| **REVISED** |  **RESTATED** |
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| **Risk Management Rules of the Shanghai International Energy Exchange** |
| **Article 19** Given the circumstances prescribed in item three of the third paragraph under Article 18 of these Risk Management Rules, the Exchange may, in its sole discretion, following the market close on D3, announce that the futures contract prescribed in Article 16 will continue to trade on D4, and take one or more of the following measures: 1. ~~requiring additional trading margins from a part of or all of the Members and/or OSPs on either or both of the long or short position at the same or different rates of trading margin;~~ **adjusting the price limit, but not to be over twenty percent (20%) up or down;**2. ~~suspending the opening of new positions by a part of or all of the Members and/or OSPs;~~  **requiring additional trading margins from a part of or all of the Members and/or OSPs on either or both of the long or short position at the same or different rates of trading margin;**3. ~~adjusting the price limit to 7 percent (%) above the price limit on D1;~~ **suspending the opening of new positions by a part of or all of the Members and/or OSPs;**4. limiting the withdrawal of funds; 5. requiring the liquidation of positions by a prescribed deadline; 6. exercising forced position liquidation; and/or 7. other measures the Exchange deems necessary. If the Exchange implements the measures in preceding paragraph,, the trading of the contract described in Article 16 on D5 shall be conducted as follows: 1. if a same direction Limit-locked market does not occur on D4, the price limit and trading margin for D5 shall return to the normal level; 2. if a reverse direction Limit-locked market occurs on D4, a new round of a Limit-locked market is deemed to be triggered, i.e. D4 shall become D1 for the new round of a Limit-locked market, and the trading margin and the price limit for the following trading day shall be set pursuant to Article 16 of these Risk Management Rules; or 3. if the same direction Limit-locked market continues to exist on D4, which means for four (4) consecutive trading days, market has been locked at limit price, the Exchange shall announce that an abnormal circumstance occurs, and take risk control measures as provided in the applicable rules of the Exchange. | **Article 19** Given the circumstances prescribed in item three of the third paragraph under Article 18 of these Risk Management Rules, the Exchange may, in its sole discretion, following the market close on D3, announce that the futures contract prescribed in Article 16 will continue to trade on D4, and take one or more of the following measures: 1. adjusting the price limit, but not to be over twenty percent (20%) up or down;2. requiring additional trading margins from a part of or all of the Members and/or OSPs on either or both of the long or short position at the same or different rates of trading margin;3. suspending the opening of new positions by a part of or all of the Members and/or OSPs; 4. limiting the withdrawal of funds; 5. requiring the liquidation of positions by a prescribed deadline; 6. exercising forced position liquidation; and/or 7. other measures the Exchange deems necessary. If the Exchange implements the measures in preceding paragraph,, the trading of the contract described in Article 16 on D5 shall be conducted as follows: 1. if a same direction Limit-locked market does not occur on D4, the price limit and trading margin for D5 shall return to the normal level; 2. if a reverse direction Limit-locked market occurs on D4, a new round of a Limit-locked market is deemed to be triggered, i.e. D4 shall become D1 for the new round of a Limit-locked market, and the trading margin and the price limit for the following trading day shall be set pursuant to Article 16 of these Risk Management Rules; or 3. if the same direction Limit-locked market continues to exist on D4, which means for four (4) consecutive trading days, market has been locked at limit price, the Exchange shall announce that an abnormal circumstance occurs, and take risk control measures as provided in the applicable rules of the Exchange. |
| **Article 21** Given the circumstances prescribed in Article 20 of these Risk Management Rules, the Exchange may, in its sole discretion, announce that the trading of the contract described in Article 16 of these Risk Management Rules will be extended to D5, and take one or more of the following measures: 1. ~~requiring additional trading margins from a part of or all of the Members and/or OSPs on either or both of the long or short position at the same or different rates of trading margin;~~ **adjusting the price limit, but not to be over twenty percent (20%) up or down;**2. ~~suspending the opening of new positions by a part of or all of the Members and/or OSPs;~~  **requiring additional trading margins from a part of or all of the Members and/or OSPs on either or both of the long or short position at the same or different rates of trading margin;**3. ~~adjusting the price limit, but not to be over twenty percent (20%) up or down;~~  **suspending the opening of new positions by a part of or all of the Members and/or OSPs;**4.limiting the withdrawal of funds; 5. requiring the liquidation of positions by a prescribed deadline; 6. exercising forced position liquidation; and/or 7. other measures the Exchange deems necessary. If the Exchange implements the measures in preceding paragraph, the