seeking to obtain a standard warrant. Each standard warrant business participant shall only have one standard warrant account.

The member and the certified delivery warehouse shall provide ready assistance to a customer opening a standard warrant account, and shall be responsible for verifying the authenticity, completeness and validity of the documents the customer submits in support of his request to open the account.

Article 8 The documents and materials that the standard warrant business participant provides for opening the standard warrant account shall be true and real.

Chapter 3 BASIC PROVISIONS ON THE STANDARD WARRANT

Article 9 A standard warrant exists electronically within the standard warrant system. A certified delivery warehouse may provide a printout copy of the standard warrant at the request of the holder of the standard warrant, or the holder.

Article 10 A standard warrant shall contain:
i) the full legal name of the owner of the goods, or the owner;
ii) the product name, amounts, quality and number of pieces of the goods represented by the standard warrant;

iii) the venue where the goods are stored;
iv) the warehousing fees charged;
v) where the goods are insured, the amount of the coverage, date of issuance and of expiration of the policy, the names and addresses of the insurer and the insured;
vi) issuer, locality and time of issuance; and
vii) other contents as the Exchange deems necessary to be specified in a standard warrant.

Article 11 The standard warrant may be used to make or take delivery, transfer the ownership of the goods, and for any other purposes as the Exchange prescribes in these Standard Warrant Rules.

Article 12 A standard warrant may be collateralized to meet margin requirements as specified in the provisions with regard to marketable securities in the Clearing Rules of the Shanghai Futures Exchange.

Chapter 4 CREATION AND PRINTOUT OF THE STANDARD WARRANT

Article 13 The creation of a standard warrant is the process involving submission of a delivery notice, or a load-in application, load-in of the goods for warranting and delivery, issuance of the warrant by the certified delivery warehouse and confirmation of the issuance.

Article 14 An owner about to send goods to a certified delivery warehouse shall present a load-in application containing:

- the name of the commodity and grade or brand name and trademark;
- the quantity;
- the sender; and
- the name and location of the certified delivery warehouse at which the owner wishes to store the goods.

The application shall be accompanied by all supporting bills and documents as required by the Exchange for the load-in. For the load-in application of fuel oil and bitumen, a load-in application deposit is required.

The customer shall instruct his carrying FF member to assist the certified delivery warehouse, as needed, in preparing the load-in application.

Article 15 Given the availability of storage for the time needed by the

owner, the Exchange shall, in its discretion, determine within three (3) trading days whether the load-in application is approved.

Article 16 The owner shall deliver the warranted goods to the specified certified delivery warehouse subject to the time limit approved in the load-in application. The proposed delivery shall be rejected if the load-in is not approved or exceeds the time limit granted by the Exchange.

Article 17 The certified delivery warehouse shall inspect the arrived goods to verify their type of product, brand name, quantity, quality and packaging, as well as the accompanying documents, in compliance with the applicable rules of the Exchange.

The owner shall oversee in person the inspection of his delivered goods. Otherwise, the owner is deemed to have agreed with the certified delivery warehouse as to the results of its inspection.

Once the inspection is complete, the certified delivery warehouse shall enter the results into the standard warrant system. At this time, the member shall apply to the Exchange for the creation of a standard warrant.

Article 18 After the Exchange approves the creation of a standard warrant, the certified delivery warehouse shall review the information listed in the load-in application before creating a standard warrant. The person from the certified delivery warehouse, who is responsible for the review, shall do a double-check of the information listed in the load-in application.

Article 19 The holder shall confirm the validity of the terms of the newly-issued standard warrant within three (3) days of his receipt of a standard warrant confirmation notice or he will be deemed to have accepted these terms. The standard warrant shall become effective immediately upon conclusion of this three-day period.

Article 20 The certified delivery warehouse shall verify the following prior to issuing a standard warrant:
i) that the amount of the commodity represented by the standard warrant equals the minimum warranted delivery size of the commodity specified in the futures contract;
ii) that the quality, packaging and other conditions of the commodity placed on a standard warrant comply with the terms of the futures contract; and

iii) that the commodity shown on a standard warrant is of the same product, producer, or origin of production, trademark, and brand name or grade.

Article 21 The standard warrant shall appear electronically on the standard warrant system, although the holder may request a printout of the standard warrant, or a printout, at any time by making a request of the certified delivery warehouse.

Article 22 The certified delivery warehouse shall, upon the application of the holder, print out the standard warrant and deliver it to the retention of the holder.

Article 23 The printout shall bear the corporate seal of the certified delivery warehouse and the signature of the clerk of the warehouse who handles the issuance of the printout. If the printout is not properly printed, the certified delivery warehouse shall reprint a new one, stamp "VOID" on the original one, and keep it for record.

Article 24 The certified delivery warehouse is responsible for ensuring that the information stated in the printout and the standard warrant stored in the standard warrant system are identical, except otherwise specified in these Standard Warrant Rules. If an inconsistency is found in a printout, the certified delivery warehouse shall promptly retrieve and dispose of the printout. The certified delivery warehouse shall be liable for any losses to the holder or any other standard warrant business participants arising from its failure to keep the printout consistent with the standard warrant stored in the standard warrant system.

Article 25 A standard warrant bearing a serial number may not be reprinted if the warrant has already been printed. Except as provided in Article 50 of these Standard Warrant Rules on the change of storage berth, any change to the information contained in the standard warrant bearing a serial number shall be lawfully approved by the holder, and verified and confirmed by either the certified delivery warehouse or the Exchange. Once approval of the change has been granted, this change shall also be made to the printout, if one exists.

Article 26 A certified delivery warehouse may recover a printout by means of the standard warrant recovery process, as follows:
i) the holder may apply either through the standard warrant system or in person to the certified delivery warehouse to return the printout.
ii) the certified delivery warehouse shall verify the application and the printout presented;

iii) the holder shall confirm and sign a checklist for the return of the printout ; and
iv) the certified delivery warehouse shall then stamp “RECOVERED” on the printout and keep he for record.

Article 27 Before the printout is returned to the certified delivery warehouse, a member or customer may not use a printout to effectuate physical delivery or the exchange of futures for physicals through the Exchange or to use it as collateral to meet margin requirements. Only when the printout is recovered to the electronic form can he conduct these activities.

Chapter 5 DELIVERY

Article 28 At the expiration of a futures contract, all persons holding open interests shall settle them by physical delivery pursuant to the following procedures:
i) the customer (seller) shall authorize his FF member (seller) to apply his standard warrant as held in the standard warrant system to make a physical delivery;
ii) on the first delivery day, the FF member (seller) representing the customer (seller) shall post to the Exchange through the standard warrant system a standard warrant that has been cleared of all his carrying charges. On the same day, the FF member (buyer) representing the customer (buyer) shall notify the Exchange of his customer’s intent to accept physical delivery;
iii) on the second delivery day, the Exchange shall allocate all standard warrants it has received;
iv) on the third delivery day, the Exchange shall release the allocated standard warrants to the FF member (buyer) after it receives payment from such FF member. The Exchange will, thereafter, remit the payment to the FF member (seller);
v) on the fourth and fifth delivery day, the FF member (seller) shall submit to the Exchange the value-added tax invoice, or the VAT invoice, or other applicable bills and documents; and
vi) the FF member (buyer) shall, prior to or on the last delivery day, allocate the standard warrants under his name to the customer (buyer) to whom the warrant is due. If the FF member (buyer) fails to perform the allocation within the time limit, he shall report to the Exchange the reasons for such failure.

Article 29 In the event the customer (buyer) defaults on delivery while

his FF member (buyer) acts on his behalf to perform the obligations, the FF member (buyer) shall apply to the Exchange for such performance on the customer's behalf, and the Exchange shall verify the application submitted to the Exchange by the FF member (buyer). After confirming the validity of the application, he shall place the corresponding standard warrant into that member's standard warrant account. The FF member will then be entitled to dispose of the standard warrant pursuant to the applicable rules of the Exchange.

Chapter 6 EXCHANGE OF FUTURES FOR PHYSICALS

Article 30 The buyer (member or customer) and the seller (member or customer), having agreed to enter into an exchange of futures for physicals, or EFP, upon specified terms, shall present an application containing these terms to the Exchange. Either party may make the submission. The EFP may be executed once the Exchange approves the application.

Article 31 The following procedures shall be used in applying a standard warrant to effect an EFP through the Exchange:
i) the customer (seller) shall authorize his FF member (seller) to use his standard warrant to effectuate an EFP transaction;
ii) the member (seller) shall deliver the standard warrant to the Exchange within the specified time limit;
iii) the Exchange shall allocate the standard warrants to the member (buyer);
iv) upon receiving payment from the member (buyer), the Exchange shall release the allocated standard warrants to the member (buyer) and promptly remit the payment to the member (seller); and
v) the member (buyer) shall allocate the standard warrants to his customers within three (3) business days of receipt. If the member (buyer) fails to perform the allocation within the time limit, he shall report to the Exchange on the reasons for such failure.

Article 32 In the event the customer (buyer) defaults on delivery while his FF member (buyer) acts on his behalf to perform the obligations, the FF member (buyer) shall apply to the Exchange for such performance on the customer's behalf, and the Exchange shall verify the application submitted to the Exchange by the FF member (buyer). After confirming the validity of the application, he shall place the corresponding standard warrant into that member's standard warrant account. The FF member will then be entitled to dispose of the standard warrant pursuant to the

applicable rules of the Exchange.

Article 33 Where the EFP occurs off-the-Exchange, the parties shall exchange the payment by themselves and the standard warrant as they deem appropriate or by using the procedures regarding the off-the-Exchange circulation of the standard warrant as provided in these Standard Warrant Rules.

Chapter 7 COLLATERAL FOR MARGIN REQUIREMENT

Article 34 The customer shall post the standard warrants to be used as collaterals to meet the margin requirements as follows:
i) the customer shall designate his FF member who is to receive the standard warrant to be used as collateral to meet the margin requirements;
ii) the member shall choose from among the standard warrants designated by the customer and submit all or a part of them to the Exchange. It shall identify whether the standard warrants are to be used as collaterals to meet general margin requirements or to cover the trade margins for the open interests of a futures contract in the delivery month in the same amounts as listed in such standard warrants; and
iii) the Exchange shall verify and confirm the information submitted by the member. A standard warrant shall be applied to meet the margin requirements only after the Exchange verifies and confirms its validity.

Article 35 A customer may redeem a standard warrant used as a collateral to meet the margin requirements as follows:
i) the customer shall apply to the member to redeem the standard warrant;
ii) the member shall submit the customer’s application to the Exchange to redeem the standard warrant;
iii) once the Exchange verifies and confirms the application, it shall return the standard warrant to the member; and
iv) the member shall then return the standard warrant to the customer promptly. If the member fails to do so, he shall report to the Exchange the reasons for such failure.

Article 36 In case the customer authorizes the member to apply his standard warrant to be used as collateral to meet the margin requirement owed by the member, the member may, after his margin requirement is satisfied, apply to the Exchange to redeem the standard warrant. If a dispute arises between the member and the customer as

to the redemption of the standard warrant, the Exchange shall reassign the standard warrants to the standard warrant account as provided in the agreement entered into by the member and the customer regarding the redemption, or resort to the measures as prescribed by other legal documents that are in force.

Chapter 8 PLEDGE OFF THE EXCHANGE

Article 37 The use of a standard warrant as pledge allows the pledger (the debtor or the third person) to place the standard warrant in the possession of the pledgee (the creditor) to guarantee the performance of his obligations. In the event the pledger fails to perform his obligations, the pledgee shall be paid in priority out of the proceeds of the discounted redemption, auction or sale of the standard warrant.

Article 38 The pledger shall, in the pledge contract that he enters into with the pledgee, list the serial number of the standard warrant to be used as pledge and present a duplicate copy of the pledge contract to the certified delivery warehouse for record.

Article 39 To register a standard warrant for use as off-Exchange pledge:
i) if the pledger opts to use electronic means, he shall apply directly to the certified delivery warehouse for pledge through the standard warrant system. If the pledger opts to use the printout, he may apply to the certified delivery warehouse through the standard warrant system or deliver the printout to the warehouse directly;
ii) the certified delivery warehouse shall verify the application against the duplicate copy of the pledge contract;
iii) the pledgee shall confirm the validity of the standard warrant for use as pledge through the standard warrant system or at the location of the certified delivery warehouse; and
iv) the certified delivery warehouse shall then put the pledged standard warrant on hold so that he may not be used for physical delivery, transferred to another party, delivered or made part of a loss report.

Article 40 The certified delivery warehouse shall engrave markings on the warranted goods whose corresponding standard warrant is in use as pledge, and shall preserve the goods in good condition.

Article 41 The procedure for discharging a standard warrant as pledge consists of the following:
i) if the pledgee chooses to discharge an electronic standard warrant, he

shall submit a discharge application directly to the certified delivery warehouse through the standard warrant system. If the pledger applies to release the printout, he may apply to the certified delivery warehouse through the standard warrant system or deliver the printout to the warehouse;
ii) the certified delivery warehouse shall verify the application; and
iii) the pledger shall confirm the validity of the application for discharge of the pledge either through the standard warrant system or at the location of the certified delivery warehouse.

Article 42 The certified delivery warehouse shall return the standard warrant pledge checklist and the standard warrant discharge-off-pledge checklist, both of which bear the signature and corporate seal of the certified delivery warehouse, to the pledger and pledgee.

Article 43 If the debts owing to the pledgee (creditor) are not paid off when the term of the pledge expires, the pledgee may exercise his rights over the pledge as provided in the standard warrant pledge contract and other applicable rules and regulations.

Chapter 9 TRANSFER OFF THE EXCHANGE

Article 44 A standard warrant may be transferred off the Exchange, either using the electronic transfer method or the paper transfer method.

Article 45 With the electronic transfer method, the standard warrant, in its electronic existence, is transferred off the Exchange and either settled in a bilateral manner between the transferor and transferee, or through the Exchange. A handling fee will be charged based on the delivery fee schedule, if the settlement occurs through the Exchange.

Article 46 The electronic transfer in a bilateral settlement manner shall be executed in the following manner:
i) the seller shall enter information such as the name of the product, name of the certified delivery warehouse, trader code and name of the customer (buyer) and details of the corresponding standard warrants and then submit the application to the certified delivery warehouse;
ii) the buyer shall then confirm the application for transfer through the standard warrant system;
iii) the certified delivery warehouse shall verify the transfer application;
iv) the buyer shall make the payment as bilaterally agreed; and
v) the seller shall release the standard warrant to the buyer’s standard

warrant account upon receiving payment.

Article 47 An electronic transfer based on settlement through the Exchange shall be executed between members, as follows:
i) the customer (seller) shall enter information such as product name, name of the certified delivery warehouse, trader code and name of the customer (buyer), name of the member (seller), transfer quote and details of the corresponding standard warrants and then shall submit the application for transfer to the certified delivery warehouse ;
ii) the customer (buyer) shall confirm the application for transfer through the standard warrant system and deposit payment to the futures settlement account of the designated member (buyer);
iii) the certified delivery warehouse shall verify the transfer application, and notify the buyer, the seller and the Exchange thereof;
iv) the Exchange shall print the standard warrant transfer-off-the Exchange statement and collect and remit the payment; and
v) the Exchange shall then release the standard warrant.

The Exchange will complete the transfer procedures within the current day if the member submits the application before 14:00 on the day and within the next trading day if the member submits the application after 14:00 on the day.

Article 48 The paper transfer method refers to the printout of the standard warrant that is transferred from the Exchange by the endorsement between the buyer and the seller, as follows:
i) the seller shall stamp his seal on the proper area of the back of the printout where the records of off-Exchange transfer are identified;
ii) the seller may, by himself, present an application through the standard warrant system for the transfer or deliver the printout to the certified delivery warehouse;
iii) the buyer shall stamp his seal on the proper area of the back of the printout where the records of off-Exchange transfers are identified;
iv) the buyer may submit the application for transfer through the standard warrant system or deliver the printout to the certified delivery warehouse; and
v) the buyer and the seller shall present the printout of the standard warrant which carries the endorsement of both parties to the certified delivery warehouse. The certified delivery warehouse shall verify the application for transfer against the printout, and if the validity of the application is confirmed, the standard warrant shall be transferred to the buyer’s standard warrant account. Furthermore, the certified delivery warehouse shall stamp its corporate seal on the proper area of the back of the printout where the records of off-Exchange transfers are identified

to complete the transfer procedure.

Before the certified delivery warehouse completes the verification, the buyer and the seller shall complete the procedures provided in this Article 48(ii) and (iv).

Chapter 10 CHANGE OF THE STANDARD WARRANT

Article 49 If the holder needs to change any of the data pertaining to the standard warrant such as the weight, number of makeweight bundles and pieces of the goods identified on that warrant, he shall apply to change the data through the standard warrant system. Those changes will be made upon the approval of the certified delivery warehouse and the Exchange.

