

Trading Rules of China Financial Futures Exchange

(Adopted on June 27, 2007; amended for the first time on February 20, 2010; amended for the second time on August 30, 2013; amended for the third time on January 1, 2016; amended for the fourth time on December 28, 2018)

Chapter I General Provisions

Article 1 These Rules are formulated in accordance with the applicable laws, administrative regulations and rules of the State as well as the Constitution of China Financial Futures Exchange for the purpose of regulating futures trading activities and protecting the legitimate rights and interests of futures trading participants as well as the interests of the public.

Article 2 China Financial Futures Exchange (hereinafter referred to as the Exchange) will organize the trading of futures contracts and options contracts approved by China Securities Regulatory Commission (hereinafter referred to as the CSRC) in accordance with the principles of openness, fairness, equitability, honesty and good faith.

Article 3 These Rules shall be applicable to the futures trading activities organized by the Exchange. The Exchange, members, clients, futures margin depository banks and other futures market participants shall comply with these Rules.

Chapter II Products and Contracts

Article 4 The Exchange shall list the products approved by the CSRC.

Article 5 The futures contract refers to a standardized contract uniformly drawn up by the Exchange, for delivering a certain quantity of underlying instrument at a specified place and at a specified time in the future.

Article 6 The options contract refers to a standardized contract uniformly drawn up by the Exchange whereby the buyer is entitled to purchase or sell an agreed underlying instrument (including futures contracts) at a predetermined price and at a specified time in the future.

Article 7 The main terms of a futures contract shall include the underlying instrument, quotation unit, tick size, contract months, trading hours, minimum trading margin, daily price fluctuation limit, last trading day, delivery method, ticker symbol, etc.

Article 8 The main terms of an options contract shall include the underlying instrument, quotation unit, tick size, contract months, trading hours, minimum strike price increment, seller's trading margin, daily price fluctuation limit, last trading day, exercise method, ticker symbol, etc.

Article 9 Any appendix to the contract shall have the same legal force and effect as the contract.

Chapter III Membership Management

Article 10 A member refers to a legal entity or any other economic organization that is entitled to undertake trading or clearing business on the Exchange upon the approval of the Exchange, in accordance with relevant laws, administrative regulations and rules.

Article 11 Members are classified into trading clearing members, full-clearing members, special clearing members and trading members.

Article 12 Trading members, trading clearing members and full-clearing members are qualified to trade on the Exchange.

Article 13 Trading clearing members, full-clearing members and special clearing members are qualified to effect clearing with the Exchange.

Trading members may undertake brokerage or proprietary business but are not qualified to effect clearing with the Exchange directly.

Article 14 The approval, change or termination of membership is subject to the approval of the Exchange and shall be reported to the CSRC with a public announcement.

Article 15 Members may have the following rights:

(1) to undertake the prescribed trading, clearing and delivery business on the Exchange;

(2) to have access to the information and services relating to futures trading via the trading facilities of the Exchange;

(3) to exercise the right to appeal in accordance with the trading rules of the Exchange; and

(4) other rights as provided for in the trading rules of the Exchange as well as in the detailed implementation rules thereof.

Article 16 Members shall fulfill the following obligations:

(1) to comply with the applicable laws, administrative regulations, rules and policies of the State;

- (2) to comply with the Constitution, trading rules and the detailed implementation rules thereof, and relevant decisions of the Exchange;
- (3) to pay various fees and levies pursuant to relevant regulations;
- (4) to be subject to the supervision of the Exchange;
- (5) to fulfill the relevant obligations stipulated in the agreement they have entered into with the Exchange; and
- (6) other obligations as prescribed by the Exchange for members.

Article 17 An applicant for membership must meet the criteria as set forth in laws, administrative regulations, rules, as well as the regulations of the Exchange.

Article 18 New applicants and existing members applying for change of membership status, shall file a written application with the Exchange and, enter into an agreement with the Exchange upon the approval of the Exchange.

Article 19 The Exchange adopts a member's contact person system. Members shall have one business representative and several business liaison persons to organize and coordinate all the business associations with the Exchange.

Article 20 The Exchange is entitled to restrict or suspend the business or adjust or cancel the membership of any member if the member:

- (1) breaches the membership management rules of the Exchange;
- (2) no longer meets the membership criteria; or
- (3) does not meet the relevant regulations of the CSRC or the Exchange.

