Trading Rules of Shanghai Gold Exchange

(Amended)

Contents

Chapter I General Provisions

Article 1 This *Trading Rules of Shanghai Gold Exchange* (this ***Trading Rules***), formulated in accordance with the *Rules on Supervision of the Business Activities of Shanghai Gold Exchange* promulgated by the People's Bank of China (**PBC**) and the *Articles of Association of Shanghai Gold Exchange*, is designed to regulate market trading and protect both the public interest and the lawful rights and interests of market participants.

Article 2 The Shanghai Gold Exchange (the **Exchange** or **SGE**) organizes the trading, settlement, delivery, and centralized shipment of gold and other commodities approved by the PBC under the principles of transparency, equitableness, justice, integrity and good faith.

Article 3 The Exchange offers price matching trading, benchmark price trading, quote driven trading, price asking trading, and such other trading modes as approved by PBC.

The Exchange centrally provides performance guarantees for price matching trades, benchmark price trades, quote driven trades, performance-guarantee price asking trades.

Article 4 This *Trading Rules* shall apply to all trading activities organized by the Exchange; the Exchange, members, customers, Certified Vaults, Margin Custodian Banks, other market participants, and staff of all related businesses and institutions shall abide by this *Trading Rules*.

Article 5 The Exchange authorizes Shanghai International Gold Exchange Co., Ltd. (**SGEI**) to be the central authority for managing International Members and to provide services to International Members and their customers.

In addition to complying with this *Trading Rules*, the SGEI, International Members and their customers, SGEI's Margin Custodian Banks, and other market participants shall also abide by the market rules of SGEI.

Chapter II Trading

Section A General Rules

Article 6 Products listed on the Exchange include gold (Au), silver (Ag), platinum (Pt), and such other products as approved by the PBC.

Article 7 The Exchange shall be open for trading from Monday to Friday, except for public holidays and market holidays announced by the Exchange. The specific trading hours for each trading product are given in its corresponding contract specifications.

Trading schedule may be adjusted by announcements of the Exchange.

Article 8 By trading mode, contracts listed on the Exchange are classified into price matching contracts, benchmark price contracts, quote driven contracts, price asking contracts, and such other contracts as approved by the PBC.

By delivery location, SGE contracts are classified into Main Board contracts and International Board contracts.

The listing of any new contract on the Exchange shall be governed by announcements of the Exchange.

Article 9 Main specifications of a contract include: trading product, contract code, trading style, trading unit, quotation unit, minimum price fluctuation, maximum order size, minimum order size, trading hours, settlement method, deliverable bullion, delivery mode, time of delivery, delivery location, Trading Fee, and Delivery Fee.

Detailed information for each listed contract is given in its specifications.

Contract specifications may be adjusted by announcements of the Exchange.

Article 10 Each member trades directly on or through the Exchange through business units in the form of seats. A customer intending to trade shall first open an account with, and obtain a customer code from, a member who is qualified to provide the corresponding brokerage services, and trade through a brokerage seat of such member who shall act as a broker to the customer.

Article 11 Customers are classified by their carrying member into Domestic Customers and International Customers. A customer is a Domestic Customer if its account is carried by a Domestic Member, an International Customer if its account is carried by an International Member. Customers may also be classified by their nature into corporate customers and individuals.

Article 12 The Exchange may assign different trading privileges by customer type in respect of trades in various SGE contracts. The trading privileges in effect and any adjustment thereof shall be subject to the announcements of the Exchange.

Article 13 Each member shall, upon receipt of a customer's application for account opening, fully disclose the trading risks and carefully assess the customer's risk tolerance. Upon approval of the application, the member shall enter into a brokerage agreement with the customer.

Article 14 The Exchange manages trading activities through trading codes. Each trading code consists of two parts: the seat code of the carrying member and the customer code. A member shall open an independent account and apply for a unique trading code for each customer it carries through a brokerage seat, and shall not trade for a customer through any trading code other than the one belonging to the customer.

Article 15 The Exchange enforces margin requirements. Margins are used to settle trades and ensure performance. The two types of margin are Settlement Reserve and Trading Margin. Settlement Reserve refers to the portion of margin not yet in use to maintain an order or trade. The minimum balance of Settlement Reserve shall be determined by the Exchange. Trading Margin refers to the portion of margin in use to maintain existing orders and trades. The rate of Trading Margin for each contract may be adjusted by the Exchange based on market conditions. Trading Margin collected by a member from its customer shall be higher than that imposed on the member by the Exchange.