Article 50 In the event that the certified delivery warehouse needs to change the storage locality of the goods in the certified delivery warehouse as noted on the standard warrant, it shall make an advance application to the Exchange, which will, within ten (10) business days, respond to the application. The certified delivery warehouse shall notify the holder of the change of storage locality after the change is completed and promptly modify the data pertaining to the standard warrant in the standard warrant system. If a printout exists for the standard warrant, the certified delivery warehouse shall create a revised printout.

Article 51 When the quality assaying report for the goods represented on the standard warrant expires, the holder shall have the goods re-assayed. When the re-assaying is complete, the holder shall present an application to the Exchange to change the expiry date of the quality assaying report. After the Exchange confirms the validity of the revised quality assaying report, the certified delivery warehouse shall modify the quality assaying report and its expiry date as shown in the standard warrant system.

Article 52 A printout that is subject to changes as provided in Article 49 and Article 51 in these Standard Warrant Rules, shall be returned to the certified delivery warehouse before any changes are made to the standard warrant. The certified delivery warehouse shall then issue a revised and updated printout if requested by the holder.

Chapter 11 LOSS REPORT FOR THE STANDARD WARRANT

Article 53 The holder shall preserve the printout in good condition. If any theft, loss or damage occurs, the holder shall promptly submit a loss report to the Exchange using the following procedures:
i) the holder may submit a loss report through the standard warrant system or at the Exchange's premises;
ii) after the Exchange approves the application, the person who has submitted the loss report shall make a public announcement through the media designated by the Exchange of the loss weekly for four (4) consecutive weeks;
iii) if no one disputes the loss to the Exchange or the certified delivery warehouse within thirty (30) days from the date of the first public announcement, the person who first reported the loss may apply to the Exchange for the reissuance of the standard warrant. He may apply for the reissuance through the standard warrant system or at the Exchange's premises;
iv) the Exchange will, if approving the application, order the certified delivery warehouse to reissue the standard warrant; and
v) the certified delivery warehouse issues the new standard warrant and cancels the original one. The new standard warrant exists by electronic means, and will be noted that THIS WARRANT IS A SUBSTITUTE FOR THE WARRANT WITH THE NUMBER AS …(the serial number of the original standard warrant).

Chapter 12 FREEZE AND SEIZURE OF A STANDARD WARRANT

Article 54 The freezing and unfreezing of a standard warrant are the responsibility of the certified delivery warehouse. The applicant for the freezing or unfreezing of the standard warrant shall produce the valid legal documents and other applicable documents of proof to the certified delivery warehouse, and once verified by the warehouse, exercise the right to freeze or unfreeze the standard warrant through the standard warrant system.

During the freezing of the standard warrant, the certified delivery warehouse shall hold the goods on the standard warrant. After the unfreezing of the standard warrant, the certified delivery warehouse shall dispose of the goods represented by the standard warrant pursuant to what the valid legal documents enforce.

Article 55 The certified delivery warehouse shall report to the Exchange on the freezing and unfreezing of a standard warrant.

Article 56 In the event that a dispute arises between the standard warrant business participants with regard to the standard warrant, or the ownership of a standard warrant, the Exchange shall, either at the request of the interested parties or at its sole discretion, hold the standard warrant until the dispute is resolved.

Chapter 13 CANCELLATION OF A STANDARD WARRANT

Article 57 A certified delivery warehouse shall withdraw a standard warrant from circulation once the holder takes delivery or applies to replace it with a physical document of title.

Article 58 A standard warrant shall be rendered void if its holder disputes information other than the weight, number of bundles and pieces, storage locality or expiry date of the quality assaying report of the valid standard warrant issued by the certified delivery warehouse, and the certified delivery warehouse and Exchange determine that the disputed information is inaccurate.

Article 59 If a void standard warrant needs to be renewed as a new standard warrant, all the procedures relating to the load-in application shall be undertaken anew at the Exchange’s premises.

Article 60 A standard warrant past its expiry date shall not be used to make physical delivery against a futures contract. The holder shall, within one (1) month of the expiry of the standard warrant, either take delivery or apply for the reissuance of a standard warrant at the certified delivery warehouse. Otherwise, the person who takes delivery shall enter into a physical goods custody agreement with the certified delivery warehouse.

Article 61 When the holder takes delivery, he shall apply to the certified delivery warehouse for the load-out of the goods described in the standard warrant. When the certified delivery warehouse verifies the validity of such an application, it shall release the goods. The handling staff of the certified delivery warehouse will release the goods in accordance with the checklist of the goods loaded out and other applicable documents.

Article 62 The holder shall select the method of taking delivery in his load-out application:
i) if the holder takes delivery at the certified delivery warehouse by himself, the certified delivery warehouse shall release the goods after verifying the standard warrant. The owner shall be at the warehouse overseeing the delivery; otherwise, the owner shall be deemed to have agreed with the validity of that delivery by the certified delivery warehouse;
ii) if the owner consigns a third party to take the delivery, he shall append a consignment agreement to the load-out application. The load-out application shall state the name of the consignee, the password for taking the delivery, the contact person and contact telephone number. The warehouse shall release the goods after verifying the standard warrant. The consignee shall be at the warehouse overseeing the delivery; otherwise, the owner shall be deemed to have agreed with the validity of the delivery by the certified delivery warehouse; and
iii) if the owner consigns the certified delivery warehouse to dispatch the goods, he shall append the consignment agreement to the load-out application and the load-out application shall state such information as the destination address for the goods, the contact person and the contact telephone number. The warehouse will then release the goods after verifying the standard warrant. In that case, the owner will be deemed to have agreed with the validity of the delivery by the certified delivery warehouse.

Article 63 When the goods are loaded out, the certified delivery warehouse shall make a checklist for the taker of the delivery to confirm by signing. When the holder of the printout completes the taking of delivery, the certified delivery warehouse shall stamp "GOODS DELIVERED" on the printout and retain it for cross reference with the records at the warehouse. Those void printouts will be destroyed on a regular basis.

Chapter 14 MISCELLANEOUS

Article 64 Provisions as construed in the Articles of Association of the Shanghai Futures Exchange, the General Exchange Rules of the Shanghai Futures Exchange and other applicable rules of the Exchange shall be applicable to the matters that are not addressed by these Standard Warrant Rules.

Article 65 Procedures of the opening of the standard warrant account,

application and operation of the standard warrant system can be referred to in the manuals of operations made by the Exchange in accordance with these Standard Warrant Rules.

Article 66 Rules on the organization and execution of the trade on the standard warrant will be made by the Exchange in due course.

Article 67 The creation, circulation and cancellation of the mill standard warrant of steel rebar, wire rod and hot-rolled coil futures can refer to the Certified Mill Warehouse Delivery Rules of the Shanghai Futures Exchange (Trial).

The creation, transfer and cancellation of certified factory warehouse's standard warrant used in the delivery of bitumen futures and any other matters related thereto shall be subject to the applicable provisions of the Bitumen Futures Delivery Rules of the Shanghai Futures Exchange (Trial).

Provisions as in these Standard Warrant Rules are applicable to the matters that are not addressed in the Certified Mill Warehouse Delivery Rules Delivery Rules of the Shanghai Futures Exchange (Trial).

Matters related to certified factory warehouse's standard warrants which are not covered in the Bitumen Futures Delivery Rules of the Shanghai Futures Exchange (Trial) shall be subject to the applicable provisions on the Standard Warrant Rules of the Exchange.

Article 68 Any rule violations of these Standard Warrant Rules will be brought by the Exchange under sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 69 The Exchange reserves the right to interpret these Standard Warrant Rules.

Article 70 These Standard Warrant Rules are effective as of March 21, 2014.

PART XVIII RISK MANAGEMENT RULES

(AMENDED SUBJECT TO SHFEA [2013] NO. 7)

Chapter 1 GENERAL PROVISIONS

Article 1 These Risk Management Rules are made, in accordance with the General Exchange Rules of the Shanghai Futures Exchange, to apply risk management to futures markets, safeguard the legitimate interests of the futures market participant and guarantee the futures trading activities on or through the Shanghai Futures Exchange, or the Exchange.

Article 2 The Exchange applies the risk management regimes including the Margin Requirement, the Price Limit, the Speculative Position Limit, the Large Trader Reporting, the Forced Position Liquidation and the Risk Warning.

Article 3 These Risk Management Rules are binding on the Exchange, its members and their customers.

Chapter 2 THE MARGIN REQUIREMENT

Article 4 The Exchange applies a minimum trade margin rate based on a contract's notional value, as follows:

- copper cathode, or copper, futures 5%
- aluminum futures 5%
- zinc futures 5%
- natural rubber futures 5%
- lead futures 8%
- steel rebar futures 5%
- wire rod futures 7%
- hot-rolled coil 4%
- gold futures 4%
- silver futures 4%
- fuel oil futures 8%
- bitumen futures 4%

When the following events or conditions occur in the process of trading in a futures contract, the Exchange may, in its sole discretion, adjust the trade margin for a contract:
i) open interest reaches a fixed level;
ii) the delivery period approaches;
iii) the price variation of a contract amounts to a certain rate after a consecutive number of trading days;
iv) the same direction limit-locked market remains for a consecutive number of trading days;
v) a long public holiday is approaching;
vi) the Exchange, in its discretion, decides that the risk of the market is increasing; and
(vii) other events or conditions the Exchange deems necessary to adjust the trade margin for a contract.

The Exchange shall issue a public announcement and report to the China Securities Regulatory Commission, or the CSRC, before adjusting the trade margin for a futures contract.

Article 5 The Exchange applies different rates of trade margin for a futures contract based on its amount of open interest and the different period of trading from its listing to its last trading day, as provided in the following details, except otherwise specified in this Article 5:

Trade margin for the hot-rolled coil futures contract is not based on its amount of open interest.

i) The Exchange shall set rates of the trade margin based on a contract's amount of open interest, as demonstrated in the following tables:

Table 1. Trade margin for the copper futures contract based on the amount of open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤240,000	5%
240,000<X≤280,000	6.5%
280,000<X≤320,000	8%
X>320,000	10%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 2. Trade margin for the aluminum futures contract based on the amount of open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤240,000	5%
240,000<X≤280,000	6.5%
280,000<X≤320,000	8%
X>320,000	10%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table Trade margin for the zinc futures contract based on the amount of open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤240,000	5%
240,000<X≤280,000	6.5%
280,000<X≤320,000	8%
X>320,000	10%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 4. Trade margin for the lead futures contract based on the amount of open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤40,000	8%
40,000<X≤60,000	10%
X>60,000	12%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 5. Trade margin for the steel rebar contract based on the amount of

open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤1,200,000	5%
1,200,000<X≤1,350,000	7%
1,350,000<X≤1,500,000	9%
X>1,500,000	11%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 6. Trade margin for the wire rod futures contract based on the amount of open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤450,000	7%
450,000<X≤600,000	8%
600,000<X≤750,000	10%
X>750,000	12%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 7. Trade margin for the gold futures contract based on the amount of open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤16,000	4%
16,000<X≤20,000	6%
20,000<X≤24,000	8%
X>24,000	10%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 8. Trade margin for the silver futures contract based on the amount of open interest

As of the first trading day of the third month prior to the delivery month, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤16,000	4%
16,000<X≤20,000	6%
20,000<X≤24,000	8%
X>24,000	10%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 9. Trade margin for the natural rubber futures contract based on the amount of open interest

As of the first trading day of the listing, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤80,000	5%
80,000<X≤120,000	8%
120,000<X≤160,000	10%
X>160,000	12%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 10. Trade margin for the fuel oil futures contract based on the amount of open interest

As of the first trading day of the listing, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:
X≤100,000	8%
100,000<X≤150,000	10%
150,000<X≤200,000	12%
X>200,000	15%

Note : the open interest (in lots) is denoted as "X" and that X refers to the gross open interest in lots of all the longs and shorts of a futures contract

Table 11. Trade margin for the bitumen futures contract based on the amount of open interest

As of the first trading day of the listing, when the open interest amounts to	Trade margin based on the notional value of the contract as of that date:

X≤300,000	4%
300,000<X≤500,000	6%
X>500,000	8%

In the process of trading in a futures contract, when its open interest reaches the levels as set forth in Tables 1-11, above, no adjustment is to be made to the trade margin. Nonetheless, at the time of daily clearing, when the futures contract's open interest reaches the levels as set forth in Tables 1-10, above, the Exchange will, accordingly, adjust and access the trade margin for all the long and short positions in that contract pursuant to the rate specified in Tables 1-10. If the holder of a long or short position becomes insufficient with his margins, he shall deposit funds to meet the margin requirements by the opening of the next trading day.

ii) The Exchange shall set the rates of the trade margin at the different period of trading from the listing to the last trading day near the delivery period of a futures contract, as demonstrated in the following tables:

Table 12. Trade margin for the copper futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	5%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 13. Trade margin for the aluminum futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	5%
As of the first trading day of the first month prior to the delivery month	10%

As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 14. Trade margin for the zinc futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	5%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 15. Trade margin for the lead futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	8%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 16. Trade margin for the steel rebar futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	5%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the	15%

delivery month	
As of the second trading day prior to the last trading day	20%

Table 17. Trade margin for the wire rod futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	7%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 18. Trade margin for the hot-rolled coil futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	4%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 19. Trade margin for the gold futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	4%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the	15%

delivery month	
As of the second trading day prior to the last trading day	20%

Table 20. Trade margin for the silver futures contract at the different period of trading from its listing to its last trading day

Trading period	Trade margin based on the notional value of the contract as of that date:
As of listing	4%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 21. Trade margin for the natural rubber futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	5%
As of the first trading day of the first month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

Table 22. Trade margin for the fuel oil futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	8%
As of the first trading day of the second month prior to the delivery month	10%
As of the first trading day of the first month prior to the delivery	15%

month	
As of the second trading day prior to the last trading day	20%

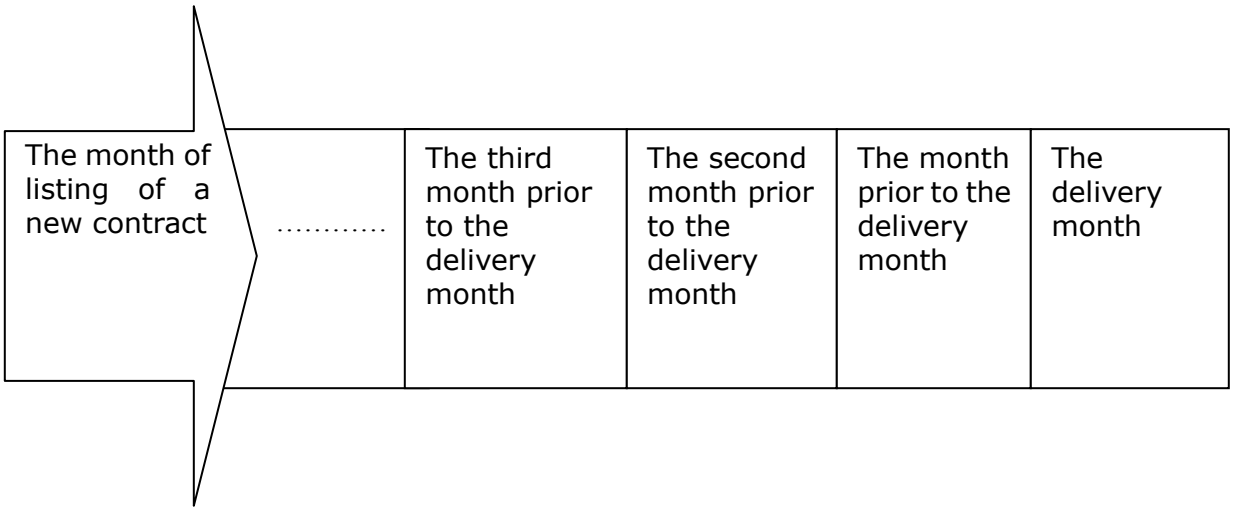
Table 23. Trade margin for the bitumen futures contract at the different period of trading from its listing to its last trading day

Period of Trading	Trade margin based on the notional value of the contract as of that date:
As of listing	4%
As of the first trading day of the month prior to the delivery month	10%
As of the first trading day of the delivery month	15%
As of the second trading day prior to the last trading day	20%

When a futures contract comes to a period of trading that requires an increase in trade margin, as demonstrated in Tables 11-23, above, the Exchange shall, at the daily clearing on the trading day prior to the next trading day when the new period begins, settle the positions opened before the next trading day based on the new trade margin rate to be applied to the next trading day. If a holder of a long or short position becomes insufficient with his margins, the holder must deposit funds to meet the new margin requirement by the opening of the next trading day.