Article 21 The Exchange shall formulate the rules on supervising and administering members.

Article 22 The Exchange may impose requirements on members' business operations, risk management, technology systems, etc. according to market developments. Members shall meet such requirements on an on-going basis.

Chapter IV Trading

Article 23 Futures trading refers to trading of futures or options contracts conducted in a centralized manner or in any other manner approved by the CSRC.

The Exchange permits exchange of futures for physicals (EFP).

Article 24 The Exchange is open for trading from Monday to Friday (excluding public holidays). Trading hours for each product on each trading day will be announced separately by the Exchange.

Article 25 A member may apply to the Exchange for one or more seats based on its business needs.

Article 26 Prior to opening an account for the client, a member shall fully disclose futures trading risks to the client, assess the client's risk tolerance, and select clients in a prudential manner in accordance with the provisions of the Regime for Suitability of Investors of Financial Futures.

Article 27 The Exchange adopts a trading code system for clients. A member shall open a separate special account, apply for a separate trading code for each client, and not mix up different clients' codes in trading.

Special entity clients whose assets must be managed separately as required by laws, administrative regulations, rules or other relevant regulations, may apply to the Exchange for a trading code in respect of such separately managed assets.

Article 28 Clients may issue trading orders through written instruction, telephone, Internet or such other means as the CSRC may specify.

Article 29 Trading orders are classified into market orders, limit orders and such other orders as the Exchange may specify.

Article 30 After receiving orders from clients, members shall execute all the orders on the centralized marketplace of the Exchange and shall not engage in any over the counter trading.

Article 31 A trade is closed after a buy order and a sell order are matched and executed. A trade concluded under these Rules is effective as from its conclusion. Both the buyer and the seller shall accept the trading results and perform their respective obligations. The execution data recorded in the Exchange trading system shall be taken as the final results of the trades executed under these Rules.

Article 32 After a trading order has been executed, the Exchange will send a transaction confirmation pursuant to relevant regulations.

Article 33 After completing settlement on each trading day, members shall obtain and verify the transaction record through the prescribed means.

A member that disagrees with the transaction record shall submit its written disagreement with the Exchange on the same day. Failure to do so before the specified time limit shall be deemed as acceptance of the transaction record.

Article 34 The Exchange adopts a hedging and arbitrage management system.

Article 35 Members undertaking futures trading shall pay transaction fees to the Exchange pursuant to relevant regulations.

Chapter V Clearing and Settlement

Article 36 Clearing refers to the process whereby the Exchange calculates the transaction results of the two parties to the transaction and transfers funds accordingly in accordance with the published settlement price and the relevant regulations of the Exchange.

Article 37 Clearing of futures transactions shall be organized by the Exchange on a unified basis.

Article 38 The Exchange adopts a multi-tiered membership clearing system, under which the Exchange carries out settlement with clearing members; clearing members carry out settlement with the trading members that have appointed them for clearing; and trading members carry out settlements with their clients.

Clearing members shall fulfill contractual performance obligations for the trading members that have appointed them for clearing. In case that a

trading member is unable to fulfill its contractual performance obligations, the clearing member shall fulfill such obligations on its behalf and thus obtain the right to claim compensation from the defaulting trading member.

Article 39 The Exchange adopts a margin system. Margin refers to the funds collected by the Exchange from clearing members for settlement purposes and guarantee of contract performance.

With the approval of the Exchange, a member may provide marketable securities as margin in accordance with the relevant regulations.

Article 40 Margin is classified into settlement reserve and trading margin. The settlement reserve is the part of margin that has not yet been taken up to back the contract while trading margin is the part of margin that has already been taken up.

Article 41 The margin collected by a clearing member from a trading member shall not be lower than the level as prescribed by the Exchange. The clearing member shall be entitled to adjust the level for margin in line with market conditions and the credit standing of trading members.

Article 42 The Exchange shall open a special clearing account at the futures margin depository bank for depositing the margin and relevant funds of clearing members.

A clearing member shall open a futures margin account at the futures margin depository bank for depositing margin and relevant funds of its clients and the trading members that have appointed them for clearing.

Article 43 The transfer of funds between the Exchange and clearing members shall be through the special clearing account of the Exchange and the special fund account of the clearing member.

