

Trading Rules for Price Asking Transactions of the Shanghai Gold Exchange

Chapter I General Provisions

Article 1 These *Trading Rules for Price Asking Transactions of the Shanghai Gold Exchange* (these “Rules”) are formulated pursuant to the *Opinions on the Promotion of Development of the Gold Market* (Yin Fa [2010] No. 211), the *Rules on Supervision of Business Activities of the Shanghai Gold Exchange* (Yin Fa [2011] No. 93), the *Articles of Association of the Shanghai Gold Exchange*, the *Spot Trading Rules of the Shanghai Gold Exchange*, and other related rules to regulate price asking transactions and protect the lawful rights and interests of market participants.

Article 2 Price asking transactions executed on or through the Shanghai Gold Exchange (the “price asking transactions”) include:

1. transactions entered into between market participants approved by the Shanghai Gold Exchange (the “Exchange” or the “SGE”) through a bilateral price asking and negotiation process via the price asking trading system provided by the Exchange (the “SGE Price Asking System”); and
2. transactions entered into between market participants approved by the Exchange through a bilateral price asking and negotiation process via the foreign exchange trading system of the China Foreign Exchange Trade System (the “CFETS”) in SGE-designated products which are traded on or through the CFETS’s foreign exchange trading system.

The second category of price asking transactions described above are also referred to as the SGE interbank price asking transactions (“interbank price asking transactions”). The interbank price asking transactions shall be regulated in accordance with the *Trading Rules for Interbank Gold Price Asking Transactions of the Shanghai Gold Exchange*.

Chapter II Market Participants

Article 3 The Exchange adopts a filing regime to manage admission to price asking transactions, in which market participants shall be required to submit a written

filing form to the Exchange for approval before engaging in proprietary and brokerage activities with respect to price asking transactions.

Article 4 The trading seat of any market participant qualified to conduct interbank price asking transactions is directly granted access to trading in the SGE Price Asking System.

Article 5 Any member of the Exchange qualified to engage in price asking brokerage businesses shall impose admission requirements on its customers that intend to participate in price asking transactions.

Article 6 Any member that engages in brokerage businesses shall develop sound internal management rules and regulations for its brokerage businesses and implement risk management and control measures.

Article 7 Each member shall execute any proprietary and brokerage price asking transactions through the SGE Price Asking System. Order bucketing is prohibited.

Article 8 Every member shall be responsible for performing its obligations in connection with any proprietary trade. Every customer shall be responsible for performing its obligations of any transaction entered into on its behalf.

Chapter III Trading Hours and Bullion Products

Article 9 The trading days for price asking transactions are Mondays through Fridays, excluding public holidays and days otherwise announced by the Exchange. The trading hours and other specifications for each bullion product are specified in the *Detailed Trading Rules for Price Asking Transactions of the Shanghai Gold Exchange*.

Article 10 Bullion products for price asking transactions executed on or through the Exchange include PAu99.99 and PAu99.95.

Article 11 Price asking transactions may be executed on or through the Exchange as spot, forward and swap transactions.

Article 12 Any addition or adjustment to the bullion products and specifications related thereto shall be executed in accordance with any public announcement issued by the Exchange.

Article 13 Price asking transactions may be settled by physical delivery or cash settlement on net amount. The parties to a price asking transaction may choose the settlement method at their own discretion.

Chapter IV Quotation and Execution

Article 14 The price of any price asking transaction settled by physical delivery refers to the price, including any value-added tax, of the bullions deliverable against the transaction at the Certified Vault designated for the delivery.

Article 15 Parties to a price asking transaction shall agree upon the terms of the transaction and conclude the transaction through the SGE Price Asking System. The transaction information printed through the SGE Price Asking System is a written record generated after the parties have entered into a price asking transaction to confirm the terms of such transaction.

Article 16 Any customer that intends to participate in a price asking transaction shall instruct its carrying member to enter into the price asking transaction in the customer's name through the SGE Price Asking System in accordance with the brokerage agreement between them.