Article 16 The Exchange implements the market maker system. A market maker is an institution approved by the Exchange and competent authorities to provide the market with a continuous stream of executable bids and asks in accordance with relevant rules or agreements and in certain trading modes and trading stages and for certain listed contracts.

Article 17 All proprietary trades and brokerage trades of a member shall be executed through the trading system of the Exchange. Bucketing is prohibited.

Article 18 Available order types are market orders, limit orders, and such other orders determined by the Exchange.

Article 19 When trading SGE contracts, members shall pay Trading Fees in accordance with the rules of the Exchange. The Exchange may adjust the fee rate for each contract according to the market conditions.

Section B Price Matching Trading

Article 20 Price matching trading refers to trading mode in which orders from market participants at the price they themselves determine are matched and filled by the Exchange first by price ("price priority") then by time of submission ("time priority"). A bid will be automatically matched with an ask if the bid is equal to or higher than the ask; the execution price for the trade shall be the median of the bid, the ask, and the previous execution price.

Article 21 Price matching contracts are classified into physical contracts, spot contracts, deferred contracts, and other derivative contracts.

Article 22 In physical contract trading, the buyer shall have the funds to cover the full transaction value at the time of order submission; and the seller shall have the bullion to cover the transaction at the time of order submission. The corresponding funds and bullion will be frozen immediately by the Exchange at order submission.

After an order is executed, the seller may use the delivery payment for other trades starting from the current day; a buyer of gold bullion may sell the bullion starting from current day or apply for physical withdrawal; a buyer of platinum bullion may not sell the bullion and can only apply for physical withdrawal.

Article 23 Block trade, with respect to a physical contract, refers to a trade of substantial volume at a price agreed upon in advance by the trading parties. Members may engage in block trading of physical contracts in the manner approved by the Exchange.

Article 24 In spot contract trading, the customer will enter into the trade on margin on T+0 and perform physical delivery on T+2 at the settlement price of T+0. The Trading Margin ratio of spot contracts is 20%. The Trading Margin required of a customer will be refrozen at the updated amount during day-end settlement on T+0 based on settlement price of the day and net position of the customer after offsetting its intraday buy volume against its intraday sell volume. If a customer holding a net position fails to perform physical delivery on T+2, the Exchange will consider the customer to have committed a delivery default and the rate of default penalty shall be 20%.

Article 25 In deferred contract trading, customers will buy or sell a particular deferred contract on margin through the centralized market of the Exchange. In such a trade, customers may choose to perform delivery on the transaction date or postpone it to a later date. A mechanism called Deferred Fee is implemented to address bullion imbalance in physical delivery.

(1) Trades in a deferred contract are classified into buy to open, sell to close, sell to open, and buy to close. A buy to open order will establish a long position; a sell to open order will establish a short position. Opening a position will cause a corresponding amount of margin to be frozen; closing a position will cause it to be released.

(2) Physical delivery on deferred contracts is conducted through a tender-for-delivery system. During the daily tender-for-delivery window, holders of long positions may tender for delivery-taking; holders of short positions may tender for delivery-making. When a delivery tender is made, the corresponding delivery payment and bullion required for the physical delivery will be frozen by the Exchange.

(3) Deferred Fees are payments made by customers to facilitate the availability of funds or bullion for the delivery of deferred contracts. The payers of Deferred Fee shall be determined by the relative size of the tendered delivery-making volume and the tendered delivery-taking volume; the rate of Deferred Fee shall be governed by announcements of the Exchange. Where, at the end of the tender-for-delivery window on a particular trading day and in relation to a specific deferred contract, the aggregate quantity of bullion tendered for delivery-making by holders of short positions (the **Delivery-Making Volume**) is smaller than that tendered for delivery-taking by holders of long positions (the **Delivery-Taking Volume**), then holders of short positions shall pay Deferred Fee to holders of long positions by the amount corresponding to their short positions (**Shorts Pay Longs**). If, on the other hand, the Delivery-Making Volume is larger than the Delivery-Taking Volume, then holders of long positions shall pay Deferred Fee to holders of short positions by the amount corresponding to their long positions (**Longs Pay Shorts**). If the Delivery-Making Volume is equal to the Delivery-Taking Volume, then there will be no payment of Deferred Fee.