Article 44 Members shall deposit the margin paid by clients in the futures margin account and segregate the margin from its proprietary funds. Misappropriation of the margin is prohibited.

Article 45 The Exchange adopts a mark-to-market system.

Article 46 Where the balance of the settlement reserve of a clearing member is lower than the specified level and the clearing member fails to meet the deficit in time, if such balance is lower than the minimum balance threshold, new positions shall not be opened; if the balance of the settlement reserve is less than zero, the Exchange may force liquidation pursuant to relevant regulations.

Article 47 A trading member can only appoint one clearing member to effect clearing and delivery on its behalf. It shall enter into an agreement with the clearing member and file the agreement with the Exchange for record.

Article 48 Trading members and clearing members may, pursuant to the regulations of the Exchange, apply to the Exchange for changing the appointed clearing members. The Exchange will process the change after it reviews and approves the application.

Article 49 Clearing members shall establish a settlement risk management system. They shall keep informed of the accurate financial position of their clients and the trading members that have appointed them for clearing, such as their profits or losses, expenses as well as fund receipts and payments, so as to control the risks on the part of the clients and trading members.

Article 50 The Exchange shall allocate, manage and use risk reserves pursuant to relevant regulations. Risk reserves are used to provide financial guarantee for maintaining the robust operation of the futures market and cover any losses arising from risks unforeseeable to the Exchange.

Chapter VI Delivery

Article 51 Delivery of futures transactions is organized by the Exchange on a unified basis.

Article 52 Futures delivery takes the form of cash delivery or physical delivery.

Article 53 Cash delivery refers to the process whereby, upon expiration of the contract, the two parties to the transaction close the open contracts by settling the price difference on a cash payment basis at the prescribed settlement price in accordance with the rules and procedures of the Exchange.

Article 54 Physical delivery refers to the process whereby, upon expiration of the contract, the two parties close the open contracts by transferring the title of the underlying instrument of the contract in accordance with the rules and procedures of the Exchange.

Article 55 Nonperformance on the part of a member of its contractual delivery obligations due to client default is prohibited. In the event of nonperformance of delivery obligations, the Exchange is entitled to enforce such obligations.

Chapter VII Risk Control

Article 56 The Exchange adopts a price limit system, consisting of a circuit breaker mechanism and a limit up/down mechanism. The level at

which the circuit breaker is triggered and the range of limit up/down shall be set by the Exchange and may be adjusted based on market risk conditions.

Article 57 The Exchange adopts a position limit system. Position limit refers to the maximum quantity of positions that may be held by a member or client as prescribed by the Exchange. The positions held by members or clients for hedging and arbitrage purposes shall be governed by relevant regulations of the Exchange.

Article 58 The Exchange adopts a large position reporting system. A member or client shall report the positions it holds to the Exchange whenever such positions reach the position reporting level as specified by the Exchange or when required by the Exchange. If a client fails to do so, the member shall report to the Exchange.

The Exchange shall set and may adjust the position reporting level based on the market risk conditions.

Article 59 The Exchange adopts a forced liquidation system. If a member or client violates the regulations on position limits, fails to provide the required additional margin in a timely manner, or in the event of other situations as prescribed by the Exchange, the Exchange shall be entitled

to force liquidation of the position held by the member or client concerned.

The profits generated from the forced liquidation shall be disposed of pursuant to relevant regulations. Any expenses and losses incurred as well as any increased losses arising from the failure to force liquidation due to market conditions shall be borne by the member or client concerned.

Article 60 The Exchange adopts a forced position reduction system. If there is a continuous occurrence of only buy orders or sell orders quoted at the daily price up/down limit, or market risks have noticeably increased, the Exchange shall be entitled to effect automatic execution of outstanding close-out orders quoted at the price up/down limit for the current day against the positions held by clients whose net positions in the contract are profitable, in proportion to the positions held and at the price up/down limit for the same day.

Article 61 The Exchange adopts a settlement guarantee fund system. The settlement guarantee fund refers to the common guarantee fund contributed to by clearing members as required by the Exchange for the purpose of addressing the default risks of clearing members.

Article 62 The Exchange adopts a risk warning system. When the Exchange deems necessary, it may take one or more of such measures as requesting members and clients to report on the situation, holding a cautionary conversation, issuing a written warning and publishing a risk warning announcement, to warn of and mitigate risks.