trading of the contract described in Article 16 on D6 shall be conducted as follows: 1. If a same direction Limit-locked market does not occur on D5, the price limit and trading margin for D6 shall return to the normal level; 2. If a reverse direction Limit-locked market occurs on D5, a new round of a Limit-locked market is deemed to be triggered, i.e. D5 shall become D1 for the new round of a Limit-locked market, and the trading margin and the price limit for the following trading day shall be set pursuant to Article 16 of these Risk Management Rules; or 3. If the same direction Limit-locked market continues to exist on D5, which means for five (5) consecutive trading days, market has been locked at limit price, the Exchange shall announce that an abnormal circumstance occurs and take risk control measures as provided in the applicable rules of the Exchange. | **Article 21** Given the circumstances prescribed in Article 20 of these Risk Management Rules, the Exchange may, in its sole discretion, announce that the trading of the contract described in Article 16 of these Risk Management Rules will be extended to D5, and take one or more of the following measures: 1. adjusting the price limit, but not to be over twenty percent (20%) up or down; 2. requiring additional trading margins from a part of or all of the Members and/or OSPs on either or both of the long or short position at the same or different rates of trading margin; 3. suspending the opening of new positions by a part of or all of the Members and/or OSPs; 3. adjusting the price limit, but not to be over twenty percent (20%) up or down; 4.limiting the withdrawal of funds; 5. requiring the liquidation of positions by a prescribed deadline; 6. exercising forced position liquidation; and/or 7. other measures the Exchange deems necessary. If the Exchange implements the measures in preceding paragraph, the trading of the contract described in Article 16 on D6 shall be conducted as follows: 1. If a same direction Limit-locked market does not occur on D5, the price limit and trading margin for D6 shall return to the normal level; 2. If a reverse direction Limit-locked market occurs on D5, a new round of a Limit-locked market is deemed to be triggered, i.e. D5 shall become D1 for the new round of a Limit-locked market, and the trading margin and the price limit for the following trading day shall be set pursuant to Article 16 of these Risk Management Rules; or 3. If the same direction Limit-locked market continues to exist on D5, which means for five (5) consecutive trading days, market has been locked at limit price, the Exchange shall announce that an abnormal circumstance occurs and take risk control measures as provided in the applicable rules of the Exchange. |
| **Article 22 If the Exchange announces that an abnormal circumstance occurs and exercises forced position reduction, it shall specify the Forced Position Reduction Base Date and relevant contracts. Forced Position Reduction Base Date is the most recent trading day that a Limit-locked market occurs and forced position reduction is exercised.**~~Given the circumstances prescribed in Article 20 of these Risk Management Rules, the Exchange may, in its sole discretion, exercise forced position reduction on the positions described in Article 16 on D4.~~  **When** The Exchange **exercises the forced position reduction** , **the Exchange** shall automatically match all existing unfilled orders that are placed at the limit price by the close of **Forced Position Reduction Base Date** with the open interests held by each trader (trader here refers to a Client, a Non-Futures Firm Member (the “Non-FF Member”), or an Overseas Special Non-Brokerage Participant (the “OSNBP”)), who incurs gains on his/her net positions, on a pro rata basis in proportion to the positions of the contract and at the limit price of **Forced Position Reduction Base Date**. If that trader holds both long and short positions, these positions shall be matched and settled before being matched with the remaining orders in the above ways. The procedure is as follows:1. Determination of the “amount of the orders to be filled”: The term “amount of orders to be filled” means the total amount of all the existing unfilled orders placed at the limit price into the central order book before the market close of **Forced Position Reduction Base Date** ~~D3~~ by each trader, who has incurred average losses on net positions in the futures contract of no less than eight percent (8%) of the daily settlement price on **Forced Position Reduction Base Date** ~~D3~~. Traders unwilling to be subjected to this method may cancel the orders before the close of the market to avoid having the orders filled; cancelled orders will no longer be regarded as the orders to be filled. 2. Calculation of each trader’s average gains or losses on net positions:……3. The positions eligible to fill the orders: The positions eligible to fill the orders include the trader’s general positions and arbitrage positions with average gains on net position based on the formula in the Article 22-2, and the trader’s hedging positions with average gains on net positions of no less than eight percent (8%) of the settlement price of **Forced Position Reduction Base Date** ~~D3~~. 