(4) If the Delivery-Making Volume does not balance the Delivery-Taking Volume, the imbalance will be addressed by the tendering of Delivery Equalizer. Delivery Equalizer refers to the position holding created when a customer puts forward either bullion or delivery payment depending on the result of tender-for-delivery to address the delivery imbalance. Holders of Delivery Equalizer may receive Deferred Fees.

When a customer tenders for Delivery Equalizer, the Exchange shall, depending on the direction of Delivery Equalizer, freeze either the bullion or the delivery payment required for the delivery, and at the same time freeze a margin, calculated based on the applicable settlement price, for establishing a position of the same size but in the opposite trading direction. Trading Fees for establishing Delivery Equalizer are waived.

(5) Delivery tenders and Delivery Equalizer tenders are centrally matched by the Exchange according to the principle of time priority. Matched tenders will proceed to physical delivery during time of settlement at the current day’s settlement price of the contracts concerned. In relation to a matched tender, any shortfall of funds or inventory at the time of settlement shall be handled as a delivery default.

(6) Open positions in deferred contracts may be held continuously until being offset or closed through delivery.

The Exchange may charge Extended Position Fees for open positions (in a deferred contract) held beyond a prescribed period. Collection of this fee shall be governed by announcements of the Exchange.

Section C Benchmark Price Trading

Article 26 In Shanghai Gold Benchmark Price Trading, market participants use the platform provided by the Exchange to submit intended buy or sell volumes in response to prices announced by the Exchange on the platform. The price at which the buy and sell volumes reach a relative balance will be fixed as the RMB-denominated Shanghai Gold Benchmark Price by which the orders will be executed.

Article 27 Shanghai Gold Benchmark Price trading consists of two sessions each trading day: a morning pricing session and an afternoon pricing session. The rate of Trading Margin and schedule for each session are set forth in the Shanghai Gold contract specifications.

Article 28 Shanghai Gold Benchmark Price trading is facilitated by a system of Fixing Members. Each Fixing Member assumes certain responsibility for balancing the buy and sell volumes.

Article 29 The starting price for the first round of a pricing session, the Initial Price, is the arithmetic mean of the reference prices issued by Fixing Members and Reference Price Members during the designated window before the start of the session.

Article 30 Each session of Shanghai Gold Benchmark Price trading consists of the following phases:

(1) calculating the Initial Price based on the reference prices submitted by Fixing Members and Reference Price Members, which will be the price offered by the system in the first round of the session;

(2) tendering of intended buy or sell volumes by members and customers in the specified period in response to the price offered by the system. After comparing the buy and sell volumes (the difference being the **Volume Imbalance**), either a new round will start with an adjusted offered price or the session will terminate;

(3) when the Volume Imbalance is equal to or less than a preset trading threshold, the Shanghai Gold Benchmark Price will be finalized and all valid orders submitted at this price will be matched and executed at this price. The Volume Imbalance, now below the trading threshold, will be split evenly among and assumed by all Fixing Members.

Article 31 The physical delivery of Shanghai Gold Benchmark Price trades will be performed during settlement on T+2 at the Benchmark Price PM from T+0.

Section D Quote Driven Trading

Article 32 In quote driven trading, trades will be conducted through a “two-way quote, click-to-trade” model, wherein market makers will continuously issue to the market two-way quotes, which other members and customers can click to trade directly with the corresponding market maker.

Article 33 Market maker in quote driven trading is a market maker at the Exchange who is authorized to continuously offer two-way quotes to the quote driven market.

Article 34 Margin requirements are implemented in quote driven trading and customers have two ways of trading: click-to-buy and click-to-sell. A quote-click that increases position holding will require additional Trading Margin; a quote-click that decreases position holding will release Trading Margin.

Article 35 Holders of a position in a quote driven gold contract may apply for physical delivery in accordance with the rules of the Exchange. If said application is approved, physical delivery will be conducted at the contract's closing price for the current day.

Article 36 In quote driven trading, customers shall trade directly with a market maker; no member is permitted to cross trade with its customers privately.

Section E Price Asking Trading

Article 37 In price asking trading, the trading parties directly request and negotiate the trading terms with each other before agreeing on and executing the trade.