When he is in the delivery month, the holder of a short position may use his standard warrants as collateral to guarantee his performance of the futures contracts with equivalent amount of positions he holds of the delivery month, in which case the holder will not be subject to any margin requirement for those positions.

iii) The following is an example of the period of trading of the futures contract, Cu0305, from its listing to its last trading day:
The period of trading of Cu0305 is from May 16, 2002 to May 15, 2003;
The date of listing is May 16, 2002;
The last trading day is May 15, 2003;
The trading day prior to the last trading day is May 14, 2003;
The second trading day prior to the last trading day is May 13, 2003;
The delivery month is May, 2003;
The month prior to the delivery month is April, 2003;
The second month prior to the delivery month is March, 2003; and
The third month prior to the delivery month is February, 2003.



The chronology provided in this Article 5(iii) which exemplifies the period of trading of a futures contract will be used in these Risk Management Rules.

Article 6 In the event that trading in a futures contract reaches a limit price, the margin requirements set forth in Chapter 3 of these Risk Management Rules shall apply.

Article 7
i) For the contracts of copper futures, aluminum futures, zinc futures, steel rebar futures, wire rod futures or hot-rolled coil futures:

(a) when the price variation in aggregate (denoted as N) reaches 7.5% or more on three (3) consecutive trading days (denoted as D1-D3,) or
(b) when the price variation in aggregate (denoted as N) reaches 9% or more on four (4) consecutive trading days (denoted as D1-D4) or
(c) when the price variation in aggregate (denoted as N) reaches10.5% or more on five (5) consecutive trading days (denoted as D1-D5),

the Exchange may, in its sole discretion, exercise the following one or more measures:

- require additional trade margins from the longs or shorts, or from both the longs and shorts, and/or, at the same or different rates, and/or from a part of or all the members;
- limit the withdrawal of funds to a part of or all the members;
- suspend the opening of new positions for a part of or all of the members;

- adjust the limit price, but not to over twenty percent (20%) up or down ;
- order the liquidation of positions by a prescribed deadline; and/or
- exercise forced position liquidation.

(ii) For the lead futures contract or the gold futures contract:

(a) when the price variation in aggregate (denoted as N) reaches 10% or more on three (3) consecutive trading days (denoted as D1-D3,) or
(b) when the price variation in aggregate(denoted as N) reaches 12% or more on four (4) consecutive trading days (denoted as D1-D4) or
(c) when the price variation in aggregate (denoted as N) reaches 13% or more on five (5) consecutive trading days (denoted as D1-D5)

the Exchange may, in its sole discretion, exercise the following one or more measures:

- require additional trade margins from the longs or shorts, or from both the longs and shorts, and/or, at the same or different rates, and/or from a part of or all the members;
- limit the withdrawal of funds to a part of or all the members;
- suspend the opening of new positions for a part of or all of the members;
- adjust the limit price, but not to over twenty percent (20%) up or down;
- order the liquidation of positions by a prescribed deadline; and/or
- exercise forced position liquidation.

(iii) For the natural rubber or bitumen futures contract:

(a) when the price variation in aggregate (denoted as N) reaches 9% or more on three (3) consecutive trading days (denoted as D1-D3,) or
(b) when the price variation in aggregate (denoted as N) reaches 12% or more on four (4) consecutive trading days (denoted as D1-D4) or
(c) when the price variation in aggregate (denoted as N) reaches 13.5% or more on five (5) consecutive trading days (denoted as D1-D5),

the Exchange may, in its sole discretion, exercise the following one or more measures:

- require additional trade margins from the longs or shorts, or from both the longs and shorts, and/or, at the same or different rates, and/or from a part of or all the members;
- limit the withdrawal of funds to a part of or all the members;
- suspend the opening of new positions for a part of or all of the members;

- adjust the limit price, but not to over twenty percent (20%) up or down;
- order the liquidation of positions by a prescribed deadline; and/or
- exercise forced position liquidation.

iv) For the fuel oil futures or the silver futures contract,
(a) when the price variation in aggregate (denoted as N) reaches 12% or more on three (3) consecutive trading days (denoted as D1-D3,) or
(b) when the price variation in aggregate (denoted as N) reaches 14% or more on four (4) consecutive trading days (denoted as D1-D4) or
(c) when the price variation in aggregate (denoted as N) reaches 16% or more on five (5) consecutive trading days (denoted as D1-D5),

the Exchange may, in its sole discretion, exercise the following one or more measures:

- require additional trade margins from the longs or shorts, or from both the longs and shorts, and/or, at the same or different rates, and/or from a part of or all the members;
- limit the withdrawal of funds to a part of or all the members;
- suspend the opening of new positions for a part of or all of the members;
- adjust the limit price, but not to over twenty percent (20%) up or down;
- order the liquidation of positions by a prescribed deadline; and/or
- exercise forced position liquidation.

The N is calculated using the following formula:

$$N= \frac{Pt - Po}{Po} \times 100\%, \text{ where } t=3,4,5;$$

P_0 is the settlement price of the trading day prior to D1;
P_t is the settlement price of the trading day and t=3, 4, 5;
P_3 is the settlement price of D3;
P_4 is the settlement price of D4;
P_5 is the settlement price of D5.

The Exchange shall report to the CSRC before taking any action as provided in this Article 7.

Article 8 In the event that two or more trade margin rates are applicable as prescribed in this Chapter 2, the higher or the highest shall be applied as the trade margin.

Chapter 3 THE PRICE LIMIT

Article 9 The Exchange applies the Price Limit which sets the maximum price variation for each futures contract during a trading day.

The Exchange will, in its sole discretion, adjust the limit price for a futures contract when any of the following events or conditions occur:
i) the same direction limit-locked market exists in the trading of a futures market;
ii) A long public holidays is approaching;
iii) the Exchange, in its discretion, decides that the risk of the market is increasing; and
iv) other events or conditions the Exchange deems necessary to adjust the limit price in a market.

The Exchange shall make a public announcement and report to the CSRC of its decision to adjust the limit price.

In the event that two or more limit prices are applicable as prescribed in this Chapter 3, the higher or the highest shall be applied as the limit price.

Article 10 When a futures contract is traded at the limit price, trades shall be matched with priority given to the bids or the asks which facilitates the close-out of the open interest, except for new positions opened on the current day, and based on the "time priority" rule.

Article 11 The term "limit-locked market" means the situation in which within the five (5) minutes prior to the close of a trading day, there are only bids (asks) but no asks (bids) at the limit price, or any asks (bids) are instantly filled while the limit price still exists. The term "same direction limit-locked market" means the situation in which the limit-locked market exists for two (2) consecutive trading days. The term "reverse direction limit-locked market" means the situation in which on the trading day following a limit-locked market, the limit-locked market goes to the opposite direction.

Article 12 In the event that a limit-locked market occurs for a futures contract on a trading day (denoted as D1 whereas the previous trading day is D0 and the successive trading days are D2-D6,)

(i) the limit price for D2 shall be fixed at three percent (3%) on top of that for D1 for contracts in copper futures, aluminum futures, zinc futures, lead futures, steel rebar futures, wire rod futures, hot-rolled coil futures, gold futures, silver futures, natural rubber futures, fuel oil futures and bitumen.
(ii) At the daily clearing of D1, the trade margin shall be fixed at two percent (2%) on top of the limit price for D2 for the contracts as listed in paragraph (i) of this Article 12. If the trade margin as adjusted is smaller than what is applied on D0 to the daily clearing, the same trade margin as applied on D0 will be used as the trade margin for that contract.

If D1 is the first trading day for a newly listed contract, the contract's trade margin on the day of its listing shall be used as the trade margin applied to the daily clearing of D0.

Article 13 If a limit-locked market does not occur on D2, the limit price and trade margin for D3 will return to their regular level.

The occurrence of a reverse direction limit-locked market which occurs on D2 shall trigger a new round of a limit-locked market, i.e. D2 shall become D1 for the new round of limit-locked market, and the margin rate and the limit price for the following trading day shall be set pursuant to the Article 12 of these Risk Management Rules.

If the same direction limit-locked market exists on D2,
i) the limit price for D3 shall be fixed at five percent (5%) on top of the limit price for D1 for the contracts listed in Article 12(i) of these Risk Management Rules, except that it shall be fixed at six percent (6%) for the silver futures contract; and
ii) at the daily clearing of D2, the trade margin shall be fixed at two percent (2%) on top of the limit price for D3 for all the contracts listed in Article 12 (i) of these Risk Management Rules except for the silver futures contract for which it will be set at three percent (3%) on top of the limit price for D3. If the adjusted trade margin is smaller than what is applied on D0 to the daily clearing, the trade margin on D0 will be applied to meet the margin requirements for that contract.

Article 14 If a limit-locked market does not occur on D3, the limit price and trade margin for D4 will return to the regular level.

The occurrence of a reverse direction limit-locked market which occurs on D3 shall trigger a new round of a limit-locked market, i.e. D3 shall be regarded as D1 for the new round of limit-locked market, and the margin

rate and the limit price for the following trading day shall be set pursuant to the Article 12 of these Risk Management Rules.

If a same direction limit-locked market occurs on D3, which means, for three (3) consecutive trading days, the market has been locked in limit price, the Exchange will, at the daily clearing, use the same trade margin as applied on D2 for its daily clearing for the contracts listed in Article 12(i) of these Risk Management Rules and may, in its discretion, suspend withdrawal of funds by a part of or all of its members.

If a same direction limit-locked market occurs on D3, which means, for three (3) consecutive trading days, the market has been locked in limit price, and D3 is the last trading day of the contract, the contract shall move into its settlement and physical delivery phase; or if D4 is the last trading day, the limit price and trade margin for D3 will be extended to D4; or if neither of D3 nor D4 is the last trading day, trading in the contract will be suspended on D4, at which time the Exchange will, in its sole discretion, take either of the following measures on D4:

Alternative 1: the Exchange may make a public announcement that it will take one or more of the following actions on D5:

- require additional trade margins from the longs or shorts, or from both the longs and shorts, and/or, at the same or different rates, and/or from a part of or all the members;
- limit the withdrawal of funds to a part of or all the members;
- suspend the opening of new positions for a part of or all of the members;
- adjust the limit price, but not to over twenty percent (20%) up or down ;
- order the liquidation of positions by a prescribed deadline; and/or
- exercise forced position liquidation.

As the Exchange announces an adjustment to the margin level, the member with insufficient margin shall deposit funds to meet the adjusted margin requirement by the opening of D5. If the limit price for D5 is not triggered, the limit price and the trade margin for D6 will return to their regular levels. If the limit price for D5 is triggered and he is in the same direction as that of D3, the Exchange will announce that an emergency exists and exercise contingency measures as provided in the applicable rules of the Exchange. If the limit price for D5 is triggered but it is in the opposite direction to that of D3, a new round of a limit-locked market is triggered, and, therefore, D5 shall be regarded as D1 and the trade margin and limit price shall be set pursuant to the provisions in Article 12 of these Risk Management Rules. S

Alternative 2: At the daily clearing on D4, the Exchange shall automatically match all unfilled orders that are placed by the close of D3 at the limit price with the open interests held by each customer, or a non-FF member, who incurs gains on his net positions, on a pro rata basis in the open interest of the contract and at that limit price. If that customer, or the non-FF member, has both long and short positions, these positions will be matched and settled before being matched with those resting orders. The procedure is as follows:

i) Determination of the amount of the unfilled orders subject to the order fill :
The term "amount of unfilled orders subject to the order fill" means the total amount of all the unfilled orders submitted after the close of D3 at the limit price into the central order book by each customer who has incurred losses on net positions in the contract of an average level of no less than six percent (6%), or eight percent (8%) for natural rubber, fuel oil and bitumen futures contracts, of D3's settlement price. The customer unwilling to be subjected to this method may cancel the orders before the close of the market on D3, to avoid having the orders filled.

ii) Calculation of each customer's average gains or losses on net positions

$$\text{customer's average gains or losses on net positions} = \frac{\text{customer's gains or losses on net positions (in RMB)}}{\text{customer's net positions (in unit of weight),}}$$

For purposes of the above formula, the unit of weight is ton for copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil futures, natural rubber, fuel oil and bitumen; kilogram for silver, and gram for gold.

The customer's gains or losses on net positions shall equal the amount-weighted sum of differences between the actual prices at which the customer's net positions in a contract which are still open on D3 and the settlement price on D3 of those net positions. For purposes of the foregoing calculation, the customer's net positions in a contract which are still open on D3 refers to the positions resulting from the most recent transactions as of D3, where the total amount of such transactions is equal to the total amount of net positions still open on D3.

iii) Determination of positions eligible to fill the unfilled orders:
The positions eligible to fill the unfilled orders includes the net positions,

on which the customer, as calculated using the formula in the Article 14 (ii), records average gains for speculative purposes or for hedging purposes at no less than six percent (6%), or eight percent (8%) for the natural rubber, fuel oil and bitumen futures contract.

iv) Principles and methods for the order fill of unfilled orders
1. Principles

a) Subject to Article 14(iii), the order fill of unfilled orders shall take place in the order of the following four categories with regard to the amount of gains and whether such positions are speculative or hedging:

Category 1: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of any customer with average gains on net positions of no less than six percent (6%) of the settlement price on D3 for the contracts in copper futures, aluminum futures, zinc futures, lead futures, steel rebar futures, wire rod futures, hot-rolled coil futures, gold futures and silver futures, or the Speculative Position Gains Over 6%. For such positions involving contracts in natural rubber futures, fuel oil futures and bitumen futures, the average gains on net positions shall be no less than eight percent (8%), or the Speculative Position Gains Over 8%;

Category 2: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of any customer with average gains on net positions of no less than three percent (3%) but no more than six percent (6%) of the settlement price on D3 for contracts with respect to copper futures, aluminum futures, zinc futures, lead futures, steel rebar futures, wire rod futures, hot-rolled coil futures, gold futures and silver futures, or the Speculative Position Gains Over 3%. For such positions involving contracts in natural rubber futures, fuel oil futures and bitumen futures, the average positions on net positions shall be no less than four percent (4%) but no more than eight percent (8%), or the Speculative Position Gains Over 4%;

Category 3: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of a customer with average gains on net positions of no more than three percent (3%) of the settlement price on D3 for contracts in copper futures, aluminum futures, zinc futures, lead futures, steel rebar futures, wire rod futures, hot-rolled coil futures, gold futures and silver futures, or the Speculative Position Gains Below 3%. For such positions involving contracts in natural rubber futures, fuel oil futures and bitumen futures,, the average gains on net positions shall be

no more than four percent (4%), or the Speculative Position Gains Below 4%; and

Category 4: Unfilled orders shall be filled with the speculative positions eligible to fill the unfilled orders of a customer with average gains on net positions of no less than six percent (6%) of the settlement price on D3 for contracts in copper futures, aluminum futures, zinc futures, lead futures, steel rebar futures, wire rod futures, hot-rolled coil futures, gold futures and silver futures, or the Hedging Position Gains Over 6%. For such positions involving contracts in natural rubber futures, fuel oil futures and bitumen futures,, the average gains on net positions shall be no less than 8%, or the Hedging Positions Gains Over 8%.

b) In each category, the order fill shall be made pro rata to the amount of the positions available to fill the unfilled orders, compared to the amount of the unfilled orders, or the residual unfilled orders.

2. Method And Procedures As Provided In The Appendix
a) Contracts in copper futures, aluminum futures, zinc futures, lead futures, steel rebar futures, wire rod futures, hot-rolled coil futures, gold futures, and silver futures

If the amount of the Speculative Position Gains of Over 6% is greater than or equal to that of the unfilled orders, the unfilled orders shall be filled pro rata to the amount of the Speculative Position Gains of Over 6%;

If the amount of the Speculative Position Gains of Over 6% is smaller than that of the unfilled orders, the Speculative Position Gains of Over 6% shall be filled pro rata to the amount of the unfilled orders. The residual unfilled orders, if any, shall be filled with the Speculative Positions Gains of Over 3% in the same manner as the foregoing, and if there are still orders remaining, the outstanding unfilled orders shall be filled to the Speculative Position Gains of Below 3%, and so to the Hedging Position Gains of Over 6%. Unfilled orders which eventually remain after all the order fills described above, if any, shall not be filled at all.

b) Contracts in natural rubber futures, fuel oil futures and bitumen futures

If the amount of the Speculative Position Gains of Over 8% is greater than or equal to that of the unfilled orders, the unfilled orders shall be filled pro rata to the amount of the Speculative Position Gains of Over 8%;

If the amount of the Speculative Position Gains of Over 8% is smaller than that of the unfilled orders, the Speculative Position Gains of Over 8% shall be filled pro rata to the amount of the unfilled orders. The residual unfilled orders, if any, shall be filled with the Speculative Positions Gains of Over 4% in the same manner as the foregoing, and if there are still orders remaining, the outstanding unfilled orders shall be filled to the Speculative Position Gains Below 4%, and so to the Hedging Position Gains of Over 8%. Unfilled orders which eventually remain after all the order fills described above, if any, shall not be filled at all.

v) Decimals Of The Unfilled Orders
Positions are filled to the unfilled orders posted to the central order book under each customer trader code. In the first step, the integral portion of the total size of unfilled orders posted under each customer trader code shall be filled. In the second step, the remaining unfilled portion, i.e. the portion in decimal number posted under each customer trader code, shall be filled according to the ranking of the customer trader codes from highest to lowest decimal with each customer trader code being filled with one (1) lot, except that if there are two or more customers with equal decimals that could be included in the fill, such fill shall be done on a random basis if there are no enough positions to fill the orders.