4. Principles for the orders to be filled: Subject to Article 22-3, the unfilled orders shall be filled in the following orders based on the amount of gains and whether such positions are general, arbitrage, or hedging: Firstly, unfilled orders shall be filled with the general and arbitrage positions eligible to fill the unfilled orders of any trader with average gains on net positions of no less than eight percent (8%) of the settlement price on **Forced Position Reduction Base Date** ~~D3~~ for the contract. Secondly, remaining unfilled orders after the first round of filling described in the above paragraph shall be filled with the general positions and arbitrage positions eligible to fill the unfilled orders of any trader with average gains on net positions of no less than four percent (4%) but no more than eight percent (8%) of the settlement price on  **Forced Position Reduction Base Date** ~~D3~~ for the contract. Thirdly, remaining unfilled orders after the previous two rounds of fillings shall be filled with the general and arbitrage positions eligible to fill the unfilled orders of any trader with average gains on net positions of no more than four percent (4%) of the settlement price on **Forced Position Reduction Base Date** ~~D3~~ for the contract. At last, remaining unfilled orders after the previous three rounds of fillings shall be filled with the hedging position eligible to fill the unfilled orders of any trader with gains over eight percent (8%) of the settlement price on **Forced Position Reduction Base Date** ~~D3~~ for the contract. In each layer, the order fill shall be made pro rata to the amount of position available to fill the unfilled orders, compared to the amount of the unfilled orders, or the remaining unfilled orders. 5. Methods and procedures for the pro rata order fill of unfilled orders (please see Appendix for illustration): ……6. Decimals of the unfilled orders: Positions are filled to the unfilled orders posted to the central order book under each trading code.……**~~Article 23~~** If market risk is mitigated after forced position reduction is implemented ~~as prescribed in Article 22 of these Risk Management Rules~~, the price limit and the margin rate shall return to their regular levels on ~~D5~~the next Trading Day; otherwise, the Exchange shall ~~announce that an abnormal circumstance occurs and shall~~ resort to **further** risk management measures ~~pursuant to applicable rules prescribed by the Exchange~~.Financial losses incurred as a result of the implementation of forced position reduction ~~as prescribed in Article 22 of these Risk Management Rules~~ shall be borne by the Members, OSPs, Overseas Intermediaries and Clients. | **Article 22** If the Exchange announces that an abnormal circumstance occurs and exercises forced position reduction, it shall specify the Forced Position Reduction Base Date and relevant contracts. Forced Position Reduction Base Date is the most recent trading day that a Limit-locked market occurs and forced position reduction is exercised.When The Exchange exercises the forced position reduction , the Exchange shall automatically match all existing unfilled orders that are placed at the limit price by the close of Forced Position Reduction Base Date with the open interests held by each trader (trader here refers to a Client, a Non-Futures Firm Member (the “Non-FF Member”), or an Overseas Special Non-Brokerage Participant (the “OSNBP”)), who incurs gains on his/her net positions, on a pro rata basis in proportion to the positions of the contract and at the limit price of Forced Position Reduction Base Date . If that trader holds both long and short positions, these positions shall be matched and settled before being matched with the remaining orders in the above ways. The procedure is as follows:1. Determination of the “amount of the orders to be filled”: The term “amount of orders to be filled” means the total amount of all the existing unfilled orders placed at the limit price into the central order book before the market close of Forced Position Reduction Base Date by each trader, who has incurred average losses on net positions in the futures contract of no less than eight percent (8%) of the daily settlement price on Forced Position Reduction Base Date . Traders unwilling to be subjected to this method may cancel the orders before the close of the market to avoid having the orders filled; cancelled orders will no longer be regarded as the orders to be filled. 2. Calculation of each trader’s average gains or losses on net positions:……3. The positions eligible to fill the orders: The positions eligible to fill the orders include the trader’s general positions and arbitrage positions with average gains on net position based on the formula in the Article 22-2, and the trader’s hedging positions with average gains on net positions of no less than eight percent (8%) of the settlement price of Forced Position Reduction Base Date . 