Article 38 Price asking transactions include trades concluded through the price asking platform designated by the Exchange, the price asking trades otherwise executed by the trading parties and registered with the Exchange, and the follow-up confirmation, settlement, and delivery completed on or through the Exchange.

Article 39 Price asking contracts listed on the Exchange can be classified by trading type into spot, forward, swap contracts; options contracts; lending contracts; and other approved contracts.

Article 40 Price asking trades are facilitated by market makers. A price asking market maker is an institution specially approved to provide a continuous stream of executable two-way quotes in the price asking market in accordance with applicable rules.

Article 41 Price asking trades are facilitated by brokers. A price asking broker is an intermediary that is recognized by the Exchange and that, through electronic technologies or other means, helps market participants conclude price asking trades in exchange for commissions.

Article 42 The two types of price asking trades are bilateral-credit price asking trades, which are backed by the credit standing of the trading parties, and performance-guarantee price asking trades, which are subject to margin requirements and daily mark-to-market.

Article 43 With respect to a bilateral-credit price asking trade, the Exchange may provide settlement and delivery services as requested by the trading parties, but will not succeed to any rights and obligations of the parties under the trade.

Chapter III Risk Management

Article 44 The Exchange adopts a series of risk control measures in view of the various characteristics of contracts. These measures include margin requirements, price limits, Deferred Fee, Extended Position Fees, position limits, trading limits, large position reporting, forced liquidation, risk warning, and market surveillance.

Article 45 The Exchange enforces price limits. Price limits are set by the Exchange and may be separately adjusted for each contract in accordance with market conditions.

Article 46 The Exchange enforces position limits. Position limit refers to the maximum size of long positions or short positions in a particular contract each member seat or customer is permitted by the Exchange to hold. The Exchange sets position limits separately for member seats and customers.

Article 47 The Exchange enforces trading limits. Trading limit refers to the maximum number of position-opening trade in a particular contract a member seat or customer is permitted to execute within a set period. The Exchange may impose different trading limits on various listed products and contracts, and on some or all member seats or customers, as warranted by market conditions.

Article 48 The Exchange enforces large position reporting. When the open positions held by a member seat or customer in a particular contract reach the reporting threshold set by the Exchange, or when required by the Exchange, the member or customer shall report details on its funds, positions, delivery intents, etc. to the Exchange or SGEI.

The Exchange may set and adjust the reporting threshold in view of market risks.

Article 49 The Exchange implements a forced liquidation regime. The Exchange or SGEI has the power to liquidate the positions of a member if it fails to respond to a margin call, and of a member or customer if it is holding positions above limit or if it is under any other circumstance that, according to the rules of the Exchange, warrants the forced liquidation.

Gains from forced liquidation shall be handled in accordance with applicable rules. Expenses and losses from forced liquidation, including additional losses from failure to implement liquidation due to market factors, shall be borne by the relevant member or customer.

Article 50 The Exchange implements a risk warning regime. The Exchange may, whenever it deems necessary, take one or more of the following actions to warn against and mitigate risks: requiring a member or customer to submit a report; arranging a warning appointment; issuing a warning letter; and/or issuing a risk warning announcement.

Article 51 The Exchange implements market surveillance regime. Upon detection of any irregular trading activities, the Exchange shall have the power to take appropriate actions against the relevant member or customer.

Article 52 If the price of a contract hits the up-limit for two or more consecutive days or the down-limit for two or more consecutive days, or if there is a significant rise in market risk, the Exchange may take appropriate actions, including adjusting the position limits, raising the Trading Margin, and reducing open interest in accordance with relevant rules, to mitigate trading risks. If risks are not mitigated by such actions, the Exchange shall declare a state of market abnormality and the Board of Directors of the Exchange shall decide on the further actions to control risks.

Article 53 When a member fails to perform an obligation under a trade, the Exchange shall have the power to:

(1) suspend the member from opening new positions;

(2) liquidate the member's positions by rules and apply the margins so released toward contract performance and compensation;

(3) liquidate the member's collaterals posted as margin and apply the proceeds toward contract performance and compensation;

(4) dispose of the member's pledged assets in accordance with the law;

(5) dispose of the member's physical inventory in accordance with the law;

(6) apply the member's membership fees, proceeds from membership transfer, or any other funds toward performance and compensation;

(7) draw on the SGE Risk Management Fund by rules;

(8) draw on the account of the Exchange by rules; and/or

(9) take other actions within the power of the Exchange.

