

Detailed Trading Rules for Price Asking Transactions of the Shanghai Gold Exchange

Chapter I General Provisions

Article 1 These *Detailed Trading Rules for Price Asking Transactions of the Shanghai Gold Exchange* (these “*Detailed Trading Rules*”) are formulated pursuant to the *Opinions on the Promotion of Development of the Gold Market* (Yin Fa [2010] No. 211), the *Spot Trading Rules of the Shanghai Gold Exchange*, the *Trading Rules for Price Asking Transactions 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 All interbank price asking transactions shall be governed by the *Trading Rules for Interbank Gold Price Asking Transactions of the Shanghai Gold Exchange*.

Chapter II Market Participants

Article 3 Any market participant with a trading seat of the Shanghai Gold Exchange (the “Exchange” or the “SGE”) that intends to engage in price asking transactions (excluding interbank price asking transactions) may submit a written filing form to the Exchange in the format of the *SGE Filing Form for Admission to Price Asking Transactions* attached hereto as Schedule 1. Such market participant may conduct proprietary or brokerage trades in price asking products only after being approved by the Exchange. The Exchange will not process any request for brokerage privileges in price asking products from International Members for the time being.

Article 4 Any member entering into brokerage price asking transactions shall observe national industry policies, control trading risks, act with prudence and serve the real economy.

Article 5 Any institutional customer that intends to participate in a price asking transaction shall instruct its carrying member to enter into such transaction on its behalf. The institutional customer shall enter into a brokerage agreement for price asking transactions with the member to specify the rights and obligations of the parties. The brokerage agreement shall include, among other items,

authorizations from the institutional customer on allowing the member to enter into transactions on its behalf, handle account clearing, and report transaction defaults.

No individual is permitted to participate in price asking transactions.

Chapter III Transactions

Article 6 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 listed in the *Specifications for SGE Price Asking Products* attached hereto as Schedule 2.

Article 7 Bullion products for price asking transactions include PAu99.99, PAu99.95, iPAu9999, iPAu99.5, iPAu100g, LAu9999, LAu9995, iLAu9999, iLAu99.5 and iLAu100g.

Article 8 PAu99.99, PAu99.95, iPAu9999, iPAu99.5 and iPAu100g may be traded in a spot, forward or swap transaction.

A spot transaction refers to any trade the delivery of which is executed, as agreed by the parties thereto, on the date when the trade is entered into.

A forward transaction refers to any trade the delivery of which is to be executed, as agreed by the parties thereto, on a future maturity date.

A swap transaction refers to any trade which, as agreed by the parties thereto, requires two deliveries of the underlier, which are to be executed in same quantity but in opposite directions on two different future maturity dates (the near-leg maturity date may be set to the date the trade is entered into).

Article 9 A spot, forward or swap transaction may be settled by physical delivery or cash settlement on net amount.

A transaction that is settled by physical delivery refers to any trade the clearing and physical delivery of which are to be made by the parties thereto, based on terms agreed by both parties, on the maturity date in a delivery versus payment arrangement.

A transaction that is cash-settled on net amount refers to any trade which requires the parties thereto to clear on the maturity date any cash difference between the agreed trading price and the reference price.

Article 10 The reference price for a transaction that is cash-settled on net amount can be a

market price published by the Exchange, such as opening price, closing price, weighted average price or benchmark price, on the date designated by the parties thereto, or any other price agreed upon by the parties thereto.

Article 11 Cash difference = (trading price – reference price) × the weight of bullions traded. The buyer shall pay the cash difference to the seller if it's positive, and vice versa if it's negative; no payment between the parties is needed if the cash difference is zero.

Article 12 LAu9999, LAu9995, iLAu9999 iLAu99.5 and iLAu100g are bullion products for interbank leasing transactions. Trading in these bullion products shall proceed in accordance with the *Trading Rules for Interbank Gold Leasing Transactions of the Shanghai Gold Exchange* and the *Detailed Trading Rules for Interbank Gold Leasing Transactions of the Shanghai Gold Exchange*.

Article 13 Any addition or adjustment to the bullion products and specifications related thereto shall be executed per the Exchange's announcement.

Chapter IV Clearing and Physical Delivery

Article 14 A member 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 member's instructions without succeeding to any rights or obligations of the trading parties under such transaction.

Article 15 The parties to a price asking transaction settled by cash on the net amount need to select either "SGE clearing" or "non-SGE clearing".

1. Under the "SGE clearing" mode, the parties delegate the Exchange to clear the transaction. The Exchange shall provide clearing services such as calculation of cash difference and payment transfers per the parties' instructions without succeeding to any rights or obligations of the parties under the transaction.

2. Under the "non-SGE clearing" mode, any cash difference will be cleared by the parties themselves. The Exchange will not provide clearing services such as calculation of cash difference and payment transfers.

