

Measures for the Administration of Memberships of Zhengzhou Commodity Exchange

Chapter 1 General Provisions

Article 1 These Measures are formulated in accordance with the Bylaws of Zhengzhou Commodity Exchange and the Trading Rules of Zhengzhou Commodity Exchange for the purposes of strengthening member management, protecting members' legitimate rights and interests and regulating members' business activities in Zhengzhou Commodity Exchange (hereinafter "the Exchange").

Article 2 A member shall refer to an enterprise legal person or other economic organization which is examined and approved by the Exchange to carry out the futures trading business on the Exchange in accordance with relevant provisions of the laws and regulations related to futures trading and the Bylaws of the Exchange.

Article 3 These Measures herein shall apply to members and their practitioners.

Chapter 2 Membership

Article 4 Members of the Exchange shall be classified into futures brokerage members (hereinafter “FB members”) and non-futures brokerage members (hereinafter “non-FB members”) by their business scopes.

The Exchange may receive and set special members as needed. All rights and obligations of such members shall be stipulated specially.

Article 5 Those applying for being the members of the Exchange shall meet the following requirements:

I. shall be an enterprise legal person or other economic organization registered within the territory of the People’s Republic of China;

II. shall comply with the Bylaws and business rules of the Exchange;

III. those applying for being the FB members shall hold the Futures Brokerage Business License issued by China Securities Regulatory Commission (hereinafter “the CSRC”); those applying for being the non-FB members shall own a registered capital of no less than CNY 5,000,000;

IV. shall be in good credit standing and maintain sound operation;

V. shall have complete organization structure, financial management system and comprehensive futures business management system;

VI. shall have qualified futures practitioners, fixed business premises and necessary facilities;

VII. other requirements prescribed by the CSRC and the Exchange.

Article 6 Those applying for being the members of the Exchange shall submit the following documents and materials to the Exchange:

- I. an application form signed by the legal representative;
- II. a copy of enterprises' business licenses issued by the administrative department for industry and commerce (affixed with the official seals of the applicants);
- III. the annual fiscal report of the most recent year issued by an accounting firm or an audit firm;
- IV. the certification on the authorized use of relevant domiciles (or business premises);
- V. written information about the shareholders;
- VI. other necessary documents determined as necessary by the Exchange.

Article 7 In addition to the materials listed in the preceding Article, those applying for being the FB members shall also submit the following materials to the Exchange:

- I. a copy of the Futures Brokerage Business License issued by the CSRC (affixed with the official seals of the applicants);
- II. the Articles of Association and futures brokerage business rules;
- III. the resumes of their legal representatives and the persons in charge of futures business, and the name lists of their futures practitioners.

Article 8 Those applying for the membership of the Exchange shall submit a written application letter to the Exchange.

The application letter shall include the following information:

- I. the written commitment to comply with the Bylaws and all regulations of the Exchange;

II. Information about the organization structure and operation structure;

III. other information shall be explained by the applicants as required by the Exchange.

Article 9 Member management department of the Exchange shall put forward the processing opinions along with the application materials provided by the applicants to the Exchange's Self-Disciplinary Committee for preliminary review within thirty (30) business days after receiving the application materials satisfying the Exchange's requirements.

The Exchange shall send the admission notices to eligible applicants after their applications have passed the preliminary review of the Exchange's Self-Disciplinary Committee and been approved by the Board of Governors.

Article 10 An applicant shall go through the following procedures within thirty (30) business days after receiving the admission notices from the Exchange:

I. pay the membership fee of CNY 400,000;

II. pay the annual fee of CNY 20,000 for an FB membership, or CNY 10,000 for a non-FB membership;

III. deposit the clearing reserve fund of no less than the amount specified by the Exchange;

IV. open a special fund account in the depository bank designated by the Exchange;

V. process the authorization formalities of relevant personnel and the use of seals;

VI. other necessary procedures.

In the event that the applicant fails to process any of the above procedures within the

prescribed time period, it shall be deemed to give up the admission qualifications automatically.

Article 11 After going through the above formalities, an applicant shall formally obtain the membership. The Exchange shall issue membership certificate to the applicant and report to the CSRC.

Article 12 A member shall hold a floor trading seat after it formally obtains the membership of the Exchange. Those need to increase their trading seats due to business development shall submit an application to the Exchange for review and approval.

Article 13 A member shall enjoy the rights and perform the obligations prescribed in the Bylaws and business rules of the Exchange.

Chapter 3 Change of Membership

Article 14 The membership may be transferred with the approval of the Exchange.

Article 15 A transferor shall be a member of the Exchange who has paid the membership fee and enjoyed relevant property rights. The transferee shall be an enterprise legal person or other economic organization which, in accordance with these Measures herein, has submitted admission application along with other relevant documents and materials to the Exchange and has received the admission notice from the Exchange after its application has passed the preliminary review of the

Exchange's Self-Disciplinary Committee and approved by the Board of Governors.

Article 16 In the event of membership transfer, the transferor shall submit the membership transfer application to the Exchange in advance, and the transferor and transferee shall enter into the Membership Transfer Agreement and submit it to the Exchange. Once the Agreement passes the preliminary review by the Exchange's Self-Disciplinary Committee and obtains the approval of the Board of Governors, the transferor and transferee shall be present at the Exchange in person to go through membership transfer procedures.