After performing trade obligations on behalf of the defaulting member, the Exchange shall obtain the corresponding right of recourse against the member.

SGEI shall have the power to take measures under Items (1) to (5) above when an International Member fails to perform its trade obligations.

Article 54 Each member shall be responsible for controlling the trading risks of its customers. The member has the power to liquidate the positions of a customer who has insufficient Trading Margin, provided that the liquidation is carried out in adherence to the standards and conditions specified in the agreements between them and the customer is notified in advance through the means previously agreed upon. Any losses resulting from such liquidation shall be borne by the customer.

Article 55 If the Exchange or SGEI has reasons to believe that a violation of the market rules of the Exchange by a member or customer is causing or is expected to cause a material impact on the market, the Exchange or SGEI may take any of the following stopgap measures against the member or customer to prevent the increase and spread of the impact:

(1) restricting Settlement Account Deposits;

(2) restricting Settlement Account Withdrawals;

(3) restricting the opening of new positions;

(4) raising margin requirements;

(5) requiring the closing of positions within a specified time limit;

(6) enforcing liquidation of open positions; and

(7) any other stopgap measures that the Exchange or SGEI can take.

Chapter IV Settlement

Article 56 The provisions under this Chapter shall be applicable to all settlement activities on or through the Exchange. The Exchange hereby authorizes SGEI to provide settlement services for International Members. The rules governing these services shall be set out by SGEI in a separate document.

Article 57 The term "settlement" refers to the funds transfers and deliveries made according to the confirmed results of clearing, which is performed in accordance with trading results and applicable rules of the Exchange, of the pertinent sums, including delivery payments, margins, gains and losses, and transaction fees, payable or receivable by the trading parties.

Article 58 Unless otherwise agreed upon by the trading parties in accordance with applicable rules of the Exchange, every trade concluded through the Exchange's trading system shall be centrally cleared by the Exchange and then settled.

Article 59 The Exchange performs trades clearing and settlement using the "centralization, netting, and multi-tiered" model.

"Centralization" means the Exchange will provide centralized clearing and performance guarantee services to its members;

"Netting" means the Exchange will consolidate a member's trading results at the Exchange to obtain the net transaction amount;

"Multi-tiered" means the Exchange will clear trades for members, and each member will in turn clear trades for its customers.

Article 60 The Exchange adopts different settlement approaches for different types of contracts. Unless otherwise prescribed by the Exchange, the delivery-versus-payment system applies to physical contracts, spot contracts, and benchmark price contracts; margin requirements and daily mark-to-market system apply to deferred contracts, quote driven contracts, and performance-guarantee price asking contracts; and multilateral netting system applies to bilateral-credit price asking contracts that are performed at expiry.

Article 61 Subject to the approval of the Exchange, a member or customer may post collaterals in accordance with applicable rules in satisfaction of its margin requirements.

Article 62 The Exchange settles trades for members by trading seats.

Article 63 A member must keep accounts for its proprietary seats and accounts for its brokerage seats strictly separate. Customer margins are customers' assets and members are strictly prohibited from misappropriating customer funds in any manner.

Article 64 Funds transfers between the Exchange and a member shall be effected through Margin Custodian Banks and dedicated accounts.

Article 65 The Exchange maintains a detailed account of the funds associated with each seat, and daily records and verifies in chronological order such entries as inbound and outbound funds transfers, gains and losses, Trading Margins, and transaction fees for each seat.

Article 66 The Exchange clears for members and then completes day-end settlement after market close of each trading day. Settlement results cannot be canceled once the process is completed. After settlement is completed, members can access the settlement data and settlement statements through the system designated by the Exchange.

Article 67 Each member shall keep detailed records on trading activities and detailed accounting records for its customers, and shall daily record and verify in chronological order entries including inbound and outbound funds transfers, gains and losses, Trading Margins, and transaction fees for its customers to control trading risks. A member shall prepare trade settlement report for each customer after market close on each trading day. Customers may access the contents of the report at such time and by such means as specified in the brokerage agreement.