If market risk is mitigated after Alternative 2 is implemented, the limit price and the margin rate will return to their regular levels on the next trading day; otherwise, the Exchange shall announce that an emergency exists and shall resort to risk management measures pursuant to applicable rules prescribed by the Exchange.

Financial losses incurred as a result of the implementation of Alternative 2 shall be borne by the member and his customers.

Chapter 4 THE POSITION LIMIT

Article 15 The Exchange applies the Position Limit. The term "position limit" means the maximum size of positions for the longs or the shorts each member or customer may hold in a futures contract as prescribed by the Exchange.

Notwithstanding the preceding paragraph, hedging positions shall be subject to the applicable rules of the Exchange.

Article 16 The following fundamental rules shall govern the Position Limit:
i) a specific position limit is set for each product and its futures contract, based on its particular conditions;
ii) different position limits levels are applicable to different period of trading of a contract, and the Exchange shall exercise stringent control over it in the delivery month of the contract;
iii) a position limit is imposed on the member and the customer simultaneously to control the risk. With respect to contracts in lead futures, gold futures, natural rubber futures, fuel oil futures, bitumen futures, silver futures and hot-rolled coil futures, percentage-based position limit shall be imposed on the FF member and fixed-amount position limit shall be imposed on the non-FF member and his customer; and
iv) the opening of hedging positions shall be subject to the Exchange's approval.

Article 17 A customer's positions held at one or more FF members shall be aggregated to determine whether such open positions exceed the customer's fixed-amount position limit.

For contracts in copper futures, aluminum futures and zinc futures, by the close of the last trading day of the month prior to the delivery month, each member or each customer shall adjust their speculative positions held through the member, to multiples of five (5) lots and a one-day delay is allowed under special market conditions; in the delivery month, the speculative positions as well as newly opened and closed-out positions shall be held in multiples of five (5) lots.

For contracts in rebar futures, wire rod futures and hot-rolled coil futures, by the close of the last trading day of the month prior to the delivery month, each member or each customer shall adjust their speculative positions held through the member, to multiples of thirty (30) lots and a one-day delay is allowed under special market conditions; in the delivery month, the speculative positions as well as newly opened and closed-out positions shall be held in multiples of thirty (30) lots.

For contracts in gold futures, by the close of the last trading day of the month prior to the delivery month, each member or each customer shall adjust their speculative positions held through the member, to multiples of three (3) lots; in the delivery month, the speculative positions as well as newly opened and closed-out positions shall be held in multiples of three (3) lots.

For contracts in silver futures, by the close of the last trading day of the month prior to the delivery month, each member or each customer shall adjust their speculative positions held through the member, to multiples of two (2) lots; in the delivery month, the speculative positions as well as newly opened and closed-out positions shall be held in multiples of two (2) lots.

The rounding of the size of hedging positions in the futures contracts enumerated in the preceding paragraphs to multiples of a certain number of lots are specified in the Hedging Rules of the Shanghai Futures Exchange.

Article 18 Proportions and sizes of position limit for each futures contract at different period of trading for an FF member, a non-FF member and a customer:

Table 24. For contracts in copper futures, aluminum futures, zinc futures, rebar futures and wire rod futures (in lots)

	From the date of listing to the last trading day of the second month prior to the delivery month				First month prior to the delivery month			The delivery month		
	Total open interest	Position limit proportion (in %)			FF	Non-FF	Customer	FF	Non-FF	Customer
		FF	Non-FF	Customer						
Copper	⩾120,000	25	10	5	8000	1200	800	3000	500	300
Aluminum	⩾120,000	25	10	5	10000	1500	1000	3000	500	300
Zinc	⩾120,000	25	10	5	8000	1200	800	3000	500	300
Rebar	⩾ 1,200,000	25	10	5	30000	9000	3000	6000	1800	600
Wire rod	⩾450,000	25	10	5	18000	6000	1800	3600	1200	360

Note: total open interest is on a gross basis, size of the position limit for the FF member, the non-FF member and the customer is on a net basis; size of position limit for the FF is the baseline limit.

Table 25. For fuel oil futures contract (in lots)

	From the date of listing to the first month prior to the delivery month		From the date of listing to the last trading day of the third month prior to the delivery month		The second month prior to the delivery month		The first month prior to the delivery month	
	Total open interest	Position limit proportion (in %)	Size of position limit (in lots)		Size of position limit (in lots)		Size of position limit (in lots)	
		FF	Non-FF	Customer	Non-F	Customer	Non-FF	Customer
Fuel oil	⩾100,000	25	500	500	300	300	100	100

Note: total open interest is on gross basis, size of position limit for the FF, the non-FF and the customer is on a net basis; size of position limit for the FF is the baseline limit.

Table 26. For bitumen futures contract (in lots)

	From the date of listing to the delivery month		From the date of listing to the last trading day of the second month prior to the delivery month		The month prior to the delivery month		The delivery month	
	Total open interest	Position limit proportion (in %)	Size of position limit (in lots)		Size of position limit (in lots)		Size of position limit (in lots)	
		FF	Non-FF	Customer	Non-F	Customer	Non-FF	Customer
Fuel oil	⩾300,000	25	8000	8000	1500	1500	500	500

Note: total open interest is on gross basis, size of position limit for the FF, the non-FF and the customer is on a net basis; size of position limit for the FF is the baseline limit.

Table 27. For contracts in lead futures, natural rubber futures and gold futures (in lots)

	From the date of listing to the delivery month		From the date of listing to the last trading day of the second month prior to the delivery month		The month prior to the delivery month		The delivery month	
	Total open interest	Position limit Proportion (in %)	Size of position limit (in lots)		Size of position limit (in lots)		Size of position limit (in lots)	
		FF	Non-FF	Customer	Non-FF	Customer	Non-FF	Customer
Lead	⩾40,000	25	500	500	200	200	60	60
Natural rubber	⩾50,000	25	500	500	150	150	50	50
Gold	⩾ 160,000	25	3000	3000	900	900	300	300

Note: total open interest is on gross basis, size of position limit for the FF, the non-FF and the customer is on a net basis; size of position limit for the FF is the baseline limit.

Table 28. For silver futures contract (in lots)

	From the date of listing to the delivery month		From the date of listing to the last trading day of the second month prior to the delivery month		The month prior to the delivery month		The delivery month	
	Total open interest	Position limit Proportion (in %)	Size of position limit (in lots)		Size of position limit (in lots)		Size of position limit (in lots)	
		FF	Non-FF	customer	Non-FF	Customer	Non-FF	Customer
silver	⩾ 300,000	25	6000	6000	1800	1800	600	600

Note: total open interest is on gross basis, size of position limit for the FF, the Non-FF and the customer is on a net basis; size of position limit for the FF is the baseline limit.

Table 29. For hot-rolled coil futures contract (in lots)

	From the date of listing to the delivery month		From the date of listing to the last trading day of the second month prior to the delivery month		The month prior to the delivery month		The delivery month	
	Total open interest	Position limit Proportion (in %)	Size of position limit (in lots)		Size of position limit (in lots)		Size of position limit (in lots)	
		FF	Non-FF	customer	Non-FF	Customer	Non-FF	Customer
hot-rolled coil	⩾ 3,600,000	25	180000	180000	9000	9000	1800	1800

Note: total open interest is on gross basis, size of position limit for the FF, the Non-FF and the customer is on a net basis; size of position limit for the FF is the baseline limit.

Article 19 The Exchange may adjust the position limit for an FF member subject to his net assets and business profile, using the following formula:

size of position limit = the baseline position limit × (1+the credit coefficient+ the business coefficient)

The term "baseline limit" means the minimum size of a position limit set by the Exchange for the FF member, as provided in the Tables 24-29 in Article 18.

The term "credit coefficient" means the variable based on the net assets of an FF member. The minimum net asset requirement for an FF member is RMB thirty (30) million, where his credit coefficient is set at zero (0). With each increment of RMB five (5) million in the net assets, the credit coefficient will increase by 0.1 (one-tenth) up to two (2) in maximum.

The term "business coefficient" means the variable based on the trading turnover of a FF member. The business coefficient is divided into five (5) bands. The minimum trading turnover requirement for an FF member is RMB eight (8) billion, where his business coefficient is set at zero (0) and the business coefficient will increase in parallel to the annual trading turnover, with the maximum set at one (1), as provided in the following:

Table 30

Band	Annual trading turnover (denoted as C1, in RMB 100 million)	The business coefficient
1	C1≤80	0
2	80<C1≤160	0.25
3	160<C1≤280	0.50
4	280<C1≤400	0.75
5	C1>400	1.00

Article 20 The size of the position limit for the FF member will be reviewed and approved by the Exchange on an annual basis.

The FF member shall, by March 15 of each year, submit to the Exchange a document, such as an audited report issued by a certified public accounting firm, evidencing his net assets for the previous year. The Exchange will, based on the FF member's trading volume for the previous year from January 1 to December 31, set a size for the FF member's position limit, notify the FF member of the size by March 20 of the current year and make them available through a public announcement. The size of the FF member's position limit shall apply to

his futures trading from March 21 (inclusive) of the current year until the close of trading on March 20 (inclusive) of the next year.

Article 21 In case the FF member fails to submit the required evidential documents and statistics within the specified time period or the contents of the required evidential documents and statistics prove invalid, the size of his position limit shall be maintained at the baseline limit level.

Article 22 Any adjustment to the size of the position limit shall be reported by the Exchange to the Board of Directors of the Exchange, or the Board, and the CSRC, for approval prior to its implementation.

Article 23 The size of open interest held by each FF member or his customer shall not exceed the size of the position limit set by the Exchange; otherwise, the Exchange shall exercise forced position liquidation subject to the applicable rules of the Exchange.

If the open interest held in aggregate by a customer through multiple trader codes opened with different FF members exceeds the customer's position limit, the Exchange shall instruct the FF members to exercise forced position liquidation of the excess positions of that customer, subject to the applicable rules of the Exchange.

Article 24 In the event that the aggregate amount of open interests held by a customer of any FF member exceeds his size of position limit, the member shall instruct his customer to reduce his open interest pro rata to the difference between the aggregate open interest and the size of the position limit, within the specified time limit. The Exchange may exercise forced position liquidation of the open interest held by any customer who fails to reduce his open interest as required pursuant to the applicable rules.

Chapter 5 THE LARGE TRADER REPORTING

Article 25 Any member or customer, whose speculative positions in a futures contract reaches eighty percent (80%) or more of his speculative position limit, or as required by the Exchange, shall report to the Exchange about his financial conditions and his position holding. The customer shall submit such report through his FF member. The Exchange will, in its sole discretion, set and adjust the position limit accordingly.

Article 26 Any member or customer whose positions reach the reportable level shall take the initiative to submit a report to the Exchange by 15:00 of the following trading day. The Exchange may request any additional information from the member as deemed necessary.

Article 27 The FF member, whose positions meet the position reportable level, shall provide to the Exchange the following documents:
i) a completed copy of the FF member Large Trader Reporting Form which specifies the member's name and member code, contract code, open interest, trade margins on the open interest, availability of funds, number of customers holding positions, the amounts covered by the delivery notice issued, and the amounts tendered for delivery.
ii) a description of the source of funds;
iii) names, trader codes, respective open interest, account opening documents and daily settlement statements of his top five (5) customers ranking in terms of size of open interest; and
iv) any other documents as required by the Exchange.

Article 28 The non-FF member, whose positions reach the reportable level, shall provide to the Exchange the following documents:
i) a completed copy of the non-FF member Large trader reporting Form which specifies the member's name and member code, contract code, open interest, trade margins on the open interest, availability of funds, whether the positions held are speculative or hedging, the amounts covered by the delivery notice issued and the amounts tendered for delivery.
ii) a description of the source of funds; and
iii) any other documents as required by the Exchange.

Article 29 Any customer, whose positions reach the reportable level shall provide to the Exchange the following documents:

i) a completed copy of the Customer Large Trader Reporting Form which specifies the member's name and member code, customer name and customer code, contract code, open interest, trade margins on the open interest, availability of funds, whether the positions held are speculative or hedging, the amounts covered by the delivery notice issued and the amounts tendered for delivery.
(ii) an explanation of the source of his funds;
(iii) account opening documents and the settlement statement of the current day; and
(iv) any other documentation required by the Exchange.

Article 30 Each FF member shall review the documents submitted by his

customer whose positions reach the reportable level, before forwarding them to the Exchange. The FF member shall be responsible for the accuracy of the customer's documents submitted.

Article 31 The Exchange may, from time to time, examine the documents submitted by the member or the customer.

Article 32 If the aggregate amount of open interest held by a customer through multiple trader codes opened with different FF members meets the reportable level, the Exchange shall designate a FF member to submit the documents required by the Exchange.

Chapter 6 THE FORCED POSITION LIQUIDATION

Article 33 The "Forced Position Liquidation" means the mandatory action the Exchange takes to close out the positions of a member or a customer who violates any applicable rules of the Exchange.

Article 34 The Exchange shall impose forced position liquidation on the member or the customer, if:
i) the balance of the clearing deposit of such member falls below zero (0) and he fails to meet the margin requirement within the specified time limit;
ii) his open interest exceeds the size of the applicable position limit;
iii) such member or customer fails to bring his positions in a futures contract to multiples as required within the specified time limit;
iv) such member or customer violates any Exchange's rules that warrants a forced position liquidation;
v) any emergency happens that warrants a forced position liquidation; or
vi) any other conditions exist that makes the forced position liquidation necessary.

Article 35 Principles
The member shall, in the first place, exercise forced position liquidation as required by the Exchange by the end of the first trading session on the current trading day or within the time limit prescribed by the Exchange. If the member fails to fulfill the execution within the defined time limit, the forced position liquidation shall be enforced by the Exchange. The member, who is required to exercise forced position liquidation because of his clearing deposit balance falling below zero (0), shall be prohibited from opening new positions before meeting the margin requirement.

i) Positions For The Member's Execution Of Forced Position Liquidation
a) Under the conditions provided in the Article 34(i) and (ii), the member shall determine the portion of positions that could be included in the scope of forced position liquidation at his discretion to achieve the results required by the Exchange's applicable rules.
b) Under the conditions provided in the Article 34(iii)-(vi), the Exchange shall determine the portion of positions that could be included in the scope of forced position liquidation.

ii) Positions For The Exchange's Execution Of Forced Position Liquidation
a) Under the conditions provided in the Article 34(i), the Exchange shall liquidate the positions subject to the priority of speculative positions over hedging positions and in a descending sequence by the size of the open interest for each contract at the close of the previous trading day, i.e., the speculative positions with the largest open interest shall be liquidated first; and proceed to the liquidation on positions based on the customer's losses on net positions in a descending sequence.

Where more than one member is required to have his open interest liquidated, priority shall be given to the members with the greatest margin call according to the ranking of margin calls in a descending sequence.

b) Under the conditions provided in the Article 34(ii), if the open interest of one sole member exceeds his position limit, the Exchange shall determine the size of the member's positions to be liquidated pro rata to the size of the member's open interest in excess of the position limit, compared to the total size of the member's speculative positions. If two or more members are subject to a forced position liquidation, they will be placed in a descending sequence of their open interest in excess of the position limit and the member with the largest open interest in excess shall be liquidated first. If the open interest of a customer exceeds the position limit, the portion in excess shall be liquidated. If the open interests of a member and a customer simultaneously exceed the size of their position limits, the customer's positions in excess shall be liquidated before the member's. Nonetheless, positions of contracts in lead futures, gold futures, natural rubber futures, fuel oil futures, silver futures and bitumen futures which exceed the applicable position limit, will be subject to provisions as otherwise set out in this Article 35.

Under the conditions provided in the Article 34 (ii), if a customer or a non-FF member, whose open interest in contracts of lead futures, gold futures, natural rubber futures, fuel oil futures, silver futures, bitumen futures and hot-rolled coil futures exceeds the applicable position limit,

the Exchange shall enforce liquidation of the positions in excess of the position limit held by such customer or non-FF member; if a FF member whose open interest in contracts of lead futures, gold futures, natural rubber futures, fuel oil futures, silver futures, bitumen futures and hot-rolled coil futures, reaches or exceeds the applicable position limit, shall not be allowed to open any positions in the same direction.

c) Under the conditions provided in the Article 34(iii)-(vi), the Exchange shall, in its sole discretion, determine the portion of open interest for forced position liquidation.

If a member simultaneously meets the conditions as provided in Article 34(i) and (ii), the Exchange shall determine the positions for forced position liquidation pursuant to the Article 34(ii) in the first place, and then pursuant to the Article34(i).