Article 16 The Exchange shall provide clearing and physical delivery services for each price asking transaction at 4:00 p.m. on each trading day. After this hour, no transaction that expires on the trading day can be entered into.

Article 17 After 4:00 p.m. of each trading day, the Exchange will conduct end-of-day

transaction clearing in the following order: (1) transactions in physical products, (2) transactions in spot products, (3) transactions in deferred products; and (4) price asking transactions (including interbank price asking transactions), i.e., funds and physical bullions are allocated first for the performance of transactions in physical products, spot products, and deferred products, and then for the performance of price asking transactions. Funds and physical bullions acquired from clearing transactions earlier in the ordering can be used in the clearing and physical delivery of transactions later in the ordering.

Article 18 Any trading party shall ensure the adequacy of funds or physical bullions in its designated clearing account or Bullion Account before clearing and delivery. If one party has defaulted on one or more price asking transactions due to shortfall in funds or physical bullions, then the Exchange will not process such price asking transactions except for the case wherein the default is due to shortfall in funds by an International Member. The Exchange will instead pass back information on such default to the trading parties (if they have a trading seat at the Exchange) or their carrying members (if they are customers of the Exchange). The default shall be resolved by the parties through negotiations. If the default is due to an International Member's shortfall in funds, the Shanghai International Gold Exchange Co., Ltd. (the "SGEI") shall, at clearing, advance the funds required for the performance of the price asking transaction so it can be cleared and delivered as normal. The international member shall repay the funds advanced by the SGEI before the market opens on the next trading day. Any noncompliance shall be addressed in accordance with the *Measures for the Administration of Risk Control of the Shanghai Gold Exchange* and the *Measures for the Administration of the Business Activities of the Shanghai International Gold Exchange Co., Ltd.*

Article 19 If, in relation to any one or more transactions, a customer has deposited the necessary funds or physical bullions into the designated clearing account or Bullion Account before the deadline set with its carrying member (International Member excluded), but the Exchange's system determines that the one or more of such transactions are in default due to insufficient funds in the member's brokerage account, then the member shall be responsible for any losses so incurred pursuant to the brokerage agreement for price asking transactions it had signed with the customer.

Article 20 If a customer to a physically delivered transaction fails to deposit the necessary funds or physical bullions into the designated clearing account or Bullion Account before the deadline set with its carrying member (International

Member excluded), the member may submit an *SGE Reporting Form for Buyer's Default in Price Asking Transactions* (attached hereto as Schedule 3) stamped with its official seal to the Exchange before 4:00 p.m. of each trading day. Per the contents of the member's request, the Exchange will mark the buyer to the transaction as having defaulted on the transaction due to its shortfall in funds.

Article 21 If the maturity date of a multi-year price asking transaction or the reference price date for a cash-settled transaction falls on a day the Exchange is closed according to the Exchange's calendar, the Exchange shall make a one-time adjustment to the actual maturity date or reference price date before the start of the following year by postponing the maturity date or the reference price date to its immediately following trading day.

Article 22 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*, *Detailed Rules for Physical Delivery of the Shanghai Gold Exchange*, *Measures for the Administration of the Business Activities of the Shanghai International Gold Exchange Co., Ltd.*, *Measures for the Administration of Clearing Activities of Shanghai International Gold Exchange Co., Ltd.*, *Implementing Rules for Customers' Segregated Funds Operations of the Shanghai International Gold Exchange Co., Ltd.*, *Operating Guidelines for International Board Deliveries of the Shanghai Gold Exchange* and the *Measures for the Administration of Safe Deposit Vaults of the Shanghai Gold Exchange*.

Chapter V Resolution of Contingencies and Irregularities

Article 23 Matters relating to emergency transactions shall be governed by the applicable provisions of the *Measures for the Administration of Emergency Transactions of the Shanghai Gold Exchange*.

Article 24 If the Exchange's system determines one party to a price asking transaction is in default, the non-defaulting member or the carrying member of the non-defaulting party, as applicable, may ask for re-clearing by submitting a written request to the Exchange. If the Exchange's system determines both parties to a price asking transaction are in default, each of the parties thereto shall, through their respective carrying members if they are not members, as the case may be, submit a re-clearing request in writing to the Exchange after they have reached an agreement.

Article 25 Any member who intends to request for a re-clearing shall submit an *SGE Request Form for Re-clearing of Price Asking Transactions* (attached hereto as Schedule 4) stamped with its official seal to the Exchange before 3:30 p.m. of the re-clearing day.

Article 26 The Exchange shall, after accepting the copy of the *SGE Request Form for Re-clearing of Price Asking Transactions*, conduct clearing again based on the original transaction terms (other than the maturity date) on the re-clearing day.