Article 68 Any member whose Settlement Reserve is below the minimum level required by the Exchange shall deposit additional funds such that the Settlement Reserve is brought up to the minimum before market open on the following trading day, or the Exchange shall take appropriate risk control actions.

Article 69 A member shall timely obtain and reconcile the daily settlement data and settlement statements from the Exchange and retain them for a minimum of five years, but any record related to a dispute or an investigation by regulatory authorities or the Exchange shall be retained for a longer period, to until the dispute is resolved or the investigation is concluded.

Article 70 Members and customers shall ensure there are sufficient funds and bullion for settlement in their funds accounts and Bullion Accounts at the time of settlement, or will be deemed as having committed a default.

Article 71 A member shall be liable for any default of proprietary trades and be the first party to assume all liabilities for any default of brokerage trades.

Article 72 Each customer shall take full responsibility for the trades it executes through its carrying member and shall have the right to report to the Exchange any issue in brokerage services offered by the member.

Article 73 In the event of a delivery default, the Exchange shall pay compensation to the non-defaulting party and collect default penalty from the defaulting party, both based on the part of transaction value in default, and then terminate the delivery process.

Article 74 The foregoing provisions on default resolution are not applicable to bilateral-credit price asking trades. If default occurs in such a trade, the trading parties shall seek a solution themselves by the rules of the Exchange.

Article 75 The Exchange maintains a risk management fund. The SGE Risk Management Fund is set up by the Exchange to provide financial guarantees for the normal operations of the market and to cover losses from unforeseeable risks.

Chapter V Delivery

Article 76 The Exchange offers a wide range of services relating to bullion, including, but not limited to: registration and custodianship, clearing and delivery, assay and certification, logistics and shipment, transfer of possession of pledged or leased bullion, and gold ETFs.

Article 77 Delivery services cover both physical delivery and cash delivery. Physical delivery refers to the act of performing a trade by transferring the ownership of the bullion traded in accordance with the rules and procedures of the Exchange. Cash delivery (or cash settlement) refers to the act of closing a trading by settling the net amount in cash at a prescribed settlement price in accordance with the rules and procedures of the Exchange.

Article 78 The Exchange adopts a "one account, one code" system for the clearing and physical delivery of bullion. Clearing and physical delivery will be performed through and reflected in the unique Bullion Account of each relevant member or customer.

Article 79 Bullion to be delivered in the price matching trades, benchmark price trades, quote driven trades, price asking trades, and other types of trades of a member or customer shall all be managed through that member or customer's single Bullion Account.

Article 80 Bullion deliverable through the Exchange is classified into Main Board bullion and International Board bullion. The former shall be used in deliveries against Main Board contracts; the latter, deliveries against International Board contracts.

Article 81 Any bullion delivered through the Exchange must be standard ingots or bars produced by a qualified supplier accredited either by the Exchange or by a relevant international market recognized by the Exchange.

Article 82 The Exchange conducts cash-based weight settlement on the difference between the Actual Weight and standard weight of an ingot or bar.

Article 83 The Exchange has established a network of Certified Vaults to facilitate physical delivery through the Exchange as well as bullion storage and other transactions by members and customers.

Article 84 The Exchange provides transfer and shipment services for certain types of deliverable bullion.

Article 85 Each member or customer shall assume full responsibilities for the quality of the bullion it deposits into a Certified Vault.

Article 86 A member or customer may apply to withdraw the bullion after physical delivery. Any complaint over the quality of such bullion may be filed with the Exchange in writing within the designated period.

Article 87 Member and customers shall pay their Storage Fees, Load-In Fees, Load-Out Fees, Transportation and Insurance Fees, Delivery Fees, pledge registration fees, lease registration fees, gold ETF subscription, creation, redemption transfer fees, and all other fees and charges in full and in accordance with applicable rules.

Chapter VI Administration of Tax Invoices

Article 88 Pursuant to the tax policies of the Ministry of Finance and the State Administration of Taxation, the issuance of settlement tax invoices and special VAT invoices in connection with any trade in or physical delivery against Main Board gold or platinum contracts by a Domestic Member or its corporate customer shall observe the following rules:

(1) The title and format of settlement tax invoice shall be set according to the requirements of competent tax authorities and printed under the supervision of the competent tax authority for the Exchange.