Article 36 Enforcement Of Forced Position Liquidation
i) Notification. The Exchange shall issue a notice of forced position liquidation, or the notice, to the member, covered by the notice, who is subject to the forced position liquidation. In addition, the notice shall be delivered to the member through the member service system along with the daily clearing data.

ii) Enforcement And Confirmation
a) After the market opens, the member covered by the notice shall enforce the liquidation of his positions and reduce the size of his open interest to the prescribed level, which will be subject to the Exchange's verification;
If the member is subject to the situation provided in the Article 34(iii), the Exchange may directly enforce liquidation in respect of the open interest held by such member.;
b) If the member fails to complete the forced position liquidation within the specified time limit, the Exchange will directly enforce liquidation of the remaining open interest;
c) Upon the conclusion of the forced position liquidation, the Exchange shall record the enforcement results for filing purpose; and
d) The enforcement results of the forced position liquidation shall be delivered to the member through the member service system along with the daily trade records.

Article 37 Liquidation shall be enforced at a price formed through trades executed on the market.

Article 38 If the forced position liquidation fails to be completed within

the specified time due to the limit price or as the result of other market conditions, the remainder of positions subject to the forced position liquidation may and will be closed out on the next trading day pursuant to the principles described in Article 35.

Article 39 If the forced position liquidation fails to be completed for the current day due to the limit price or as the result of other market conditions, the Exchange shall take measures as appropriate, with regard to the daily clearing status of the member, to resolve any consequences that may derive from the incomplete forced position liquidation.

Article 40 If the enforcement of the forced position liquidation on the specific positions has to be prolonged due to the limit price or as the result of other market conditions, any losses incurred as such shall be borne by the person directly accountable for the enforcement of liquidation. In the event of failure to complete the enforcement of liquidation, the holder of the open interest subject to the forced position liquidation shall assume all the responsibilities arising from his ownership and bears all the obligations of delivery on the covered contracts.

Article 41 Gains, if any, arising from a forced position liquidation executed by a member, shall be credited to the person directly accountable for the enforcement of liquidation; gains arising from the Exchange’s enforcement of liquidation shall be disposed of in compliance with the national regulations. Losses arising from a forced position liquidation shall be borne by the person directly accountable for the enforcement of liquidation.

If the person directly accountable for the enforcement of liquidation is a customer, any losses arising from the forced position liquidation shall first be borne by the member carrying that customer and then the member may exercise his right of recourse against that customer for reimbursement.

Chapter 7 THE RISK WARNING

Article 42 The Exchange may, as it deems necessary, resort to the following measures, alone or in combination, to warn against and resolve risks:

- request an explanation with respect to a specific situation;

- conduct an interview to give an oral warning ;
- issue a risk warning letter;
- give a reprimand; and/or
- issue a risk warning notice.

Article 43 The Exchange may have an interview with the designated senior executive of a member or a customer, or require a member or customer to provide an explanation with respect to a specific situation, when any of the following conditions exists:
i) unusual price movements;
ii) unusual trading activities by such member or customer;
iii) any irregularity in the open interest of such member or customer;
iv) any irregularity in such member's funds on deposit;
v) any suspected violation or default by such member or customer;
vi) any allegation, accusation or complaint against such member or customer received by the Exchange;
vii) any judicial investigation against such member; or
viii) other conditions as the Exchange deems necessary.

The Exchange shall comply with the following requirements in conducting an interview to give an oral warning:
i) the Exchange shall issue a written request to the designated executive of the member or the customer for an interview. The customer shall be accompanied by a person designated by the member for the interview;
ii) the Exchange shall notify the member in writing one (1) day in advance of the time, location and requirements of the interview;
iii) any interviewee who is unable to attend the interview due to any particular reason shall notify the Exchange in advance; with the Exchange's approval, the party may designate a proxy to attend and act on his behalf;
iv) an interviewee shall make true representations and refrain from intentional concealment of any fact; and
v) the Exchange's employees shall maintain the confidentiality of any information related to the interview.

The member or the customer shall refer to the regime of the Large Trader Reporting for manner and contents of the report, which is set forth in Chapter 5, if he is ordered by the Exchange to provide an explanation with respect to a specific situation.

Article 44 The Exchange may issue a risk warning letter to the member or the customer, if he finds that such member or customer commits any suspected violation of the Exchange's rules or holds open interest that is exposed to substantial potential risks.

Article 45 The Exchange will make a reprimand against the member or the customer, through the designated media, if the member or the customer is associated with any of the following actions or conduct:
i) he fails to provide an explanation with respect to a specific situation or attend the interview as required by the Exchange;
ii) he intentionally conceals facts, or hides, falsifies, or omits important information when explaining a specific situation or answering questions;
iii) he intentionally destroys or eliminates evidence of rule violations or fails to cooperate with the CSRC or the Exchange in any investigation;
iv) the member is found to have engaged in fraudulent actions towards customers;
(v) he is proved, upon investigation, to trade secretly through multiple accounts or manipulate the market; or
vi) he commits any other violation of the Exchange's rules as determined by the Exchange.

Apart from making reprimand against the member or customer, the Exchange shall bring the member or the customer who engages in the violations of the rules of the Exchange subject to the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange.

Article 46 The Exchange shall issue a risk warning notice to all the members and customers if any of the following conditions exists:
i) unusual price movements;
ii) a considerable discrepancy between the prices of the futures and the physicals;
iii) a considerable discrepancy between prices of domestic and international futures markets; and/or
iv) any other conditions under which the Exchange deems he necessary to issue a risk warning notice.

Chapter 8 MISCELLANEOUS

Article 47 Any behavior or conduct in breach of these Risk Management Rules will be brought by the Exchange under the sanctions as provided in the Enforcement Rules of the Shanghai Futures Exchange and these Risk Management Rules.

Article 48 The rules on risk management of speculative trading in these Risk Management Rules are applicable to non-hedging trading except otherwise specified by the Exchange.

Article 49 Risk management with regard to continuous trading shall be governed by the provisions in the Continuous Trading of the Shanghai Futures Exchange.

Article 50 The Exchange reserves the right to interpret these Risk Management Rules.

Article 51 These Risk Management Rules are effective as of March 21, 2014.

Appendix—Methods and Procedures for the Fill of Unfilled Orders

Appendix:

Methods and Procedures for the Fill of Unfilled Orders in Contracts of Copper, Aluminum, Zinc, Lead, Steel Rebar, Wire Rod, Gold, Silver and Hot-rolled Coil Futures

Step	Scenario	Amount	Percentage	Filled to	Result
1	Speculative Positions with Gains of No Less Than 6% ≥ Unfilled Orders	Unfilled Orders	Unfilled Orders / Speculative Positions with Gains of No Less Than 6%	Customers holding the Speculative Positions with Gains of No Less Than 6%	Fill completed
2	Speculative Positions with Gains of No Less Than 6% < Unfilled Orders	Speculative Positions with Gains of No Less Than 6%	Speculative Positions with Gains of No Less Than 6% / Unfilled Orders	Customers placing the Unfilled Orders	Residual Unfilled Orders, if any, to be filled in the Step 3, and the Step 4
3	Speculative Positions with Gains of No Less Than 3% ≥ Residual Unfilled Orders I	Residual Unfilled Orders I	Residual Unfilled Orders I / Speculative Positions with Gains of No Less Than 3%	Customers holding the Speculative Positions with Gains of No Less Than 3%	Fill completed
4	Speculative Positions with Gains No Less Than 3% < Residual Unfilled Orders I	Speculative Positions with Gains of No Less Than 3%	Speculative Positions with Gains of No Less Than 3% / Residual Unfilled Orders I	Customers placing the Residual Unfilled Orders	Residual Unfilled Orders, if any, to be filled in the Step 5, and the Step 6
5	Speculative Positions with Gains of Less Than 3% ≥ Residual Unfilled Orders II	Residual Unfilled Orders II	Residual Unfilled Orders II / Speculative Positions with Gains of Less Than 3%	Customers holding the Speculative Positions with Gains of Less Than 3%	Fill completed
6	Speculative Positions with Gains of Less Than 3% < Residual Unfilled Orders II	Speculative Positions with Gains of Less Than 3%	Speculative Positions With Gains of Less Than 3% / Residual Unfilled Orders II	Customers placing the Residual Unfilled Orders	Residual Unfilled Orders, if any, to be filled in the Step 7, and the Step 8

7	Hedging Positions with Gains of No Less Than 6% ≥ Residual Unfilled Orders III	Residual Unfilled Orders III	Residual Unfilled Orders III Hedging Positions with Gains of No Less Than 6%	Customers holding the Hedging Positions with Gains of No Less Than 6%	Fill completed
8	Hedging Positions with Gains of No Less Than 6% < Residual Unfilled Orders III	Hedging Positions with Gains of No Less Than 6%	Hedging Positions with Gains of No Less Than 6% Residual Unfilled Orders III	customers placing the Residual Unfilled Orders	Orders not to be filled at all

Notes:

1. Residual Unfilled Orders I = Unfilled Orders – Speculative Positions with Gains of No Less Than 6%;

2. Residual Unfilled Orders II = Residual Unfilled Orders I – Speculative Positions with Gains of No Less Than 3%;

3. Residual Unfilled Orders III = Residual Unfilled Orders II – Speculative Positions with Gains of Less Than 3%;

4. The speculative positions or the hedging Positions refer to open interest of the customers who have incurred gains on eligible positions

Methods and Procedures for the Fill of Unfilled Orders in Contracts of Natural Rubber, Fuel Oil Futures and Bitumen Futures

Step	Scenario	Size	Percentage	Filled to	Result
1	Speculative Positions with Gains of No Less Than 8% ≥ Unfilled Orders	Unfilled Orders	Unfilled Orders / Speculative Positions with Gains of No Less Than 8%	customers holding the Speculative Positions with Gains of No Less Than 8%	Fill completed
2	Speculative Positions with Gains of No Less Than 8% < Unfilled Orders	Speculative Positions with Gains of No Less Than 8%	Speculative Positions with Gains of No Less Than 8% / Unfilled Orders	customers placing the Unfilled Orders	Residual Unfilled Orders, if any, to be filled in the Step 3, and the Step 4
3	Speculative Positions with Gains of No Less Than 4% ≥ Residual Unfilled Orders I	Residual Unfilled Orders I	Residual Unfilled Orders I / Speculative Positions with Gains of No Less Than 4%	customers holding the Speculative Positions with Gains of No Less Than 4%	Fill completed
4	Speculative Positions with Gains of No Less Than 4% < Residual Unfilled Orders I	Speculative Positions with Gains of No Less Than 4%	Speculative Positions with Gains of No Less Than 4% / Residual Unfilled Orders I	customers placing the Residual Unfilled Orders	Residual Unfilled Orders, if any, to be filled in the Step 5, and the Step 6
5	Speculative Positions with Gains of Less Than 4% ≥ Residual Unfilled Orders II	Residual Unfilled Orders II	Residual Unfilled Orders II / Speculative Positions with Gains of Less Than 4%	customers holding the Speculative Positions with Gains of Less Than 4%	Fill completed

6	Speculative Positions with Gains of Less Than 4% < Residual Unfilled Orders II	Speculative Positions With Gains of Less Than 4%	Speculative Positions with Gains of Less Than 4% Residual Unfilled Orders II	customers placing the Residual Unfilled Orders	Residual Unfilled Orders to be filled in the Step 7, and the Step 8
7	Hedging Positions with Gains of No Less Than 8% ≥ Residual Unfilled Orders III	Residual Unfilled Orders III	Residual Unfilled Orders III Hedging Positions with Gains of No Less Than 8%	customers holding the Hedging Positions with Gains of No Less Than 8%	Fill completed
8	Hedging Positions with Gains of No Less Than 8% < Residual Unfilled Orders III	Hedging Positions with Gains of No Less Than 8%	Hedging Positions with Gains of No Less Than 8% Residual Unfilled Orders III	customers placing the Residual Unfilled Orders	Orders not to be filled at all

Notes:

1. Residual Unfilled Orders I = Unfilled Orders – Speculative Positions with Gains of No Less Than 8%;

2. Residual Unfilled Orders II = residual Unfilled Orders I – Speculative Positions with Gains of No Less Than 4%;

3. Residual Unfilled Orders III = residual Unfilled Orders II –Speculative Positions with Gains of Less Than 4%;

4. The Speculative Positions or the Hedging Positions refer to open interest of the customers who have incurred gains on Eligible Positions

PART IXX ENFORCEMENT RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Enforcement Rules are made in compliance with the Regulations of Futures Exchanges, the Articles of Association of the Shanghai Futures Exchange and the General Exchange Rules of the Shanghai Futures Exchange to ensure the integrity of futures markets traded under the Exchange's auspices and to safeguard the interests of futures market participant in safe and orderly markets.

Article 2 The term "rule violation" in these Enforcement Rules refer to conduct on the part of the members of the Shanghai Futures Exchange, or the Exchange, the customer, the certified delivery warehouse, the settlement bank or the futures market participant on the Exchange, that breach the Exchange's Articles of Association, the General Exchange Rules and any of its other rules.

Article 3 The Exchange investigates and disciplines the rule violation based on factual evidence and based on principles of fairness and justice.

The rule violation that is established as offenses against laws will be referred to the judicial authority for action.

Article 4 For the member, the customer, the certified delivery warehouse or the settlement bank or the futures market participant who has been found by the Chinese Securities Regulatory Commission, or the CSRC, to have committed a violation that is also a violation of the Exchange's rule and has had a sanction imposed, the Exchange may determine to impose a lighter penalty or no penalty at all depending on the facts of the case.

Article 5 These Enforcement Rules are applicable to all futures trading activities conducted on or through the Exchange.

Chapter 2 COMPLIANCE

Article 6 The Exchange's inspection responsibility involves supervising the member, the customer, the certified delivery warehouse, the settlement bank or the futures market participant to ensure that their business activities on or through the Exchange comply with the Exchange's rules.

The inspection efforts are divided into routine audit and investigation for cause.

An inspection may be conducted through onsite examination, interview, document-based investigation, or otherwise.

Article 7 The Exchange may exercise the following duties and rights to perform its regulatory obligations:
i) access and copy the information and documents in association with futures trading activities;
ii) to require members to provide such reports as annual reports and third-party audit reports;
iii) investigate and request evidences from the member, the customer, the certified delivery warehouse, the settlement bank and their staff;
iv)require the investigated, such as the member, the customer, the certified delivery warehouse, the settlement bank, to respond to all questions, formally or informally, posed by the Exchange;
v) access and check the member's futures settlement account;
vi) access and check the computer system of the member's trading, clearing and financial status;
vii) prohibit, correct and discipline the rule violation; and
viii) implement other duties and rights as necessary to fulfill his regulatory obligations.

Article 8 The member, the customer, the certified delivery warehouse, the settlement bank or the futures market participant shall subject themselves to the Exchange's supervision.

Article 9 The Exchange provides a hotline for complainants and whistleblowers. A complainant or whistleblower shall give his true name. The Exchange will withhold the identity if the person does not want it disclosed.

Article 10 The Exchange may conduct a routine audit in respect of any member, customer, certified delivery warehouse, settlement bank and

the futures market participant in which margin is deposited, where:
i) an issue has been detected as a result of the daily monitoring;
ii) a complaint or a whistle-blower claim has been filed;
iii) the risk of the market has increased; or
iv) other circumstances otherwise warrant a routine audit as determined by the Exchange.

Article 11 The Exchange may initiate an investigation for cause of any member, customer, certified delivery warehouse, settlement bank and the futures market participant provided that:
i) the Exchange has detected any suspected violation during its routine audit;
ii) a supervisory or judiciary authority has referred a clue of the rule violation to the Exchange; or
iii) other circumstances otherwise warrant an investigation for cause as determined by the Exchange.

Article 12 The Exchange shall designate persons ("investigator") to initiate each investigation for cause. At least two (2) investigators shall take part in the investigation and evidence gathering activities during which they shall produce their business badges or the documents issued by the Exchange to prove their authorization.

Article 13 The investigator shall withdraw from the assignment if he has a conflict of interest that could bias his investigation or conclusions.

If the person under investigation believes that the investigator has a conflict of interest that may interfere him with managing the case fairly, the person shall request that the investigator withdraw from the investigation.

Upon a review of the facts presented, the Exchange shall decide whether the investigator must withdraw. Where the Head of Compliance has a possible conflict of interest, the President and CEO of the Exchange shall make the decision.

Article 14 The term "evidence" as used in these Enforcement Rules includes written documents, materials, investigative records and conclusions, visual or audio files, written, oral or actual testimony and electronic records.

Evidence shall not serve as the basis for a ruling unless the veracity of the evidence has been confirmed.

Article 15 Investigative records shall be made when the investigator questions the party under investigation. After being checked by the party under investigation, the investigative records shall be signed by both the party under investigation and the investigator. Should the party under investigation refuse to do so, the investigator shall specify the reason of such refusal on the record.