Article 27 If both members as or represent the counterparties in a transaction agree to cancel any price asking transaction not yet cleared or failed to be cleared, each of them shall submit a written request to the Exchange specifying such information as the reason for such cancellation, the transaction number of the transaction to be canceled, and the requester's member code. The cancellation shall be processed by the Exchange in accordance with applicable procedures.

Article 28 If both members as or represent the counterparties in a price asking transaction agree to change the maturity date or reference price date for the transaction, then each of them shall submit a written request to the Exchange specifying such information as the reason for such change, the transaction number of the transaction to be changed, the original maturity date, the new maturity date, the original reference price date, the new reference price date, and the requester's member code. The change shall be processed by the Exchange in accordance with applicable procedures.

Chapter VI Supplementary Provisions

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*.

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 Any matter not covered herein shall be governed by the relevant rules of the Exchange.

Article 33 These *Detailed Trading 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 34 The Exchange shall reserve the right to interpret these *Detailed Trading Rules*.

Article 35 These *Detailed Trading Rules* shall come into effect on January 1, 2015.

Schedule 1

SGE Filing Form for Admission to Price Asking Transactions

Entity name				
Filing date				
SGE member code				
Code of the trader to receive access				
Details of the contact person	Name		Position	
	Telephone		Mobile Phone	
	Email		Postal Code	
	Address			
	Name		Position	
	Telephone		Mobile Phone	
	Email		Postal Code	
	Address			
Notes to the filings				
Representation	<p>We, the undersigned entity, will conduct price asking transactions (excluding interbank price asking transactions) on or through the Shanghai Gold Exchange (the “Exchange”) only after obtaining the Exchange’s approval, and, in doing so, be subject to all agreements we enter into with the Exchange and any normative documents issued by the Exchange.</p> <p>We undertake to serve the real economy, observe national industry policies, control market risks, act with prudence, impose admission requirements on our customers who intend to participate in price asking transactions, and sign a brokerage agreement for price asking transactions with our customers to specify the rights and obligations of the parties. The brokerage agreement shall include, among other items, authorizations from the customer on allowing the member to enter into transactions on its behalf, handle account clearing, and report transaction defaults.</p> <p>We understand and acknowledge that the Exchange will not succeed to any rights or obligations of the trading parties in a transaction when it provides clearing and physical delivery services for such transaction on the parties’ instructions.</p>			
Official seal				

Schedule 2

Specifications for SGE Price Asking Products ^[1]**Specifications for PAu99.99 (physical delivery)**

Bullion product	PAu99.99
Trading code	PAu99.99
Trading mode	Price asking transaction
Product size	100 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Maximum transaction size	50,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Delivery versus payment upon the maturity date
Deliverable bullion	Gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9
Mode of delivery	Physical delivery
Quality standards	Physical bullions produced in compliance with SGE gold ingot quality standard SGEB1-2002 by SGE Standard Gold Ingots Delivery refiners, or standard physical bullions produced by LBMA accredited Good Delivery refiners
Delivery venue	Certified Vault
Transaction Fees	Spot transaction: 0.035% of the transaction value Forward transaction: 0.035% of the transaction value Swap transaction: 0.04% of the transaction value

Specifications for P Au99.99 (cash settlement)

Bullion product	PAu99.99
Trading code	PAu99.99
Trading mode	Price asking transaction
Product size	100 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	50,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Cash settlement on net amount upon the maturity date
Reference price	A market price published by the Exchange, such as opening price, closing price, weighted average price, benchmark price or any other price agreed upon by the parties on a date designated by the parties.
Mode of delivery	Cash settlement
Transaction Fees	Exempted for now

Specifications for P Au99.95 (physical delivery)

Bullion product	PAu99.95
Trading code	PAu99.95
Trading mode	Price asking transaction
Product size	1000 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	5,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Delivery versus payment upon the maturity date
Deliverable bullion	Gold ingots with a standard weight of 3 kg and a fineness of no lower than 999.5
Mode of delivery	Physical delivery
Quality standards	Physical bullions produced in compliance with SGE gold ingot quality standard SGEB1-2002 by SGE Standard Gold Ingots Delivery refiners, or standard physical bullions produced by LBMA accredited Good Delivery refiners.
Delivery venue	Certified Vault
Transaction Fees	Spot transaction: 0.035% of the transaction value Forward transaction: 0.035% of the transaction value Swap transaction: 0.04% of the transaction value

Specifications for P Au99.95 (cash settlement)

Bullion product	PAu99.95
Trading code	PAu99.95
Trading mode	Price asking transaction
Product size	1000 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	5,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Cash settlement on net amount upon the maturity date
Reference price	A market price published by the Exchange, such as opening price, closing price, weighted average price, benchmark price or any other price agreed upon by the parties on a date designated by the parties.
Mode of delivery	Cash settlement
Transaction Fees	Exempted for now