(2) The Exchange applies for and obtains special VAT invoices from competent tax authorities, who will determine the number of tax invoices to be issued based on the actual needs of the Exchange.

(3) With respect to any gold or platinum trade executed on or through the Exchange, the Exchange will issue a settlement tax invoice to both the buyer and the seller, other than an individual, at the actual transaction price. The seller shall issue a general VAT invoice to the Exchange at the actual transaction price in exchange for the settlement tax invoice (settlement copy). If physical delivery is involved, i.e., the buyer withdraws from a Certified Vault the bullion it has purchased through the Exchange, the competent tax authority for the Exchange will issue, on behalf of the Exchange, a special VAT invoice at the actual transaction price to the withdrawing party, provided that said party has the general VAT taxpayer status. The actual transaction price does not include such fees and charges as the Trading Fees and Storage Fees.

(4) A buyer shall use the settlement tax invoice (invoice copy) issued by the Exchange as accounting voucher for financial accounting; the buyer (withdrawing party) shall use the special VAT invoice (deduction copy) issued by the tax authority on behalf of the Exchange only as accounting voucher for input VAT credit.

(5) For bullion first obtained and withdrawn through leasing (or lending) trade, and subsequently purchased and returned through the Exchange market, the Exchange will issue special VAT invoices based on the corresponding withdrawal and purchase records.

(6) The Exchange issues special VAT invoices to member companies with the general VAT taxpayer status for the Trading Fees and other fees and charges. Such fees and charges are tax-inclusive and will be broken down into the base amount and tax amount on the invoices in accordance with the prevailing tax rate.

(7) The issuance cycle and delivery of special VAT invoices and other relevant matters shall follow applicable rules of the Exchange.

Article 89 The Exchange will not issue settlement tax invoices for silver trades of Domestic Members or their customers. If physical delivery is involved, special VAT invoices shall be administered in accordance with applicable rules of the Exchange.

Article 90 The Exchange will issue only the settlement tax invoices to those International Members and their corporate customers who trade Main Board and International Board contracts and those Domestic Members and their corporate customers who trade International Board contracts.

Article 91 Any violation of national tax policies or relevant rules of the Exchange, including the obtainment of special VAT invoices under the pretense of gold or platinum trading or the false issuance of tax invoices, is prohibited.

Chapter VII Responses to Market Abnormality

Article 92 If any of the following events occurs in the course of trading, the Exchange will declare a state of market abnormality and take emergency actions to mitigate risks:

(1) disruption of normal course of trading due to force majeure such as earthquake, flood, fire, war, or strike, or any technical fault not attributable to the Exchange;

(2) any failure by a member to complete settlement or delivery and such failure is causing or is expected to cause a material adverse impact on the market;

(3) the price of a contract hits the up-limit or down-limit on consecutive days and related risks are not mitigated after appropriate actions have been taken; or

(4) any other circumstance as prescribed by the Exchange.

In the event of Item (1) above, the Exchange has the power to take such emergency actions as adjusting the opening and closing times of the market and suspending trading. In the event of Item (2), (3) or (4) above, the Board of Directors of the Exchange has the power to take such emergency actions as adjusting the margin requirements and price limits, restricting the opening of new positions, requiring the closing of positions within a specified period, enforcing liquidation of open positions, restricting Settlement Account Withdrawals, adjusting the opening and closing times of the market, and suspending trading.

Article 93 The Exchange shall not be held liable for any losses arising from actions taken by the Exchange in response to market abnormality.

Article 94 The Exchange shall promptly file a report with the PBC and issue a public announcement when declaring a state of market abnormality and deciding to take emergency actions.

Article 95 If the Exchange declares a state of market abnormality and suspends trading, such suspension shall not last longer than three trading days unless an extension thereof is otherwise approved by the PBC.

Chapter VIII Information Management

Article 96 The Exchange shall publish market data, essential statistics, and other relevant information on each trading day.

Article 97 Each member may obtain various information about its account through the Exchange or SGEI.

Article 98 Trading information of SGE markets is property of the Exchange and, without permission of the Exchange, no organization or individual may use such information for any commercial purpose.

Article 99 The Exchange, SGEI, members, Certified Vaults, and Margin Custodian Banks shall not publish any false or misleading information.

Article 100 The Exchange, SGEI, members, Certified Vaults, and Margin Custodian Banks shall not divulge any trade secrets obtained during their business operations.