Article 63 If there is a continuous occurrence of only buy orders or only sell orders quoted at the daily price up/down limit or market risks have noticeably increased, with the approval of the executive committee of the board of directors, the Exchange shall be entitled to adjust the daily price up/down limit, increase the trading margin level, force position reduction or take other risk control measures to mitigate market risks.

In case that the risks remain after the Exchange has taken the aforesaid risk control measures, the Exchange shall declare an extraordinary situation and the board of directors of the Exchange shall determine what further measures it will take to control the risks.

Article 64 In case that a clearing member is unable to perform the contract, the Exchange may in its discretion take the following measures:

- (1) suspending the opening of new positions;
- (2) forcing liquidation pursuant to relevant regulations and using the margin released therefrom for contract performance and compensation;

(3) disposing of the marketable securities used as margin in accordance with law;

(4) using the amount of contribution made to the settlement guarantee fund by the defaulting clearing member;

(5) using the amount of contribution made to the settlement guarantee fund by other clearing members;

(6) using the risk reserve of the Exchange;

(7) using the proprietary funds of the Exchange.

Article 65 If there is a ground to believe that a member or client has committed a breach of the trading rules of the Exchange or the detailed implementation rules thereof that has or would have a significant impact on the market, the Exchange may take the following provisional measures to prevent extended impact of the breach:

(1) restricting the deposit of funds;

(2) restricting the withdrawal of funds;

(3) restricting the opening of new positions;

(4) raising the margin level;

(5) ordering close-out of positions within a specified time limit;

(6) forcing liquidation.

Chapter VIII Measures under Extraordinary Situations

Article 66 Upon the occurrence of any of the following situations during trading sessions, the Exchange may declare an extraordinary situation and take emergency measures to mitigate risks:

(1) market disruption resulting from earthquake, flood, fire, computer system failure or other causes;

(2) a member encounters a settlement and delivery crisis that has or would have a significant impact on the market;

(3) a member is involved in the situation as described in Article 63 and the risks remain despite the implementation of relevant measures; or

(4) other situations as prescribed by the Exchange.

Upon the occurrence of the extraordinary situation in subparagraph (1) of the preceding paragraph, the president of the Exchange may in his discretion take such emergency measures as adjusting the market opening and closing time and suspending trading. Upon the occurrence of the extraordinary situation in subparagraphs (2), (3) and/or (4) of the preceding paragraph, the board of directors of the Exchange may in its

discretion take such emergency measures as adjusting the market opening and closing time, suspending trading, adjusting the daily price up/down limits, raising the trading margin level, ordering a close-out of positions within a specified time limit, forcing liquidation, and limiting the withdrawal of funds.

The Exchange shall not be liable for any losses arising from extraordinary situations or from corresponding measures taken by the Exchange.

Article 67 The Exchange shall report to the CSRC before it declares an extraordinary situation and takes emergency measures.

Article 68 In the event that the Exchange declares an extraordinary situation and decides to suspend trading, the suspension period shall not exceed three trading days, unless extended with the approval of the CSRC.

Chapter IX Information Management

Article 69 The futures trading information of the Exchange includes market quotations, trading and clearing data and statistics on listed futures and options contracts, all the announcements released by the

Exchange, as well as other relevant information that must be disclosed as required by the CSRC.

Article 70 The ownership of futures trading information lies with the Exchange and shall be managed and disseminated by the Exchange on a unified basis.

Article 71 The trading information disseminated by the Exchange shall include contract names, contract months, opening prices, last prices, price changes, closing prices, settlement prices, highest prices, lowest prices, trading volumes, open interests and the change thereof, clearing members' rankings by trading volume and open interest, as well as other disclosable information.

Depending on the content of the information, information shall be disseminated on a real-time, daily, weekly, monthly and yearly basis.

Article 72 The Exchange shall utilize efficient communication means to build a synchronous quotation system and an instantaneous transaction reporting system.

Article 73 The Exchange shall not be liable for any abnormal transmission or transmission interruption of trading information due to force majeure, unexpected events or unauthorized access to the Exchange trading system.

The Exchange shall not be liable for any impact on the trading of members and clients by a failure on the part of members, information service providers or public media in the delivery of the market quotations that have been properly disseminated by the Exchange.

Article 74 The Exchange and members are prohibited from releasing any false or misleading information.

