

Implementing Rules for the Administration of International Members of Shanghai Gold Exchange

(Revised in 2025)

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Chapter I General Provisions

Article 1 This *Implementing Rules for the Administration of International Members of Shanghai Gold Exchange* (this ***Implementing Rules***) is formulated in accordance with the *Measures for the Administration of Membership of the Shanghai Gold Exchange* to strengthen the administration of International Members, protect their lawful rights and interests, and regulate their activities at Shanghai Gold Exchange (SGE).

Article 2 The term “International Members” refers to a legal entity or an economic organization of other forms registered outside the mainland of the People’s Republic of China (**China**), including the Hong Kong SAR, the Macao SAR, and the Taiwan Region; or in one of China’s pilot free-trade zones or in the Free Trade Port, and approved to trade gold and other precious metals and engage in related activities on or through SGE in accordance with the laws, regulations, and ministry-level rules of China and the rules and measures of SGE.

Article 3 SGE authorizes and delegates Shanghai Gold Exchange International Co., Ltd. (SGEI) to conduct centralized management of International Members and to provide Membership recruitment and review, trading connection, clearing and settlement, risk management, and other services to them.

Article 4 International Members are classified into Type A Members, Type B Members, and Type C Members. Type A Members are permitted to engage in both proprietary and brokerage trading; Type B Members are permitted to engage in proprietary trading; Type C Members are permitted to engage in such business as approved by SGE.

Article 5 International Members who engage in trading activities at SGE shall comply with the laws, regulations, and ministry-level rules of China as well as the rules and measures of SGE and SGEI; operate in a compliant manner with integrity; and accept the self-disciplinary administration by SGE and SGEI.

Article 6 This *Implementing Rules* applies to International Members and their relevant employees.

Chapter II Membership Management

Article 7 An applicant for International Membership shall meet the following criteria:

- (1) be a legal entity or an economic organization of other forms registered outside China (including the Hong Kong SAR, the Macao SAR, and the Taiwan Region); or in one of China’s pilot free-trade zones or in the Free Trade Port;
- (2) undertake to comply with the laws, regulations, and ministry-level rules of China as well as the rules and measures of SGE and SGEI, among other regulations;
- (3) the applicant or its parent company or head office, has a strong industry background or position;

- (4) with a registered capital or net assets of not less than RMB 50,000,000 (or the equivalent in other currencies) , with good financial condition;
- (5) with a compliant operation and no record of major violation of the law or misconduct in the most recent three years in the precious metals business;
- (6) possess a sound corporate governance structure as well as robust internal controls in relation to such areas as business and anti-money laundering (AML); and
- (7) meet any other criteria prescribed by SGEI.

Article 8 An applicant for International Membership shall submit the following written documents to SGEI and ensure they are authentic, accurate, and complete:

- (1) Membership Application Letter and the related forms;
- (2) lawful and valid certificate of incorporation/ registration;
- (3) audited financial statements for the most recent fiscal year;
- (4) statement on whether it has been subject to major sanctions by regulatory authorities in the most recent three years in precious metals business;
- (5) identity document of the legal representative, or identity document of authorized signatory and the Power of Attorney;
- (6) articles of association, business management rules, and internal controls for AML, among others; and
- (7) any other documents required by SGEI.

Article 9 The Membership Application Letter shall contain:

- (1) applicant background and business overview;
- (2) purpose of applying for International Membership and business plan;
- (3) profile of its key persons-in-charge;
- (4) undertaking to operate in a lawful and compliant manner, to comply with and abide by the laws, regulations, and ministry-level rules of its locality and China, and to abide by the rules and measures of SGE and accept the self-disciplinary management of SGEI, fulfill the obligations of membership, pay the membership fee and annual fee, and its application materials are authentic, accurate, and complete; and
- (5) other information required by SGEI.

Article 10 SGEI shall provide comments on application documents within 60 business days after the receipt of the documents that meet the requirements. Following the approval SGEI will issue an admission notice to the applicant to notify it to complete the relevant, procedures.

Article 11 Upon receiving the admission notice, the applicant shall complete the following matters in a timely manner:

- (1) pay the Membership Fee and Annual Fee, which are to be collected and managed by SGEI under the authorization of SGE;
- (2) open a settlement account at a Margin Custodian Bank recognized by SGEI; and
- (3) complete other required processes.

Any applicant who has completed above matters will obtain international membership qualification and SGE will grant the membership certificate. Any applicant who, without justification, fails to complete the above procedures shall be deemed to have abandoned its Membership.