The Exchange may provide relevant information to relevant regulatory authorities or other relevant businesses or institutions and implement the corresponding confidentiality agreements.

Chapter IX Supervision and Regulation

Article 101 The Exchange is responsible for supervising and regulating all trading-related activities in accordance with this *Trading Rules* and other applicable rules, and has authorized SGEI to supervise and regulate the trading activities of International Members and their customers on behalf of the Exchange.

Article 102 The primary supervisory and regulatory duties of the Exchange and SGEI are:

(1) to supervise and check the implementation of market laws, regulations, ministry-level rules, and market rules, and to control market risks;

(2) to supervise and check the business conducts and business management of each member;

(3) to supervise and check the financial position and credit standing of each member;

(4) to supervise and check the SGE-related business activities of each Certified Vault and Margin Custodian Bank;

(5) to mediate and resolve trading dispute and investigate and handle violations;

(6) to assist judicial system and administrative enforcement authorities to carry out their lawful functions; and

(7) to monitor and handle any other conduct that breaches the principles of transparency, equitableness and justice and causes market risks.

Article 103 The Exchange and SGEI may conduct annual random inspections on members to check their compliance with the market rules of the Exchange, and may report the results of these inspections to the PBC as necessary.

The Exchange and SGEI shall organize investigations on a member or customer who is suspected of any violation.

Article 104 The Exchange, SGEI, members, and customers shall perform anti-money laundering and counter-terrorist financing obligations. The Exchange and SGEI shall have the power to conduct special supervisory inspections on members and customers in regard to their performance of such obligations arising during trading.

Article 105 When fulfilling their supervisory and regulatory responsibilities, the Exchange and SGEI may investigate, collect evidence, and take other actions as authorized by applicable rules. Members shall cooperate with such efforts.

Article 106 All members, customers, Certified Vaults, and Margin Custodian Banks shall accept the supervision of their relevant activities by the Exchange and SGEI. The Exchange and SGEI may, in accordance with applicable rules, take the necessary actions against any party that provides inaccurate information, withholds facts, intentionally avoids investigations, or otherwise ignores or obstructs the staff of the Exchange or SGEI in performing their duties.

Article 107 After launching an investigation into a member, customer, Certified Vault, or Margin Custodian Bank that is suspected of committing a material violation in its relevant business activities, the Exchange and SGEI may take appropriate actions to prevent such violation from causing further damages.

Article 108 The Board of Directors of the Exchange may approve the creation of an *ad hoc* investigation committee consisting of member representatives, staff of the Exchange or SGEI, and stakeholders to address any significant issue arising in the course of trading. During its existence the committee shall exercise its supervisory powers in accordance with this *Trading Rules* and implement a recusal system.

Article 109 Any member, customer, Certified Vault, or Margin Custodian Bank has the right to file a complaint or whistleblowing report with the Exchange against any employee of the Exchange or SGEI who fails to duly perform his supervisory duties. The Exchange shall take severe disciplinary actions against the employee if the complaint or report is substantiated.

Chapter X Dispute and Mediation

Article 110 Any trading-related dispute among members, customers, Certified Vaults, and Margin Custodian Banks may be settled through mutual consultation or submitted to the Exchange for mediation.

Article 111 A party who wishes to request mediation by the Exchange shall file a written application. Mediation opinions of the Exchange shall be binding upon the disputing parties after being acknowledged by and affixed with the signatures and seals of the parties.

Article 112 Any party to a dispute may also refer the dispute to an arbitration body or people's court.

Chapter XI Ancillary Provisions

Article 113 The Exchange may develop relevant measures and detailed rules in accordance with this *Trading Rules*.

Article 114 This *Trading Rules* is written in Chinese. In case of any inconsistency between its different language versions or different editions, the latest Chinese version shall prevail.

Article 115 The Board of Directors of the Exchange shall reserve the right to interpret this *Trading Rules*.

Article 116 This *Trading Rules* and any amendments hereto shall be approved by the General Members' Meeting and filed with the PBC in accordance with relevant rules.

Article 117 This *Trading Rules* shall take effect as of the date of its release, except for the provisions on quote driven trading and performance-guarantee price asking trading, which shall take effect as of the date their detailed implementation rules are released by the Exchange following the approval of said provisions by PBC.