Article 17 The transferor shall complete the following procedures within thirty (30) business days after receiving the written approval notice for membership transfer from the Exchange:

- I. liquidating all open positions of futures and options contracts;
- II. settling all claims and liabilities on the Exchange;
- III. returning various bills and the certificates issued by the Exchange;
- IV. closing the special fund account;
- V. returning various trading facilities to the Exchange;
- VI. other matters that shall be processed pursuant to relevant provisions.

Article 18 Upon receiving the written approval notice for membership transfer from the Exchange, the transferee shall go through the procedures in accordance with Article 10 (excluding paragraph 1).

In the event that the transferee fails to go through the procedures within a prescribed time period, it shall be deemed to automatically refuse to receive the membership.

Article 19 The transferee shall not trade on the Exchange until the transferor completes the withdrawal procedures from the Exchange.

Article 20 The Exchange shall transfer the transferor's membership rights and interests (aka. those obtained by paying the membership fee) to the transferee and issue membership certificate to the transferee in accordance with the approval notice and admission/withdrawal procedures.

Article 21 The membership shall not be transferred in the event that any of the following circumstances occurs:

I. the member is under the investigation conducted by relevant state departments due to economic disputes, criminal behaviors and other behaviors in violation of laws, excepting for the situation that member's property is under legal auction or forced transfer by relevant state departments;

II. the member is under investigation conducted by the Exchange due to suspicion of violating relevant provisions;

III. the member is imposed on penalties by the Exchange such as criticism by circulating a notice and suspension of futures and options business due to violations of laws or regulations, and such penalties have not been effective for three (3) months;

IV. the debt disputes between the member and the Exchange have not been settled up;

V. the member's membership rights and interests are frozen by state law enforcement agencies pursuant to laws.

Article 22 Where a legal person succeeds to a membership by merging with a member or establishing a new company through amalgamating with a member, it shall submit an application to the Exchange, and may not succeed to the membership until

the application is reviewed and approved by the Board of Governors of the Exchange.

Article 23 The Exchange shall report the changes in membership to the CSRC.

Chapter 4 Supervision and Administration

Article 24 Members and their practitioners shall comply with relevant laws, regulations and policies of China and various business provisions prescribed in the Bylaws, regulations, and detailed rules of the Exchange, and shall accept the management and supervision of the CSRC and the Exchange.

Article 25 A member shall timely report to the Exchange in writing in the event that any of the following circumstances occurs:

- I. the member changes the legal representative;
- II. the member changes total registered capital or ownership structure;
- III. the member changes name, domicile, business scope and contact information;
- IV. the member establishes, amalgamates or closes any branch office;
- V. the member has significant changes in operation conditions;
- VI. lawsuits or economic disputes involving an amount of CNY 500,000 or more occur to the member;

VII. the member terminates the futures and options business;

VIII. the member obtains the membership of other exchanges;

IX. the member is punished by futures market administration departments, administrative law enforcement departments, judicial authorities or other exchanges due to violations of laws or regulations.

Article 26 The Exchange shall annually conduct sampling inspection or comprehensive inspection on a member's implementation of the business rules. The member shall actively provide assistance in such inspection according to the arrangement of the Exchange.

Article 27 The Exchange shall have the authority to require a member to make corrections within a certain period in the event that the member is involved in any of the following conditions:

I. poor financial management, long-term loss, poor business performance or significant decline of repayment capability;

II. significant problems are detected during annual inspection.

In the event that the member fails to make corrections within the prescribed time period, the Exchange shall have the authority to suspend the member from futures and options trading or cancel its membership with the approval of the Board of Governors.

Article 28 When the FB members conducting brokerage business, they shall perform the obligations of faithfulness and care to its clients, and carry out business activities in compliance with relevant laws and regulations.

Article 29 When accepting the account-opening applications from clients, an FB member shall provide the clients with the Statement on Futures Trading Risks, the Exchange's trading rules and its relevant detailed rules; the FB member shall require

the clients to sign to confirm its acknowledgement of the information stated on the Statement on Futures Trading Risks, the Exchange's trading rules and its relevant detailed rules and to promise to comply with relevant regulations of the Exchange in the brokerage agreement.

Article 30 An FB member providing online trading for its clients shall establish risk management system of online trading and specially notify the clients of the risks related to online trading.

Article 31 Members shall protect the reputation of the Exchange and assist the Exchange in dealing with various emergent or abnormal events. In the cases of emergent or abnormal events, the FB members shall well explain such events to clients.

Article 32 Members shall, as required by the Exchange, participate in various activities and various meetings organized by the Exchange. In the event that any member fails to participate in any of such activities or meetings for valid reasons, the member shall obtain the approval of the Exchange in advance.

Article 33 Trading, delivery and clearing on the Exchange conducted by the practitioners of a member shall be authorized by the member, and the member shall solely be liable for all business activities conducted by its practitioners on the Exchange.

Article 34 In the event that a membership is transferred or cancelled, the member's authorization granted to its practitioners shall automatically become invalid.

Chapter 5 Supplementary Provisions

Article 35 The Exchange shall handle any violation of these Measures in accordance with the Measures for Penalties for Violations of Zhengzhou Commodity Exchange.

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

Article 37 These Measures shall enter into force from November 9, 2018.

(English version is for reference ONLY. Chinese version shall prevail if there is any inconsistency.)