Article 75 The Exchange, members and futures margin depository banks are prohibited from divulging the business secrets they have acquired in their business activities.

Upon approval, the Exchange may provide the relevant information to relevant regulatory authorities or other relevant entities subject to applicable confidentiality regulations.

Article 76 The Exchange must backup off-site data to ensure the security of trading data.

Article 77 The Exchange shall be entitled to charge fees for the management and dissemination of information.

Chapter X Supervision and Regulation

Article 78 The Exchange shall exercise self-regulatory supervision over all the business activities related to futures trading on the Exchange in accordance with these Rules and applicable regulations.

Members, clients, futures margin depository banks and other futures market participants shall be subject to the Exchange's supervision and regulation over their futures business.

Article 79 The main supervisory and regulatory functions of the Exchange include:

(1) to supervise and inspect the implementation of the laws, administrative regulations, rules, trading rules and the detailed implementation rules thereof that are applicable to the futures market, and to control market risks;

(2) to supervise and inspect business operations and internal management of members;

(3) to supervise and inspect financial and credit status of members;

(4) to supervise and inspect futures-related business activities of futures margin depository banks and other futures market participants;

(5) to mediate and settle futures trading disputes and to investigate and deal with all the violation cases;

(6) to assist judicial authorities and administrative enforcement agencies in the performance of their lawful functions; and

(7) to supervise and regulate any other act that breaches the principles of openness, fairness and equitability, disrupts the market order or leads to market risks.

Article 80 The Exchange may exercise the following powers and functions when performing their supervisory and regulatory duties and responsibilities:

(1) to have access to and make copies of any information and documents relating to futures trading;

(2) to investigate and collect evidence from members, clients, futures margin depository banks and other futures market participants;

(3) to require members, clients, futures margin depository banks and other futures market participants to make a report, representation, explanation, and clarification on the matters under investigation; and

(4) other powers and functions necessary for the Exchange to perform its supervisory and regulatory duties and responsibilities.

Article 81 When the Exchange perform its supervisory and regulatory powers and functions, members, clients, futures margin depository banks

and other futures market participants shall cooperate with the Exchange. The Exchange may take necessary measures or disciplinary actions in accordance with relevant regulations against any entity or individual that provides false information, conceals the truth, intentionally avoids investigations or obstructs the Exchange staff's performance of their powers and functions.

Article 82 The Exchange shall carry out a complete or random inspection on the members' compliance with the trading rules of the Exchange as well as the detailed implementation rules thereof on an annual basis and submit an inspection report to the CSRC.

Article 83 The Exchange shall initiate an investigation if it discovers that any member, client, futures margin depository bank or any other futures market participant is suspected of violating rules and regulations when engaging in futures business. In severe cases, the Exchange may take appropriate measures to prevent such violations from having further impact.

Article 84 Members, clients, futures margin depository banks and other futures market participants have the right to file a complaint with or report to the Exchange or the CSRC if any staff of the Exchange is unable to properly perform their supervisory and regulatory duties and

responsibilities. Upon verification, the relevant staff shall be dealt with in a stringent manner.

Article 85 The Exchange shall formulate rules on dealing with violations of rules and regulations and breaches of contract.

Article 86 Under the overall organization and coordination of the CSRC, the Exchange shall establish information sharing and other regulatory cooperative mechanisms for the futures market and the related markets together with stock exchanges, securities registration and clearing agencies and futures margin depository monitoring agency.

Chapter XI Dispute Settlement

Article 87 When any dispute relating to the futures business arises between members, clients, futures margin depository banks and other futures market participants, they may resolve the dispute through negotiation, submit the dispute to the Exchange for mediation, apply to an arbitration body for arbitration or initiate legal proceedings with a people's court.

Article 88 The party that lodges a dispute to the Exchange for mediation shall submit a written application. If an agreement is reached after

mediation, the Exchange shall prepare a mediation agreement, which will come into effect after being signed by the two parties involved.

Chapter XII Supplementary Provisions

Article 89 The Exchange may formulate detailed implementation rules or measures in accordance with these Rules.

Article 90 The power to interpret these Rules shall be vested in the board of directors of the Exchange.

Article 91 The formulation of these Rules and any amendment hereto shall be subject to the approval of the shareholders' meeting of the Exchange and the ratification of the CSRC.

Article 92 These Rules shall come into effect as of January 2, 2019.