Article 12 An International Member shall pay the Membership Fee in a lump sum at time of admission. The Membership Fee is RMB 2.8 million for a Type A Member, RMB 1.6 million for a Type B Member, and is determined by the business scope for a Type C Member.

Article 13 An International Member shall pay the Annual Fee on a calendar year basis. The Annual Fee is RMB 50,000 and will not be refunded when withdrawing the membership. For a newly admitted International Member who has been a Member for less than one year, such fee will be collected in proportion to the number of quarters (including the current quarter) remaining in the year.

Article 14 An International Member will be assigned the corresponding trading seats following its admission. No trading seat fees will be charged for such trading seats.

Article 15 An International Member may submit written application to apply for up to three additional trading seats based on business needs, the fee is RMB 50,000 per trading seat per year, which will not be refunded when withdrawing the Membership.

Article 16 Any International Member applying for name changing shall submit to SGEI the following documents:

- (1) Application Letter for name changing;
- (2) approval document for the name changing;
- (3) the updated certificate of incorporation/ registration;
- (4) any other documents required by SGEI.

Article 17 SGEI shall accept a duly completed International Member name change application and issue the new Membership certificate within 30 business days of such acceptance.

Article 18 International Membership is non-transferable. Any other indirect form of International Membership transfer including subcontracting, lease, hypothecation is prohibited.

Article 19 Subject to relevant approval, International Member may change membership type, International Membership may be succeeded and terminated.

Article 20 An International Member applying for changing of Membership type shall submit application letter and the related documents to SGEI, and may complete the change procedures only after the application is approved.

Article 21 In the event that an International Member is merged or consolidated, the new entity intending to succeed the International Membership, shall submit application and the related documents to SGEI, and may complete the succession procedures only after the application is approved.

Article 22 Any International Member no longer qualifies for International Membership shall apply to SGEI for termination of its International Membership. Where an International Member is approved to be dissolved, or is ordered to close down, or lawfully declared bankrupt, or is involved in a similar circumstance, shall upon receiving the relevant decision, submit Membership Termination Application. Where Membership Termination Application is not submitted, SGE is entitled to revoke its International Membership.

Article 23 An International Member applying for Membership termination shall submit the following documents to SGEI:

- (1) Membership Termination Application Letter;
- (2) relevant approval document or decision letter;
- (3) the certificates issued by SGE;
- (4) statement on the winding down of business; and
- (5) other documents required by SGEI.

SGEI shall accept a duly completed International Membership termination application and approve or reject it within 30 business days of such acceptance.

Article 24 Subject to the approval, SGE may revoke its Membership, if the International Member:

- (1) violates any law or regulation of China or materially violates the rules or regulation of SGE;

- (2) is declared by a regulatory authority to be prohibited to enter the market;
- (3) commits a serious violation of the AML rules of a regulatory authority;
- (4) subcontracts its Membership or trading seat to others for management or operation;
- (5) is underfunded, understaffed, poorly equipped or managed, and fail to meet the requirements after rectification;
- (6) refuses to implement a resolution of the General Members' Meeting or the Board of Directors of SGE;
- (7) upon acquiring International Membership and without justification, fails to engage in business activities as required by SGE;
- (8) is involved in any illegal trading activities;
- (9) forges, alters, or trades any certificate or approval document;
- (10) maliciously damages the trading system; or
- (11) other circumstance decided by SGEI.

Article 25 An International Member whose Membership is terminated shall complete the following procedures:

- (1) terminate or fully perform its trading, leasing and other relevant business, and settle all accounts related to physical inventories;
- (2) settle all its claims and liabilities at SGE;
- (3) return the certificates issued by SGE;
- (4) close its settlement accounts; and
- (5) complete any other procedures as required.

If the International Member fails to terminate or fully perform its trading contracts within the required time frame, SGE shall be entitled to liquidate its positions on the first trading day after the maturity date. If the International Member fails to settle its liabilities with SGE and SGEI, corresponding amount will be deducted from the Membership Fee before refunded and, if the Membership Fee is insufficient to cover all liabilities, SGE and SGEI reserves the right to recover the difference. Any other instance of incomplete procedures shall be handled by SGEI in accordance with relevant rules.

Article 26 Upon the termination of Membership, the Membership certificate issued by SGE and relevant certificates will automatically be invalid and SGEI will refund the Membership Fee in accordance with the relevant rules. Any other fees previously paid will not be refunded.

Article 27 Any approval, succession, and termination of International Membership will be reported to the People's Bank of China (PBC) and publicly announced to the market in accordance with the relevant rules.