Each time an investigator takes possession of a piece of evidence, a note shall be made and attached to the evidence giving the name of the person who provided the evidence and the date and time the evidence was given. The note shall be signed by the person under investigation. If the person under investigation refuses, or is unable to sign, a witness shall sign the note.

When visual or audio files or electronic records are collected, the investigative note shall specify when, where and how they were gathered or made, and by what means they were stored. The note shall be signed by the person under investigation or a witness.

The CSRC or the other agency that is warranted by the Exchange shall review the evidence and make conclusions accordingly. The conclusions that are made shall be in writing, bearing the stamp and signature of the person making the decision.

Article 16 The investigator shall adhere to the pertinent confidentiality codes, standards and procedures in conducting a routine audit or an investigation for cause. No abuses of power are allowed, otherwise, the Exchange will charge him with violation of the Exchange rules and impose a penalty depending on the seriousness of the offense.

Article 17 The Exchange will commence an investigation for cause against a member, customer, certified delivery warehouse or settlement bank that is accused of involvement in a major rule violation. The Exchange may, before the accusation, allegation or presumption is established as true, take the following restrictive measures to maintain the status quo, contain the effects of the rule violation and ensure the enforcement of compliance:
(i) request an explanation within a specified period;
(ii) halt the assignment of a new customer’s trader code;
(iii) prevent the withdrawal of funds;
(iv) prohibit the deposit of new funds;
(v) limit the delivery business through or conducted by the certified delivery warehouse;

(vi) reduce the position limit level or bearing limit of standard warrants;
(vii) require an increase in margin rate;
(viii) limit the opening of new positions;
(ix) order a liquidation of positions to be done within a specified period; and/or
(x) enforce the liquidation of positions.

Chapter 3 RULE VIOLATIONS AND SANCTIONS

Article 18 The commitment of multiple rule violations shall be addressed separately and penalized on an aggregate basis. The person who repeatedly commits the rule violation shall be subject to more severe sanctions.

Article 19 The following conduct by a futures-firm member, or an FF member, represents the violation of the brokerage business certification codes, standards or procedures:
(i) obtaining a futures brokerage license by fraud;
(ii) setting up a futures brokerage subsidiary without gaining approval from the pertinent authority;
(iii) employing persons in the member's futures brokerage business who fail to pass the Exchange's training program and are not certified as futures professionals; or
(iv) engaging in other conduct that violates the regulations and rules relating to the futures brokerage business prescribed by the CSRC and the Exchange.

An FF member who is found to have engaged in any of the conduct described in Article 19(i)-(iv) shall be required to correct his misconducts, indemnify any losses arising from the rule violation and be subject forfeiture of any earnings resulting from the rule violation. In addition, the Exchange will exercise its discretion in determining whether the rule violation is a minor or major one.

If the rule violation proves to be a minor one, the FF member will be subject to:

- warning;
- prohibition against opening new positions for no more than one (1) month; and/or
- if there are no earnings resulting from the rule violation or the amount of the earnings is less than RMB one hundred thousand (100,000), a fine of at least RMB ten thousand (10,000) but nor

more than RMB one hundred thousand (100,000) may be imposed; if the earnings are greater than RMB one hundred thousand (100,000), a fine between one (1) time and five (5) times the amount of the earnings may be imposed.

If the rule violation proves to be a major one, the FF member will be subject to:

- criticism;
- reprimand;
- forced liquidation of positions;
- suspension of the privilege of putting on new positions for a minimum of one (1) to a maximum of twelve (12) months; and /or
- expulsion from membership
- if there are no earnings resulting from the rule violation or the amount of the earnings is less than RMB one hundred thousand (100,000), a fine of no less than RMB ten thousand (10,000) nor more than one hundred thousand (100,000) may be imposed; if the earnings are greater than RMB one hundred thousand (100,000), a fine between one (1) time and five (5) times the amount of the earnings may be imposed.

Article 20 The following conduct by an FF member represents the rule violation:
(i) executing futures orders for customers who fail to open an account or who fail to meet the specified requirements for opening an account;
(ii) failing to obtain a trader code or intentionally using an inaccurate trader code;
(iii) failing to verify a customer’s qualification before opening an account for the unqualified customer;
(iv) failing to provide a customer with a Risk Disclosure Statement or to obtain the customer’s signature that he has read and understood the Risk Disclosure Statement;
(v) promising a customer that an investment in the futures market will bring profits or entering into a private agreement with a customer to share profits or losses;
(vi) using a customer’s cash or property to trade for the member or a third party;
(vii) failing to follow the customer’s trading instructions or using fraud or deception to curb, delay or change the execution of the customer’s order or make a customer trade in favor of the member himself;
(viii) trading over-the-counter or conducting cross trades;
(ix) failing to segregate customer funds from house funds;
(x) delaying the customer’s withdrawal of funds for no proper reason;
(xi) allowing an insolvent customer to open new positions;

(xii) misappropriating or allowing others to misappropriate customer funds, or apply funds from different customer accounts;
(xiii) making up or spreading false or misleading information;
(xiv) disclosing, without authorization, a customer's instructions or other confidential information in relation to trading;
(xv) failing to prevent a floor trading representative from accepting and executing orders from the person or entities without the member's approval;
(xvi) failing to provide the customer a trade report and settlement statement; or
(xvii) engaging in other conduct that breaches the regulations and rules relating to trading on the Exchange prescribed by the CSRC and the Exchange.

An FF member who is found to have engaged in any of the conduct described above will be required to correct his misconducts, make indemnifications for any losses arising from the rule violation or be subject to forfeiture of any earnings resulting from the rule violation. In addition, the Exchange will exercise its discretion in determining whether the rule violation is a minor or major one. If the rule violation proves to be a minor one, the member may receive a warning or may be fined an amount of no less than RMB ten thousand (10,000) nor more than RMB one hundred thousand (100,000). If the rule violation proves to be a major one, the FF member may be subject to

- criticism;
- reprimand;
- forced position liquidation;
- suspension of brokerage business;
- suspension of the privilege of putting on new positions for a minimum of one (1) to a maximum of twelve (12) months;
- expulsion from membership;
- ban on market entry;

If there are no earnings resulting from the rule violation or the amount of the earnings is less than RMB one hundred thousand (100,000), a fine of no less than RMB ten thousand (10,000) but no more than one hundred thousand (100,000) may be imposed. If the earnings are greater than RMB one hundred thousand (100,000), a fine between one (1) time and five (5) times the amount of the earnings may be imposed.

If the rule violation proves to be a minor one, the Exchange may suspend the business qualifications of the rule violator for no more

than one (1) month. For a major violation, the Exchange may subject the rule violator to criticism, reprimand or may suspend the business qualifications of the rule violator for a minimum of one (1) to a maximum of twelve (12) months or revoke his/ business qualifications permanently.

Article 21 The following conduct by an FF member represents the rule violation:
(i) failing to report on the change of the legal representative, scope of business, and the address, and name of subsidiaries;
(ii) failing to submit financial reports and supporting documents within the required time period;
(iii) failing to submit large trader reports within the required time period or falsifying any information on a report;
(iv) failing to assist the Exchange in committing restrictive measures against his customer or other supervisory measures;
(v) failing to pay the annual membership fee or other related fee within the required time period;
(vi) failing to maintain records in relation to trading, clearing, finance, accounting, etc.;
(vii) counterfeiting, tampering with, purchasing or selling certificates or documentation of authorization;
(viii) For a non-FF member to deal in the futures brokerage business or an FF member to deal in a proprietary brokerage business; or
(ix) committing illegal acts in the name of trading in futures.

The member found to have committed any of the above rule violations shall be subject to

- correct his misconducts;
- warning;
- temporary exclusion from trading; and
- suspension of the privilege of putting on new positions for no more than one (1) month.

If the rule violation proves to be a major one, the member will be subject to

- criticism;
- reprimand;
- suspension of the privilege of putting on new positions for a minimum of one (1) month to a maximum of twelve (12) months; and
- expulsion from membership.

Article 22 The member will be expelled from the Exchange's

membership if any of the following occurs:
(i) the CSRC revokes his futures brokerage license or imposes a ban on market entry;
(ii) it transfers, assigns or subcontracts a trading seat to another person;
(iii) severely short of funds, hands, facilities and poor management upon which the rectifying measures taken prove to be futile;
(iv) it refuses to carry out a resolution of the members' assembly or the Board of Directors;
(v) it fails to trade for three (3) consecutive months without a proper reason; or
(vi) it breaches other laws, regulations, rules or the Exchange's Articles of Association and other pertinent rules.

Article 23 A member who intentionally fails to comply with an order to liquidate positions within the defined time period will be subject to one or more sanctions such as warning, criticism, reprimand, temporary exclusion from trading, suspension of the privilege of putting on new positions for a minimum of one (1) month to a maximum of twelve (12) months, and fine of up to RMB fifty thousand (50,000).

Article 24 The following conduct by an FF member represents the rule violation:
(i) failing to pay the sufficient margin by the specified deadline;
(ii) stating an untrue or misleading fact in the settlement statement, monthly trade statement or other clearing documents;
(iii) failing to put customer margin funds in an account separate from the member's account;
(iv) failing to exercise the daily clearing for a customer's trades;
(v) falsifying or altering the content in trading records, accounting statements and books;
(vi) writing dishonored checks or submitting false value-added tax invoices or other falsified bills or instruments; or
(vii) engaging in other conduct in breach of the Exchange's rules that relate to clearing or settlement.

The member found to have committed any of the above rule violations will be ordered to correct his misconduct and may be given warning or suspension of the privilege to put on new positions for no more than one (1) month. If the rule violation proves to be a major one, the rule violator may be given:

- criticism;
- reprimand
- temporary exclusion from trading;

- suspension of the privilege to put on new positions for a minimum of one (1) month to a maximum of twelve (12) months; and
- fine of no less than RMB ten thousand (10,000) nor more than RMB two hundred thousand (200,000):

Article 25 A member or a customer which, in his application for permission to take positions for hedging purposes, submits false information or violates pertinent rules of the Exchange will have his permission revoked. In addition, the Exchange may impose a fine in an amount not exceeding five percent (5%) of the notional value of the hedge positions. Furthermore, depending on the severity of his misconduct, he will also be subject to one or more sanctions such as

- warning;
- criticism
- reprimand;
- temporary exclusion from trading;
- forced position liquidation;
- forfeiture of earnings resulting from the rule violation;
- expulsion from membership; and
- ban on market entry.

Article 26 The member or customer which breaches the Exchange's rules relating to open interest will be subject to sanctions such as

- forced position liquidation;
- warning;
- criticism;
- reprimand;
- suspension of the privilege to put on new positions for a minimum of (1) month to a maximum of twelve (12) months, or
- temporary exclusion from trading.

Article 27 The following conduct by an FF member, involving protection of confidential information and use of electronic trading terminals and telecommunication facilities, represents the rule violation:

(i) disseminating data owned by the Exchange without appropriate authorization;

(ii) accessing the electronic trading terminal or using the telecommunication facilities at another member's trading seat without that member's permission;

(iii) stealing the other member's trade secrets such as the data of trades and clearing funds through the trading seat or destroying the electronic trading system; or

(iv) misappropriating another member's confidential information

through access to his trading seat or his standard warrants or damaging or destroying these warrants.

A member who is found to have engaged in the above conduct will be ordered to correct his misconducts, if possible, and to indemnify any person damaged by his breach.

In addition, the Exchange will exercise his discretion in determining whether the rule violation is a minor or major one. If the rule violation proves to be a minor one, the member may be subject to sanctions such as

- warning;
- temporary exclusion from trading;
- suspension of the privilege of putting on new positions for no more than one (1) month; and
- a fine in the amount of at least RMB ten thousand（10,000）but no more than RMB fifty thousand (50,000).

If the rule violation proves to be a major one, the member may be subject to sanctions such as

- criticism;
- reprimand;
- suspension of his business for a minimum of (1) one month to a maximum of twelve (12) months;
- expulsion from membership; and
- fine in the amount of at least RMB fifty thousand (50,000) but no more than RMB two hundred thousand (200,000):

If the rule violation proves to be a minor one, the Exchange may suspend the business qualifications of the person accountable for the rule violation for no more than one (1) month. If the rule violation proves to be a major one, the Exchange may subject the person accountable for the rule violation to criticism, reprimand and suspend his business qualifications for a minimum of one (1) and a maximum of six (6) months or revoke his business qualifications entirely.

A customer found to have engaged, directly or indirectly, in a rule violation as set forth in this Article 27(iv) will be ordered to correct his misconducts, given warning, and to indemnify the injured party. If the rule violation proves to be a major one, the customer will be given criticism, reprimand and may have his privilege of opening new positions suspended for a minimum of one (1) month to a maximum of twelve (12) months, or be banned on market entry.

Article 28 A member found to have violated the Exchange rules as they pertain to securing and tendering standard warrants may be subject to sanctions such as

- warning;
- criticism;
- reprimand;
- a fine in the amount of at least RMB ten thousand (10,000) but no more than one hundred thousand (100,000);
- prohibition against holding, receiving or tendering standard warrants for a set period of time; or
- expulsion from membership.

Article 29 The following conduct by a member or customer represents the rule violation:

i) the futures market participant, alone or together with any other person, uses an advantage in capital, position or information to repeatedly or jointly trade in a contract in order to influence the trading price or volume thereof;

ii) transfer or split positions between accounts, or conduct accommodation trade to evade the Exchange's position limit rules, or hold oversized positions to affect or attempt to affect the prices and trading order on the Exchange;

iii) apply methods such as transferring or splitting positions between accounts, or accommodation trade, to affect the prices on the Exchange, or to transfer equity between accounts or make unlawful earnings;

iv) place orders without good will or in a continuous way, for no purpose of executing them or under the awareness that they will not be executed, in an attempt to affect the futures prices, tamper with the market order or to transfer equity between accounts;

(v) conduct wash trade by buying and selling consecutively or trading with himself to affect or attempt to affect the prices and open interests on the Exchange;

vi) any person with access to insider information which has material impact on the trading of a contract, or any person who has illegally obtained such insider information uses the said insider information or a state secret to trade in a contract, or disclose such insider information to any other person, who, in turn, uses such insider information to trade in the said contract, while such insider information is not yet made publicly available.

vii) apply methods to monopolize, stockpile the underlying products or improperly concentrate open positions to withhold significant amounts of standard warrants issued by the Exchange's certified delivery warehouses, attempting to affect or seriously affecting the

market conditions or the physical delivery on the Exchange;
viii) for the purpose of manipulation of the market, directly or indirectly control or tamper with the market order, interfere with or harm the equitable trading, national interests and public welfare;
(ix) failing to follow the requirements relating to the Exchange for Physicals;
(x) failing to meet the requirements relating to the Exchange's standard warrant system;
(xi) failing to observe the requirements relating to the Exchange's Risk Warning regime or relevant rectification and improvement requirements; or
(xii) engaging in any other conduct that violates the regulations and rules of the CSRC and the Exchange relating to trading or delivery activities.

For the purpose of this Article, the term "accommodation trade" refers to a trade conducted by the futures market participant, alone or in collusion with any other person, at such time and price and in such manner as pre-agreed upon.

The futures market participant who is found to have committed any of the above rule violations will be ordered to correct his misconducts, indemnify any losses arising from the rule violation, and be subject to forfeiture of the earnings resulting from his violations.

In addition, the Exchange will exercise its discretion in determining whether the rule violation is a minor or major one. If the rule violation proves to be a minor one, the futures market participant may be subject to sanctions such as

- warning;
- forced position liquidation;
- suspension of the privilege of opening new positions for up to one (1) month; and
- fine in the amount of no less than RMB ten thousand (10,000) nor more than RMB one hundred thousand (100,000) if the futures market participant earns nothing or less than RMB one hundred thousand (100,000) from the rule violation, or between one time and three times the sum of that earnings if which is greater than RMB one hundred thousand (100,000);

If the rule violation proves to be a major one, the futures market participant may be subject to sanctions such as

- criticism;
- reprimand;

- temporary exclusion from trading;
- forced position liquidation;
- suspension of the privilege of opening new positions for a minimum of one (1) month to a maximum of twelve (12) months;
- expulsion from membership;
- ban on market entry; and
- fine in the amount of no less than RMB ten thousand (10,000) nor more than RMB one hundred thousand (100,000) if the futures market participant earns nothing or earns less than RMB one hundred thousand (100,000) from the rule violation, or between one time and five times the sum of that earnings if which is greater than RMB one hundred thousand (100,000).

Article 30 The Exchange may adjust the day's settlement price, if the futures market participant:
i) has engaged in wash trade, significantly influencing the final settlement price; or
ii) has committed a violation other than wash trade that has led to abnormal price fluctuation or unexpected price aberrations of the contract traded in, or materially, significantly influencing the final settlement price.