4. Principles for the orders to be filled: Subject to Article 22-3, the unfilled orders shall be filled in the following orders based on the amount of gains and whether such positions are general, arbitrage, or hedging: Firstly, unfilled orders shall be filled with the general and arbitrage positions eligible to fill the unfilled orders of any trader with average gains on net positions of no less than eight percent (8%) of the settlement price on Forced Position Reduction Base Date for the contract. Secondly, remaining unfilled orders after the first round of filling described in the above paragraph shall be filled with the general positions and arbitrage positions eligible to fill the unfilled orders of any trader with average gains on net positions of no less than four percent (4%) but no more than eight percent (8%) of the settlement price on Forced Position Reduction Base Date for the contract. Thirdly, remaining unfilled orders after the previous two rounds of fillings shall be filled with the general and arbitrage positions eligible to fill the unfilled orders of any trader with average gains on net positions of no more than four percent (4%) of the settlement price on Forced Position Reduction Base Date for the contract. At last, remaining unfilled orders after the previous three rounds of fillings shall be filled with the hedging position eligible to fill the unfilled orders of any trader with gains over eight percent (8%) of the settlement price on Forced Position Reduction Base Date for the contract. In each layer, the order fill shall be made pro rata to the amount of position available to fill the unfilled orders, compared to the amount of the unfilled orders, or the remaining unfilled orders. 5. Methods and procedures for the pro rata order fill of unfilled orders (please see Appendix for illustration): ……6. Decimals of the unfilled orders: Positions are filled to the unfilled orders posted to the central order book under each trading code.……If market risk is mitigated after forced position reduction is implemented, the price limit and the margin rate shall return to their regular levels on the next Trading Day; otherwise, the Exchange shall resort to further risk management measures.Financial losses incurred as a result of the implementation of forced position reduction shall be borne by the Members, OSPs, Overseas Intermediaries and Clients. |
| **Article 23 If the Exchange announces that an abnormal circumstance occurs, the Exchange may adjust the time for market opening and closing, temporarily suspend trading, adjust price limit, raise level of margin, require position liquidation within a prescribed time period, conduct forced position liquidation, suspend withdrawal of funds, conduct forced position reduction, restrict trading or** **take any other emergency actions.** | **Article 23** If the Exchange announces that an abnormal circumstance occurs, the Exchange may adjust the time for market opening and closing, temporarily suspend trading, adjust price limit, raise level of margin, require position liquidation within a prescribed time period, conduct forced position liquidation, suspend withdrawal of funds, conduct forced position reduction, restrict trading or take any other emergency actions. |
| **Delivery Rules of the Shanghai International Energy Exchange** |
| **Article 71** After becoming a Designated Delivery Storage Facility as approved by the Exchange, the Designated Delivery Storage Facility shall: ~~1. Pay the performance deposit according to the requirements stipulated in the agreement of Designated Delivery Storage Facility.~~ ~~2~~**1**. Appoint one supervisor in charge of the futures delivery business and appoint designated personnel in charge of managing the delivery commodities and conducting the standard warrant businesses. The management shall be trained by the Exchange for delivery businesses. ~~3~~**2**. Formulate operation instructions according to these Delivery Rules, and develop relevant futures delivery businesses only after the Exchange’s verification and approval. ~~4~~**3**. Satisfy other requirements prescribed by the Exchange. | **Article 71** After becoming a Designated Delivery Storage Facility as approved by the Exchange, the Designated Delivery Storage Facility shall: 1. Appoint one supervisor in charge of the futures delivery business and appoint designated personnel in charge of managing the delivery commodities and conducting the standard warrant businesses. The management shall be trained by the Exchange for delivery businesses. 2. Formulate operation instructions according to these Delivery Rules, and develop relevant futures delivery businesses only after the Exchange’s verification and approval. 3. Satisfy other requirements prescribed by the Exchange. |
| **Article 76** A Designated Delivery Storage Facility shall complete the following matters if it has given up its qualification or been disqualified: 1. Moving out all delivery commodities or convert them into physicals. 2. Settling all credits and debts with the Exchange. ~~3. Refunding performance deposit.~~ | **Article 76** A Designated Delivery Storage Facility shall complete the following matters if it has given up its qualification or been disqualified: 1. Moving out all delivery commodities or convert them into physicals. 2. Settling all credits and debts with the Exchange.  |
| **Article 79** A Designated Delivery Storage Facility shall perform the following obligations: 1.Abiding by the General Exchange Rules, these Delivery Rules and other relevant rules of the Exchange, accepting the Exchange’s supervision and management, and timely informing the Exchange of relevant situations. 2.Inspecting and accepting futures delivery commodities according to the quality standards provided in the futures contract, and cooperating with the Designated Inspection Agencies in the quality and quantity inspections of delivery commodities. 3. Safely keeping commodities in the Designated Delivery Storage Facility according to relevant provisions to ensure the safety of such commodities, and that the quantities and qualities of such commodities meet the relevant requirements. 4. Specifying the locations to store the futures delivery commodities based on the approved storage capacity, and ensuring that the futures commodities and physical commodities are stored separately; setting an independent account book for the futures delivery commodities. 