Chapter III Business Management

Article 28 Before starting any business, International Members shall deposit the minimum Settlement Reserve, which is RMB 500,000 for each trading seat. SGEI has the right to adjust the minimum Settlement Reserve requirement based on market conditions, the business scale and requested business type of the International Members.

Article 29 An International Member shall pay its Annual Membership Fee each year in lump sum in a timely manner. A newly admitted International Member shall complete payment within 90 business days upon receipt of the admission notice.

Article 30 An International Member shall authorize traders to conduct trading activities at SGE and be accountable for their trading activities. The authorization by an International Member to its traders shall be automatically expired upon the termination of its International Membership.

Article 31 An International Member shall appoint a business representative, business liaison officer, and compliance officer. The business representative and business liaison officer carry out activities involving SGE and perform other duties required by SGEI on behalf of the International Member. The compliance officer shall perform business compliance management duties as required by SGEI.

Article 32 An International Member shall conduct activities such as trading connection, settlement, delivery, and risk management in accordance with the *Measures for the Administration of Market Activities at Shanghai International Gold Exchange Co., Ltd.*

Article 33 An International Member that engages in brokerage business shall comply with and abide by the laws, regulations, and regulatory rules of the jurisdiction where it is incorporated and engage in such activities in accordance with the rules of SGE and SGEI on brokerage business.

Article 34 An International Member shall supervise its International Customers to abide by the relevant laws and regulations as well as the *Trading Rules of Shanghai Gold Exchange* and its detailed rules, and lawfully and compliantly strengthen its management of International Customers' trading activities.

Article 35 An International Member shall abide by the AML laws, regulations, and regulatory requirements of both China and the jurisdiction where it is registered and operates the business, and take effective measures to properly retain the relevant business documents, transaction records, and other documents to prevent their loss, destruction, forgery, and unauthorized alteration.

Chapter IV Supervision

Article 36 Other business such as foreign exchange, funds, or bullion import in connection with the precious metals trading activities by International Members shall abide by the rules of regulatory authorities including but not limited to the PBC and the State Administration of Foreign Exchange.

Article 37 SGEI has the right to review the Membership qualification of an International Member and to manage its business activities in SGE. International Members and their employees shall cooperate with SGEI.

Article 38 An International Member shall take the initiative to submit a written report to SGEI upon occurrence of any of the following events:

- (1) a change in its name, legal representative, registered capital, registered address, or other information;
- (2) a material changes in its shareholding structure or business operations;
- (3) involving in a major lawsuit or financial dispute;
- (4) becoming subject to a formal investigation or disciplinary actions by a regulatory authority, or sanction by any other exchange, for suspected violation of laws or regulations; or
- (5) any other circumstances prescribed by SGEI.

Article 39 An International Member shall immediately notify SGEI upon the occurrence of any of following events and report any update thereof to SGEI on an ongoing basis:

- (1) any significant business risk that affects the normal business operation;
- (2) any major technical failure that prevents the normal trading activities;
- (3) any force majeure event or abnormal event that may affect the normal business operation; or
- (4) any other event which is required by SGEI.

Article 40 In the event of any emergency or abnormal events in the market, an International Member shall properly resolve the risk, voluntarily maintain the normal functioning and order of the market, and assist SGEI in resolving such emergencies and abnormal events.

Article 41 An International Member shall perform its reporting and data submission obligations as required by this *Implementing Rules* and other rules of SGE.

Article 42 The information and materials submitted by an International Member to SGEI shall be authentic, accurate, and complete.

Article 43 Any International Member shall not use the logo of SGE or SGEI for business activities without authorization.

Article 44 An International Member shall strengthen investor education and risk disclosure and properly handle complaints and disputes. When a risk event occurs, any International Member who fails to fulfill its duties or implement an effective investor education and protection program, SGEI may suspend its relevant business and impose disciplinary actions thereon according to the severity of the circumstances.

Article 45 SGEI shall handle the violations of International Members in accordance with the *Enforcement Rules of Shanghai Gold Exchange* and other applicable rules.

Chapter V Ancillary Provisions

Article 46 This *Implementing 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 47 The businesses under this *Implementing Rules* shall be governed by and construed in accordance with the laws of China.

Article 48 Matters not covered in this *Implementing Rules* shall be governed by the relevant rules of SGE.

Article 49 SGEI reserves the right to interpret this *Implementing Rules*.

Article 50 This *Implementing Rules* comes into effect as of the promulgation date.