Article 17 The Exchange collects Transaction Fees from members for their price asking transactions. The Exchange may change the fee schedule applicable to each bullion product or tenor as warranted by actual market conditions, and shall implement the revised fee schedule upon its announcement.

A member may collect brokerage fees from its customer in accordance with the brokerage agreement it has entered into with the customer.

Chapter V Clearing and Physical Delivery

Article 18 Any parties to a price asking transaction settled by physical delivery shall delegate the Exchange to provide the necessary clearing and physical delivery services. The Exchange shall provide such services per the parties' instructions without succeeding to any rights or obligations of the parties under such transaction.

Article 19 Any parties to a price asking transaction settled by cash on the net amount may delegate the Exchange to provide the necessary clearing services. The Exchange shall provide such clearing services per the parties' instructions without succeeding to any rights or obligations of the parties under such transaction.

Article 20 The clearing and physical delivery of price asking transactions are administered through the same Member Account and Bullion Account as those in price matching transactions.

Article 21 Any matter relating to the clearing, physical delivery, and Load-in/Load-out of

physical bullions of a price asking transaction that is not covered herein shall be governed by the applicable provisions of the *Detailed Clearing Rules of the Shanghai Gold Exchange* and *Detailed Rules for Physical Delivery of the Shanghai Gold Exchange*.

Chapter VI Information Services

Article 22 The Exchange is responsible for the daily collection of market data and information disclosure for price asking transactions.

Article 23 Any Member participating in price asking transactions may search information relating to price asking transactions through the SGE Price Asking System.

Article 24 No market participant is permitted to disclose any trading information obtained during the course of its participation in a price asking transaction or any other non-public information without the prior written consent of the parties to the transaction, unless such disclosure is required by laws, regulations, or competent authorities.

Each member shall keep confidential any secret of its customers pertaining to their trades.

Chapter VII Transaction Monitoring

Article 25 The Exchange is responsible for the daily monitoring of price asking transactions and reporting information relating to price asking transactions to the People's Bank of China.

Article 26 Where the Exchange deems that an irregularity has occurred in a price asking transaction, the member(s) concerned shall promptly give an explanation with regard to such irregularity per the Exchange's requirements.

Article 27 Any market participant may report any violation that it believes to have occurred during its price asking transaction to the Exchange. The Exchange may, as necessary, ascertain and verify the details of such allegation with the parties concerned. Any party which has committed a violation shall be required to make rectifications and be given a notice of reprimand, or, in case of a serious violation, its qualification for price asking transactions shall be revoked.

Article 28 Where any two parties to a price asking transaction have colluded and committed a default intentionally for any illicit purposes, the Exchange will, upon verification, issue these parties a notice of reprimand, or, in case of a serious violation, revoke their qualifications for price asking transactions.

Article 29 Other measures for addressing trading irregularities, violations, or defaults shall be taken in accordance with the *Enforcement Rules of the Shanghai Gold Exchange*.

Chapter VIII Supplementary Provisions

Article 30 The Exchange will not issue any tax invoices for payments made between the parties for any price asking transaction that is cash-settled on the net amount. Any other matter relating to tax invoices shall be governed by the applicable provisions of the *Measures for the Administration of Members' Tax Invoices of the Shanghai Gold Exchange*.

Article 31 Any matter relating to the disposition of irregularities, supervision and regulation, or dispute and mediation shall be governed by applicable provisions of the *Spot Trading Rules of the Shanghai Gold Exchange*.

Article 32 The Exchange may formulate alternative trading rules and detailed rules for any newly-added bullion product.

Article 33 The Exchange may introduce more detailed rules to complement these *Rules*.

Article 34 Matters not covered herein shall be governed by the relevant rules of the Exchange.

Article 35 These *Rules* are written in Chinese. In case of any discrepancy between different Chinese versions or between the Chinese version and any translated version thereof, the latest Chinese version shall prevail.

Article 36 The Exchange shall reserve the right to interpret these *Rules*.

Article 37 These *Rules* shall come into effect on July 1, 2014.