Article 31 The Exchange shall impose a sanction of criticism, reprimand, temporary exclusion from trading, forced position liquidation, or suspension of opening new positions for no less than one (1) month nor more than twelve (12) months, and shall timely inform the CSRC and request initiation of investigation by the CSRC, provided that, as a result of an investigation, the Exchange has found the futures market participant to have:
i) committed a serious violation such as manipulation of the market;
ii) engaged in wash trade or accommodation trade so as to have severely affected the final settlement price;
iii) stolen a trading password of any other person to engage in trading in futures; or
iv) committed any other act suspected to have constituted a criminal offense.

The Exchange will impose the sanctions as described above in this Article 31 notwithstanding any action that may be brought against the rule violator by the CSRC at its discretion.

Article 32 A floor representative who engages in any of the following actions will be deemed to have committed the rule violation:
(i) breaching the Exchange rules relating to activities on the trading

floor;
(ii) intentionally failing to observe the operational instructions so as to damage the trading system;
(iii) damaging or removing equipment on the trading floor or installing telephone lines and other equipment, without the Exchange's authorization;
(iv) obtaining his representation qualification by fraud or by other improper means; or
(v) counterfeiting, tampering with or borrowing a floor representative badge.

Upon a finding that he has committed the rule violation, he may be subject to warning. If the rule violation proves to be a major one, he may be subject to criticism, reprimand or have his representation qualification suspended for a minimum of one (1) month to a maximum of twelve (12) months or revoked, and fine in the amount of at least RMB one thousand (1,000) but not more than RMB ten thousand (10,000) may be imposed.

The member that has designated the floor representative shall be responsible for the damage caused by the actions of the floor representatives described in this Article 3.13(ii) or (iii).

Article 33 A settlement clerk shall be prohibited from engaging in any of the following actions:
(i) obtaining the settlement clerking certification by fraud or by other improper means; or
(ii) counterfeiting, tampering with or borrowing a settlement clerk badge.

A settlement clerk found to have engaged in any prohibited conduct under this Article 33 shall be subject to warning. If the rule violation proves to be a major one, one or more of the following sanctions shall be imposed:

- criticism;
- reprimand;
- suspension of his settlement clerk certification for minimum of one (1) month to a maximum of twelve (12) months;
- revocation of his settlement clerk certification: and
- fine in an amount of at least RMB one thousand (1,000) but not more than RMB ten thousand (10,000).

Article 34 A certified delivery warehouse shall be prohibited from engaging in any of the following actions:

(i) engaging directly or indirectly in trading in futures on the Exchange in violation of laws and regulations;
(ii) issuing falsified standard warrants;
(iii) steal for the sale of the warranted goods;
(iv) disclosing warehousing information with regard to the deliverable supply for a futures contract that is non-public information or spreading rumors that the warehouse knew or should have known had no basis in fact;
(v) acting in concert with a member or customer to manipulate or attempt to manipulate prices on the Exchange;
(vi) failing to implement procedures to ensure that brand names, trademarks, specifications, or the quality of the commodity listed or described on the warrant is consistent with the commodity represented by the warrant;
(vii) failing to provide complete documents proving that the warranted goods are as described in the warrant;
(viii) absence or shortage of the required proof documents accompanying the warranted goods;
(ix) inconformity of the amount of makeweight bundle, makeweight piece, and packaging specifications to the Exchange's requirements;
(x) issuing a standard warrant without examining a representative sample of the commodity described in the warrant such that the warrant does not properly describe the commodity;
(xi) failing to draft and follow procedures for confirming that a delivery should be made or accepted so that an erroneous delivery occurs;
(xii) using improper storage or preservation procedures that cause the commodity to deteriorate in quality or diminish in size;
(xiii) damaging the commodity in the process of carrying, loading or stocking;
(xiv) charging unreasonable fees for delivering the commodity;
(xv) intentionally interfering with the buyer or the seller so as to cause the buyer or the seller to default;
(xvi) breaching the Exchange's rules relating to making physical delivery, or intentionally delaying the warranting or unwarranting of the deliverable supply;
(xvii) failing to allow the Exchange to exercise its supervisory and inspection roles; or
(xviii) Engaging in other actions that breach the regulations and rules of the CSRC and the Exchange.

Any warehouse that is found to have committed any of the prohibited conduct described above will be subject to:
(i) order to correct its misconducts; and
(ii) forfeiture of any earnings resulting from the rule violation.

In addition, the Exchange will exercise its discretion in determining whether the rule violation is a minor or major one. If the rule violation proves to be a minor one, the certified delivery warehouse will be subject to sanctions such as

- warning; and
- a fine in an amount of no less than RMB ten thousand (10,000) nor more than RMB one hundred thousand (100,000).

If the rule violation proves to be a major one, the warehouse will be subject to sanctions such as

- criticism;
- reprimand;
- reduction of certified warranting capacity;
- suspension of its delivery activities;
- revocation of its warehouse certification,
- ban on market entry; and
- a fine in the amount of at least RMB one hundred thousand (100,000) but no more than RMB five hundred thousand (500,000) if the warehouse earns nothing from his violation or earns less than RMB one hundred thousand (100,000), or between one time and five times the sum of that earnings if which is greater than RMB one hundred thousand (100,000).

Article 35 A member who is found to have intentionally defaulted on physical delivery to affect or attempt to affect the functioning of the physical delivery for the purpose of making profits illegally, will be subject to one or more sanctions such as

- warning;
- criticism;
- reprimand;
- prohibition against putting on new positions for no less than one (1) month nor more than twelve (12) months;
- forfeiture of all earnings resulting from the default; and
- a fine in the amount of no less than ten percent (10%) nor more than thirty percent (30%) of the notional value of the defaulted contracts.

Article 36 The settlement bank that fails to perform its obligations as provided in the Clearing Rules of the Shanghai Futures Exchange shall be subject to sanctions such as

- order to correct its misconducts;
- warning;
- criticism;

- reprimand;
- temporary exclusion from trading; or
- revocation of the bank's settlement banking certification.

Article 37 A member or customer who interferes with the operation of an Exchange rule shall be warned or prohibited from opening new positions for up to one (1) month, and the individual who is responsible for such rule violation will have his business qualifications suspended for up to one (1) month. If the rule violation proves to be a major one, the member or customer will be subject to sanctions such as criticism, reprimand, temporary exclusion from trading, suspension of the privilege of opening new positions for at least one (1) month but not more than twelve (12) months, expulsion from membership, and ban on market entry. The person accountable for the misconduct will have his business qualifications suspended for a minimum of one (1) month to a maximum of twelve (12) months or will be banned on market entry.

Article 38 Any entity or person who is banned on market entry shall, within twenty (20) business days following the effective date of such ban, liquidate all of his positions, conclude any transactions and settle any debts on the Exchange.

Any entity or person who is banned on market entry by the CSRC or other Chinese futures exchanges shall not, as long as such ban is effective, engage in the futures business on the Exchange.

Article 39 The member, the customer or the futures market participant who commits or is involved in any of the following actions or conditions will be warned, reprimanded or suspended of putting on new position for a minimum of one (1) month to a maximum of twelve (12) months and a fine at a sum of at least RMB ten thousand (10,000) but no more than RMB two hundred thousand (200,000) may be imposed:
i) refused to cooperate with the Exchange in a routine audit or an investigation for cause;
ii) refused to implement any disposition of the Exchange;
iii) made any claim, representation, explanation or statement which was fraudulent or misleading, or omitted material facts;
iv) provided false documents, materials or information; or
v) failed to implement any restrictive measure or any other regulatory action taken by the Exchange.

Article 40 The employee of the Exchange who commits or is involved

in the rule violation will be subject to sanctions as provided in the national laws, regulations, and the Exchange's rules over personnel issues or codes of conduct.

Chapter 4 HEARING, RULING AND SANCTIONS

Article 41 The Board of Directors shall determine whether the Exchange shall apply a sanction of expulsion from membership and ban on market entry.

Article 42 The Exchange will, after examining the facts and evidences and confirming the truth of the misconducts, make a ruling in compliance with the Exchange's Articles of Association, the General Exchange Rules and these Enforcement Rules.

Article 43 The Exchange shall issue a notice of decision, or the notice, to demonstrate its ruling decision.
The notice will describe the following items:
(i) name and premises of the party concerned, or the party;
(ii) facts and evidences of the misconducts;
(iii) types and basis of the sanctions;
(iv) performance and effective period of the sanctions;
(v) method and period of lodging an appeal; and
(vi) date of decision.

Article 44 The Exchange shall serve the notice on the party. If the rule violator is a member, the service will be made electronically to the member's trading seat and will be deemed delivered upon being sent. If the party is not a member, the service will be made by post. The service will be regarded as complete within three (3) days of posting for addresses in town and seven (7) days of posting for addresses out of town. Copies of the notice will be sent, simultaneously, to the entities that are to assist in the enforcement of the decision.

The notice will also be sent to the CSRC along with any other information required by the CSRC's regulations.

Article 45 The Exchange's decision will be effective as of the completion of service.

The Party may appeal the decision in writing to the Exchange within ten (10) days after the effective date of the notice. The decision and sanctions will be imposed as of the effective date regardless of the

fact that an appeal is ongoing.

Article 46 The Exchange shall, within thirty (30) days from the date it receives the appeal, makes a decision on the appeal and the decision is a final one.

Article 47 If the member refuses to perform the obligations pursuant to the ruling decision, the Exchange may enforce its performance thereof.

Article 48 If the decision involves payment of fines or return of funds, the party shall, within five (5) days after the effective date of the notice, to remit payment of fines or funds to the party specified by the Exchange. If the Party fails to make payment within such time period, the Exchange will withdraw payment from the member's futures settlement account. The member shall pay for his employee if that employee is ruled accountable for the payment of the fines or repayment of the funds. The member shall cooperate with the Exchange in its enforcement of sanctions against a customer when the Exchange retrieves the customer's equity from the member's account.

Article 49 A certified delivery warehouse shall within five (5) days after the effective date of the notice remit the payment as specified by the Exchange. The certified delivery warehouse shall pay for its employee if that employee is ruled accountable for the payment. If the payment fails to be made within the prescribed time period, the Exchange shall claim it from the risk collateral fund of the certified delivery warehouse.

Chapter 5 DISPUTE MEDIDATION

Article 50 Disputes between the member, the customer, the certified delivery warehouse over the futures business activities may be settled among themselves or under the auspices of the Exchange.

Article 51 The Mediation Committee subordinate to the Board of Directors exercises the function of dispute resolution. The Trading Department of the Exchange is the standing presence of the Mediation Committee.

Article 52 Mediation shall be exercised based on clear facts and in accordance with the laws and regulations over futures trading and the

Exchange's rules.

Article 53 The claimant shall serve a notice to mediate to the Mediation Committee within thirty (30) days as of the date he is aware of or should be aware of that his legitimate interest is harmed.

Article 54 The claimant commencing a mediate shall meet the following requirements and conditions:
i) be served with a notice to mediate;
ii) demonstrates specific facts, reasons and claims; and
iii) the mediation request falls within the jurisdiction of the Mediation Committee.

Article 55 The claimant shall provide the notice to mediate, and other relevant documents.
The notice to mediate shall describe the following items:
i) name, gender, age, occupation, employer, premises of the claimant if the claimant is an individual or name, business premises, name and position of the legal representative or person in charge of the claimant if it is an entity;
ii) facts, reasons and claims with regard to the request for mediate; and
iii) other relevant evidences.

Article 56 Upon receipt of a mediation petition, the Exchange's Mediation Committee shall carefully examine the relevant materials and notify the disputing parties within five (5) days in writing whether the petition is accepted.

Article 57 The Exchange's Mediation Committee shall dismiss the mediation petition, if:
i) either party has filed an action with a People's Court;
ii) either party has applied for arbitration with an arbitral body;
iii) one party has requested and the other party is unwilling to solve the dispute by mediation ;
iv) there occur any other circumstances under which the Exchange's Mediation Committee determines that the petition shall be dismissed.

Article 58 The Exchange's Mediation Committee shall conclude the mediation within thirty (30) days as of acceptance of a mediation petition. Should a dispute be too complex to be solved within the specified time limit, the Exchange's Mediation Committee will terminate the mediation, unless the disputing parties agree to continue the mediation.

Article 59 The Exchange's Mediation Committee may terminate the mediation, if:
i) either party fails to participate in the mediation or withdraws from the mediation without permission;
ii) the subject matter of the mediation involves the interest of a third-party person or entity who or which fails to participate in the mediation or is dissatisfied with the outcome of the mediation;
iii) during the mediation, any of the disputing parties files a legal action or applies for arbitration with respect to the subject matter of the mediation;
iv) during the mediation, either party requests to terminate the mediation; or
v) the disputing parties fail to reach a mediation agreement within the specified time limit.

Article 60 The claimant is, by rule, under the burden of proof. The Mediation Committee may, as it deems necessary, commence an investigation to gather the evidences.

Article 61 The Mediation Committee, in the exercise of its jurisdiction, shall verify the truth of the facts in dispute and encourage the disputing parties concerned, on a voluntary basis, to reach an agreement.

Article 62 The agreement derived from the mediation shall be recorded in the Exchange's files. The conclusions made by the mediator, or the conclusions, shall be drawn up and signed by the disputing parties and the mediator and stamped with the seal of the Mediation Committee, which will render them effective.

Article 63 The conclusions shall describe:
(i) name, address, name and position of the legal representative or person in charge of each of the disputing parties;
(ii) subject of the dispute and claim; and
(iii) the agreement reached in the mediation.

Article 64 The Mediation Committee shall complete the mediation within thirty (30) days as of the date it receives the notice to mediate; otherwise, he shall explain to the claimant the reasons for the delay. If after hearing the reasons for the delay, the disputing parties agree to continue with the mediation, the Mediation Committee shall proceed. If either of the disputing parties calls for termination of the mediation, the Mediation Committee shall do so.

Article 65 If the mediator is unable to resolve the dispute, the disputing parties may raise them before other arbitral entities or bring suit in a People's Court.

Chapter 6 MISCELLANEOUS

Article 66 The Exchange reserves the right to interpret these Enforcement Rules.

Article 67 For the purposes of these Enforcement Rules, the term "certified delivery warehouse" shall include bonded delivery warehouses and manufacturers' warehouses as designated by the Exchange.

Article 68 For the purposes of these Enforcement Rules, the term "day" refers to "business day". For a period that expires on a holiday, the first working day after the holiday shall be the day on which the period expires.

Article 69 "Greater than", "smaller than", as appears in these Enforcement Rules, means "no less than", "no more than" respectively.

Article 70
These Enforcement Rules are effective as of March 25, 2013.

PART XX HEDGING RULES

(AMENDED SUBJECT TO SHFEA [2012] NO.5)

Chapter 1 GENERAL PROVISIONS

Article 1 These Hedging Rules are made, subject to the General Exchange Rules of the Shanghai Futures Exchange, to ensure the integrity of the hedging functions provided by the Exchange.

Article 2 Hedging positions in these Hedging Rules include regular month hedging positions and nearby delivery month hedging positions.

The hedging positions for copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil, gold, silver, natural rubber and bitumen futures include regular month hedging positions and nearby delivery month hedging positions. For purpose of these Hedging Rules, the term "regular month" here means months during the period from the date of listing of the contract till the last trading day of the second month prior to the delivery month, and the term "nearby delivery month" means the first month prior to the delivery month and the delivery month.

The hedging positions for fuel oil futures include regular month hedging positions and nearby delivery month hedging positions. For purpose of these Hedging Rules, the term "regular month" for fuel oil futures means months during the period from the date of listing of the contract till the last trading day of the third month prior to the delivery month, and the term "nearby delivery month" means the second and the first month prior to the delivery month.

Article 3 These Hedging Rules are binding on the members and customers who engage in hedging activities on or through the Shanghai Futures Exchange, or the Exchange.

Chapter 2 APPLICATION AND APPROVAL OF REGULAR MONTH HEDGING POSITIONS

Article 4 Application for regular month hedging positions for each futures product shall be approved by the Exchange. The regular month hedging positions applied for are either long or short positions.

Article 5 Each customer, who needs to take regular month hedging positions, shall apply to his carrying FF member, who shall, after reviewing and verifying the application, refer the application to the Exchange for approval. A non-FF member shall apply directly to the Exchange for approval.

Article 6 Each customer or non-FF member applying for regular month hedging positions shall be involved in the business whose nature is related to the products of those hedging positions.

Article 7 Each member or customer applying for regular month hedging positions shall complete an Application (Approval) Form for Regular Month Hedging Positions on the Exchange, and include the following documents:

- a photocopy of his business license;
- a profile of his business performance in actuals for the last calendar year;
- a business plan for the actuals for the current calendar year or the next calendar year; any sales and purchase contract in relation to hedging positions or any other documents evidencing the same;
- a plan for hedging, including a description of the source of risks, objectives for the hedge and anticipated amounts needed for delivery or close-out of positions; and
- any other documents as required by the Exchange.

Article 8 Regular month hedging positions for copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil, gold, silver, natural rubber and bitumen futures shall be applied for before the last trading day of the second month prior to the delivery month of the contract and the Exchange will not accept any applications for regular month hedging positions after the expiry of such period. Each member or customer may each time apply for regular month hedging positions in various contracts.