Specifications for iPAu9999 (physical delivery)

Bullion product	iPAu9999
Trading code	iPAu9999
Trading mode	Price asking transaction
Product size	10 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	500,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Delivery versus payment upon the maturity date
Deliverable bullion	Gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9
Mode of delivery	Physical delivery
Quality standards	Physical bullions produced in compliance with SGE gold ingot quality standard SGEB1-2002 by SGE Standard Gold Ingots Delivery refiners, or standard physical bullions produced by LBMA accredited Good Delivery refiners.
Delivery venue	International Board (IB) Certified Vault
Transaction Fees	Exempted for now

Specifications for iPAu9999 (cash settlement)

Bullion product	iPAu9999
Trading code	iPAu9999
Trading mode	Price asking transaction
Product size	10 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	500,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Cash settlement on net amount upon the maturity date
Reference price	A market price published by the Exchange, such as opening price, closing price, weighted average price, benchmark price or any other price agreed upon by the parties on a date designated by the parties.
Mode of delivery	Cash settlement
Transaction Fees	Exempted for now

Specifications for iPAu99.5 (physical delivery)

Bullion product	iPAu99.5
Trading code	iPAu99.5
Trading mode	Price asking transaction
Product size	12.5 kg/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	500 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Delivery versus payment upon the maturity date
Deliverable bullion	Gold ingots with a Standard Weight of 12.5 kg and a fineness of no lower than 995.0
Mode of delivery	Physical delivery
Quality standards	Physical bullions produced in compliance with SGE gold ingot quality standard SGEB1-2002 by SGE Standard Gold Ingots Delivery refiners, or standard physical bullions produced by LBMA accredited Good Delivery refiners.
Delivery venue	International Board (IB) Certified Vault
Transaction Fees	Exempted for now

Specifications for iPAu99.5 (cash settlement)

Bullion product	iPAu99.5
Trading code	iPAu99.5
Trading mode	Price asking transaction
Product size	12.5 kg/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	500 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Cash settlement on net amount upon the maturity date
Reference price	A market price published by the Exchange, such as opening price, closing price, weighted average price, benchmark price or any other price agreed upon by the parties on a date designated by the parties.
Mode of delivery	Cash settlement
Transaction Fees	Exempted for now

Specifications for iPAu100g (physical delivery)

Bullion product	iPAu100g
Trading code	iPAu100g
Trading mode	Price asking transaction
Product size	100 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	50,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Delivery versus payment upon the maturity date
Deliverable bullion	Gold bars with a Standard Weight of 0.1 kg and a fineness of no lower than 999.9
Mode of delivery	Physical delivery
Quality standards	Standard physical bullions produced by SGE certified gold producers and meet SGEB2-2004 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery venue	International Board (IB) Certified Vault
Transaction Fees	Exempted for now

Specifications for iPAu100g (cash settlement)

Bullion product	iPAu100g
Trading code	iPAu100g
Trading mode	Price asking transaction
Product size	100 g/lot
Type of transaction	Spot, forward and swap transactions
Quotation unit	RMB/g
Minimum price fluctuation	RMB 0.01/g
Minimum transaction size	1 lot
Minimum transaction size	50,000 lots
Trading hours	From 9:00 a.m. to 5:00 p.m. on each trading day
Clearing method	Cash settlement on net amount upon the maturity date
Reference price	A market price published by the Exchange, such as opening price, closing price, weighted average price, benchmark price or any other price agreed upon by the parties on a date designated by the parties.
Mode of delivery	Cash settlement
Transaction Fees	Exempted for now

[1] Any adjustment to the bullion products or their specifications shall be executed per the Exchange's announcements.

Schedule 3

SGE Reporting Form for Buyer's Default in Price Asking Transactions

Member name		Member code	
Customer name		Customer code	
Member's contact person		Telephone	
Number	Price asking transaction number		
1			
2			
3			
4			
5			
Member's official seal			
Principal's signature		Date	
To be completed by the Exchange			
Approved by:			
Recorded by:		Reviewed by:	

Schedule 4

SGE Request Form for Re-clearing of Price Asking Transactions

Buyer:			
Member name		Member code	
Customer name		Customer code	
Member's contact person		Telephone	
Seller:			
Member name		Member code	
Customer name		Customer code	
Member's contact person		Telephone	
Number	Price asking transaction number		
1			
2			
3			
4			
5			
The buyer member's official seal		The seller member's official seal	
Signature of the buyer's principal:		Signature of the seller's principal:	
Date		Date	
To be completed by the Exchange			
Approved by:			
Recorded by:		Reviewed by:	