5.Keeping business secrets regarding futures trading. 6.Engaging in the Exchange’s annual audit. ~~7. Fully paying the performance deposit.~~ ~~8~~**7**.Timely reporting to the Exchange about any changes to its legal representatives, registered capital, shareholders or equity structure, storage venues, authorized personnel, terminal facilities, port conditions, charging items, etc. ~~9~~**8**.Abiding by the provisions of all applicable laws and regulations (including the laws and regulations regarding environmental protection; if a Designated Delivery Storage Facility engages in bonded delivery business, it shall comply with relevant requirements of the Customs) and fulfilling other obligations provided in these Delivery Rules and the agreement of Designated Delivery Storage Facilities. | **Article 79** A Designated Delivery Storage Facility shall perform the following obligations: 1.Abiding by the General Exchange Rules, these Delivery Rules and other relevant rules of the Exchange, accepting the Exchange’s supervision and management, and timely informing the Exchange of relevant situations. 2.Inspecting and accepting futures delivery commodities according to the quality standards provided in the futures contract, and cooperating with the Designated Inspection Agencies in the quality and quantity inspections of delivery commodities. 3. Safely keeping commodities in the Designated Delivery Storage Facility according to relevant provisions to ensure the safety of such commodities, and that the quantities and qualities of such commodities meet the relevant requirements. 4. Specifying the locations to store the futures delivery commodities based on the approved storage capacity, and ensuring that the futures commodities and physical commodities are stored separately; setting an independent account book for the futures delivery commodities. 5.Keeping business secrets regarding futures trading. 6.Engaging in the Exchange’s annual audit. 7.Timely reporting to the Exchange about any changes to its legal representatives, registered capital, shareholders or equity structure, storage venues, authorized personnel, terminal facilities, port conditions, charging items, etc. 8.Abiding by the provisions of all applicable laws and regulations (including the laws and regulations regarding environmental protection; if a Designated Delivery Storage Facility engages in bonded delivery business, it shall comply with relevant requirements of the Customs) and fulfilling other obligations provided in these Delivery Rules and the agreement of Designated Delivery Storage Facilities. |
| **~~Article 98~~** ~~The specific amount and payment method of the performance deposit shall be specified in the agreement of the Designated Delivery Storage Facility. If no economic compensation liabilities due to default or other reasons occur to the Designated Delivery Storage Facility, the Exchange shall return the interests of the performance deposit to the Designated Delivery Storage Facility before the end of each year (The interests are calculated at the demand deposit rate published by the People’s Bank of China). If a Designated Delivery Storage Facility is required to pay economic compensation and has not paid in full, the Exchange shall pay the compensation with the performance deposit of the Designated Delivery Storage Facility, and if such deposit is not sufficient for the compensation, the Exchange has the right to recourse the compensation from the Designated Delivery Storage Facility.~~ |  |
| **Article ~~99~~** **98** If a standard warrant holder cannot fully or partially exercise the right of using the standard warrants because of the faults of the Designated Delivery Storage Facility, the Designated Delivery Storage Facility shall assume the compensation liabilities. **Article 99** If the Designated Delivery Storage Facility is not the legitimate holder of the standard warrants, it shall not claim ownership of the futures commodities, or place any mortgage or other security interests on the futures commodities. If the Designated Delivery Storage Facility enters into bankruptcy or other credit and debt disputes, the futures commodities, which are deposited in the Designated Delivery Storage Facility by futures market participants but do not belong to the Designated Delivery Storage Facility, shall not be classified as the bankruptcy property or the sealed-up or distrained property of the Designated Delivery Storage Facility. | **Article 98** If a standard warrant holder cannot fully or partially exercise the right of using the standard warrants because of the faults of the Designated Delivery Storage Facility, the Designated Delivery Storage Facility shall assume the compensation liabilities. **Article 99** If the Designated Delivery Storage Facility is not the legitimate holder of the standard warrants, it shall not claim ownership of the futures commodities, or place any mortgage or other security interests on the futures commodities. If the Designated Delivery Storage Facility enters into bankruptcy or other credit and debt disputes, the futures commodities, which are deposited in the Designated Delivery Storage Facility by futures market participants but do not belong to the Designated Delivery Storage Facility, shall not be classified as the bankruptcy property or the sealed-up or distrained property of the Designated Delivery Storage Facility. |