Article 9 Regular month hedging positions for fuel oil futures shall be applied for before the last trading day of the third month prior to the delivery month of the contract and the Exchange will not accept any

applications for regular month hedging positions after the expiry of such period. Each member or customer may each time apply for regular month hedging positions in various contracts.

Article 10 The Exchange will determine the amounts of the regular month hedging positions with regard to the attributes of each applicant including:

- qualification of the applicant;
- products for hedging;
- whether the hedging positions applied for are long or short positions;
- amounts of long or short positions;
- timing for hedging;
- profile of production and business operation;
- historical performances of business;
- financial conditions

The amounts of regular month hedging positions approved by the Exchange shall not exceed the amounts specified in the application documents.

Chapter 3 APPLICATION AND APPROVAL OF NEARBY MONTH HEDGING POSITIONS

Article 11 Application for nearby delivery month hedging positions for each futures product shall be approved by the Exchange. The nearby delivery month hedging positions applied are either long or short positions.

Article 12 Each customer, who needs to take nearby delivery month hedging positions, shall apply to his carrying FF member, who shall, after reviewing and verifying the application, refer the application to the Exchange for approval. A non-FF member shall apply directly to the Exchange for approval.

Article 13 Each member or customer applying for nearby delivery month hedging positions shall complete an Application (Approval) Form for Nearby delivery month Hedging Positions on the Exchange, and include the following documents with regard to the attributes of the customer if such customer is a:

i) producer

- production plan for the current calendar year or the last calendar year;
- warehouse receipts of actuals that are in the same amounts as those hedging positions or other valid certificates evidencing ownership of actuals

ii) processer

- production plan for the current calendar year or the last calendar year;
- if applying for hedging positions for long purpose, order forms for processing or sales and purchase contracts that are in the same amounts as those hedging positions;
- if applying for hedging positions for short purpose, warehouse receipts of actuals that are in the same amounts as those hedging positions or other valid certificates evidencing ownership of actuals, i.e., sales and purchase contracts or invoices.

iii) trader or others

- if applying for hedging positions for long purpose, sales and purchase contract that are in the same amounts as those hedging positions or other valid certificates evidencing ownership of actuals
- if applying for hedging positions for short purpose, warehouse receipts of actuals that are in the same amounts as those hedging positions, sales and purchase contract or invoice.

Article 14 The Exchange has the right to require any other documents apart from those listed in the Article 13 from the member or the customer as it deems necessary.

Article 15 Nearby delivery month hedging positions for copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil, gold, silver, natural rubber and bitumen futures shall be applied for in the period from the first trading day of the third month prior to the delivery month to the last trading day of the month prior to the delivery month of the contract and the Exchange will not accept any applications for nearby delivery month hedging positions after the expiry of such period.

Article 16 Nearby delivery month hedging positions for fuel oil futures shall be applied for in the period from the first trading day of the fourth month prior to the delivery month to the last trading day of the second month prior to the delivery month of the contract and the Exchange will not accept any applications for nearby delivery month hedging positions after the expiry of such period.

Article 17 The Exchange will determine the amounts of the nearby delivery month hedging positions based on the following attributes of an applicant who is either a member or a customer:

- amounts of the hedging positions applied for and whether the hedging positions are long or short positions;
- business profile of actuals;

- open interest held in the contract;
- stock of the deliverable commodities at the Exchange;
- whether a divergence of price exists between the futures market and the cash market

The amounts of the nearby delivery month hedging positions approved by the Exchange shall not exceed the amounts that are specified in the application documents.

The aggregate amounts of nearby delivery month hedging positions for all the contract month of a calendar year shall not exceed the amounts of the production capacity or the production plan of the year, or the business profile of the last calendar year.

Article 18 If a non-FF member's or a customer's application is not approved by the Exchange for the nearby delivery month hedging positions for copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil, gold, silver, natural rubber and bitumen futures, the lower level of positions that is either the regular month hedging positions approved or the position limit of such futures product shall be applied when such regular month hedging positions enter into the month prior to the delivery month and the delivery month, and such regular month hedging positions will be converted into nearby delivery month hedging positions under such standard. In the nearby delivery month, those nearby delivery month hedging positions approved become applicable.

If a non-FF member's or a customer's application is not approved by the Exchange for the nearby delivery month hedging positions for fuel oil futures, the lower level of positions that is either the regular month hedging positions approved or the position limit of such futures product shall be applied when such regular month hedging positions enter into the second and the month prior to the delivery month, and such regular month hedging positions will be converted into nearby delivery month hedging positions under such standard. In the nearby delivery month, those nearby delivery month hedging positions approved become applicable.

Chapter 4 HEDGE TRADING

Article 19 The member or customer who is approved to hold hedging positions shall establish positions pursuant to whether the positions approved are long or short positions and the amounts of the positions before the closing of the market of the third trading day prior to the last

trading day specified in the contract. It shall be deemed a waiver of the hedging positions if the positions are not established in the prescribed time limit above.

Article 20 As of the first trading day of the delivery month of each contract of copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil, gold, silver, natural rubber and bitumen futures, each member or customer shall not open new positions as hedging positions in that contract when the member or customer has already, in that delivery month, opened positions as hedging positions aggregately to the maximum of the hedging positions set forth by the Exchange for that member or customer.

Article 21 As of the first trading day of the month prior to the delivery month of fuel oil futures contract, each member or customer shall not open new positions as hedging positions in that contract when the member or customer has already, in that month prior to the delivery month, opened positions as hedging positions aggregately to the maximum of the hedging positions set forth by the Exchange for that member or customer..

Article 22 Measures of adjustment on the holding of hedging positions in multiples in the nearby delivery month can refer to those on the holding of speculative positions in multiples.

Article 23 In the delivery month, each member or customer, obtaining the nearby delivery month hedging positions, who is the seller of the hedging positions may apply the standard warrants as a warranty for the performance of the futures contract for a number of delivery months in accordance with the number of such standard warrants, and as a collateral for the trade margin deposited for the corresponding positions.

Chapter 5 REGULATION

Article 24 The Exchange shall, after receiving the application for the hedging positions, review the application within five (5) trading days and make a decision based on the following scenarios:
i) approve the application if the requirements for the hedging positions are satisfied;
ii) disapprove the application if the requirements for the hedging positions are not satisfied;
iii) request additional documents from the applicant if the documents for certification are not sufficient.

Article 25 The Exchange shall look into the particulars of the business and production conditions, credit profile and trading activities in the futures and actuals that are provided by the member or customer. The member and the customer shall cooperate with the Exchange in this regard.

The Exchange has the right to require the member or customer who has hedging positions approved to report about the trading matters in futures or actuals.

Article 26 The Exchange supervises the usage of the hedging positions obtained by the member or the customer.

Article 27 The member or customer, while holding the hedging positions, shall report to the Exchange in a timely manner when some substantial changes happen to the enterprise. The Exchange has the right to adjust the hedging positions of the member or customer based on the market conditions and business and operation conditions of a hedger (corporate).

Article 28 The member or customer shall apply to the Exchange in a timely manner for adjustment in hedging positions.

Article 29 The member or customer shall make adjustments on his own initiative before the ending of the first session of trading on the following trading day; The Exchange has the right to exercise forced position liquidation if the adjustments are not made in the prescribed time limit or the requirements are still not satisfied after the adjustments.

Article 30 If the member or customer frequently opens and closes out his positions within the limit amount of the hedging positions or use the hedging positions approved to or attempt to affect the market price, the Exchange has the right to:

- conduct an interview with him for warning;
- give a warning in writing;
- adjust or wipe out his hedging positions;
- limit the opening of new positions;
- close out positions for a limited period; or
- exercise forced position liquidation.

Article 31 In the event that the systematic risk of the market increases that may lead to the disruption of the market, the Exchange shall make reduction in the positions pursuant to the applicable rules of the Exchange. The Exchange shall reduce the speculative positions first and then reduce the hedging positions.

Article 32 The Exchange may, from time to time, request the member or customer for additional documents with regard to the hedging positions already approved based on the futures and cash market conditions and open interests held in the contracts.

Article 33 A member or customer that engages in fraud or other rule violations when applying for or conducting in hedge trading shall be subject to the sanctions provided in the Enforcement Rules of the Shanghai Futures Exchange, and the Exchange will not process his application for or adjustment in the hedging positions, or wipe out his hedging positions, and the existing hedging positions will be converted into speculative positions or the Exchange will impose forced position liquidation.

Article 34 The Exchange may make discounts on the trade margin or the transaction fee for the hedge trading.

Chapter 6 MISCELLANEOUS

Article 35 The Exchange reserves the right to interpret these Hedging Rules.

Article 36 These Hedging Rules are effective as of March 21, 2014.

PART XXI SPREAD TRADING RULES

Chapter 1 GENERAL PROVISIONS

Article 1 These Spread Trading Rules are made, subject to the General Exchange Rules of the Shanghai Futures Exchange, to ensure the integrity of the spread trading activities on or through the Shanghai Futures Exchange, or the Exchange.

Article 2 Spread trading and speculative trading is recognized as non-hedge trading. The schedule of proportion and customers of position limit for each futures contract in different periods of time, as prescribed in the Risk Management Rules of the Shanghai Futures Exchange, is applicable to non-hedging positions. The non-hedging positions of each non-futures firm member, or non-FF member, or customer, will be expanded by the spread positions of the non-FF member or the customer.

Article 3 The spread trading as referred to in these Spread Trading Rules refers to the trading types of calendar spread and inter-commodity spread. The term "calendar spread" means spread trading among different contracts on the same product and the term "inter-commodity spread" means spread trading among contracts on different products.

The suites of inter-commodity spread will be announced by the Exchange, in due course.

Article 4 Spread positions include regular month spread positions (for copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil, gold, silver, natural rubber and bitumen, regular month refers to the period from date of contract listing to the last trading day of the 2nd month prior to the delivery month, while for fuel oil, he refers to the period from date of contract listing to the last trading day of the 3rd month before the delivery month) and the nearby delivery month spread positions (for copper, aluminum, zinc, lead, steel rebar, wire rod, hot-rolled coil, gold, silver, natural rubber and bitumen, nearby delivery month refers to the 1st month before the delivery month and

the delivery month, while for fuel oil, it refers to the 2nd month prior to the delivery month and the 1st month before the delivery month)

Article 5 Each member or customer who engages in spread trading shall comply with these Spread Trading Rules.

Chapter 2 APPLICATION AND APPROVAL FOR SPREAD POSITIONS

Article 6 Each customer in application for spread positions shall submit an application to any one of his carrying futures-firm members, or the FF members, where he owns an account with. That FF member shall review the application and make submission on the customer's behalf to the Exchange pursuant to these Spread Trading Rules. Each non-FF member will apply to the Exchange on his own account.

Article 7 Each non-FF member or customer shall submit the following documents in application for the regular month spread positions of each product:
i) Application and Approval Form for Regular Month Spread Positions of the Shanghai Futures Exchange;
ii) spread trading schedule (such as source of funds, size of position, calendar spread or inter-commodity spread); and
iii) other documents as required by the Exchange.

The regular month spread position, as approved by the Exchange, will remain valid for the product that the member or customer applies for.

Article 8 Each non-FF member or customer shall provide the following documents in application for the nearby delivery month spread positions of each contract:
i) Application and Approval Form for Nearby delivery month Spread Positions of the Shanghai Futures Exchange;
ii) spread trading schedule (such as source of funds, size of position, for calendar spread or inter-commodity spread, arrangements of position addition or reduction, will of delivery, etc.);
iii) a price divergence analysis of the contract that the member or customer applies for; and
iv) other documents as required by the Exchange.

Article 9 The Exchange will determine the size of the regular month

spread positions with regard to the applicant's credit profile, trading history and his application of the spread positions. The size of regular month spread positions that are approved by the Exchange shall not exceed what each member or customer applies for.

Article 10 The Exchange will determine the size of the nearby delivery month spread positions with regard to the applicant's credit profile, trading history, open interests, size of warranted stocks, and take into consideration of whether there is a price divergence of the contract that the member or customer applies for. The size of nearby delivery month spread positions that is approved by the Exchange shall not exceed what the member or customer applies for.

Article 11 The application for the nearby delivery month spread positions shall be submitted between the 1st trading day of the 2nd month prior to the delivery month of the contract (for fuel oil, he refers to the 1st trading day of the 3rd month prior to the delivery month) and the last trading day of the 1st month prior to the delivery month (for fuel oil, it refers to the 1st trading day of the 2nd month prior the delivery month). Otherwise, the Exchange will not accept the application.

Chapter 3 SPREAD TRADING

Article 12 Total non-hedging positions held by the same customer at different FF members shall not exceed the size as prescribed by the Risk Management Rules of the Shanghai Futures Exchange for the proportion of position limit for such futures contract in different periods of time in addition to the spread positions of the same periods of time, or the total size as prescribed by the Risk Management Rules of the Shanghai Futures Exchange for the size of position limit in addition to the spread positions of the same periods of time.

Chapter 4 REGULATION

Article 13 The Exchange shall complete the review of the application for spread positions within five (5) trading days upon receipt of such application.

Article 14 Each non-FF member or customer, when in need of spread

position adjustment, shall submit an application to the Exchange for the spread position adjustment in due time.

Article 15 The Exchange regulates each non-FF member or customer for his use of the spread positions that the Exchange approves, and retains the right to reduce the spread positions of the non-FF member or customer.

Article 16 In the event that any change of material importance happens to any non-FF member or customer during the period he holds the spread positions, he shall, in due time, report to the Exchange, and the Exchange may, at its discretion, reduce the spread positions of the member or customer.

Article 17 In the event that the total non-hedging positions that any non-FF member or customer holds exceed the size as prescribed by the Risk Management Rules of the Shanghai Futures Exchange for the proportion of position limit for such futures contract in different periods of time in addition to the spread positions of the same periods of time, or the total size as prescribed by the Risk Management Rules of the Shanghai Futures Exchange for the size of position limit in addition to the spread positions of the same periods of time, he shall, prior to the closing of the 1st trading session on the next trading day, make adjustments on their own account. Any failure to make such adjustments by the prescribed time limit or below the size described above will be subjected by the Exchange to forced position liquidation.

Article 18 Any fraudulence, or any violation of laws, regulations or the Exchange’s rules by any non-FF member or customer, at the time of his applying for spread positions or trading, will result in the Exchange’s rejection of his such application as for spread positions, adjustment or cancellation of the spread positions that the Exchange has approved, or make the Exchange resort to actions such as restriction on his opening up new positions, close-out of positions by the prescribed time limit, forced position liquidation, as the Exchange deems necessary, pursuant to the provisions in the Enforcement Rules of the Shanghai Futures Exchange.

Article 19 Any improper use of the spread positions by any non-FF member or customer, to influence or attempt to influence market price, will subject the member or customer to compliance interviews, warnings, reduction or cancellation of the spread positions that the Exchange has approved, or make the Exchange resort to actions such as restriction on his opening up new positions, close-out of positions

by the prescribed time limit, forced position liquidation as the Exchange deems necessary, pursuant to the provisions in the Enforcement Rules of the Shanghai Futures Exchange.

Article 20 The Exchange may set the fee schedule for assessment of margins and transaction fees on spread trading.

Chapter 5 MISCELLANEOUS

Article 21 The Exchange reserves the right to interpret these Spread Trading Rules.

Article 22 The provisions in the Risk Management Rules of the Shanghai Futures Exchange with regard to the non-hedging positions under circumstances of reduction of positions and adjustments in multiples of nearby delivery month positions shall be applicable to the speculative positions as prescribed by these Spread Trading Rules.

Article 23 These Spread Trading Rules are effective as of March 21, 2014.

Application and Approval Form for Regular Month Spread Positions
Of
The Shanghai Futures Exchange

Application No. （to be filled out by members according to the application No. as shown on the printed comments on approval）：

Member Name		Member Code	
Customer Name		Customer Code	
Nature	□Individual customer □General corporate customer □ Special corporate customer	Contact & Phone Number	

Comments on application for spread positions	
Contract symbol	Size applied for（in lots）

I myself/The Company hereby undertake(s) that the supporting documents provided are authentic and valid.

Seal/Signature by the customer：

Signature of person in charge：

Date:

Application and Approval Form for Nearby delivery month Spread Positions
Of
The Shanghai Futures Exchange

Application No. （to be filled out by members according to the application No. as shown on the printed comments on approval）：

Member Name		Member Code	
Customer Name		Customer Code	
Nature	□Individual customer □General corporate customer □ Special corporate customer	Contact & Phone Number	

Comments on application for spread positions		
Contract symbol	Trading direction (long/short)	Size applied for（in lots）

I myself/The Company hereby undertake(s) that the supporting documents provided are authentic and valid.

Seal/Signature by the customer :

Signature of person in charge : Date:

This Rulebook is written in both English and Chinese, and in case of discrepancy, the Chinese version shall prevail.