**Management Measures of Dalian Commodity Exchange for Accounts Involving Actual Control Relationship**

**Chapter I General Provisions**

1. The Management Measures of Dalian Commodity Exchange for Accounts Involving Actual Control Relationship (the "**Measures**") are formulated in accordance with the *Trading Rules of Dalian Commodity Exchange* and other rules for the purposes of regulating management of accounts involving actual control relationship, maintaining market orders and promoting healthy development of the market.
2. Dalian Commodity Exchange (the "**Exchange**") shall be responsible for determination of, and trading regulation of the accounts involving actual control relationship. The Exchange and the China Futures Market Monitoring Center ("**CFMMC**") shall establish the information sharing mechanism regarding accounts involving actual control relationship, and jointly manage these accounts of the futures market.
3. The Non-Futures Company Members, the Overseas Special Non-Brokerage Participants (the "**OSNBPs**") and the clients that participate in the futures trading shall comply with the Measures and other applicable provisions of the Exchange, and shall accept the management by the Exchange over their accounts involving actual control relationship. The clients shall also accept management by the Futures Company Members, the Overseas Special Brokerage Participants (the "**OSBPs**") and the Overseas Intermediaries over their accounts involving actual control relationship.

**Chapter II Identification of Accounts Involving Actual Control Relationship**

1. "Actual control" herein means the action or ability of any person (including individual or entity) to control the trading decisions of another person (including individual or entity) by virtue of its powers to manage, use, receive incomes from, dispose of or other powers over the futures account of the latter person.
2. According to the principle of "substance over form", it shall be identified that the person has actual control over the trading under any other's futures accounts in case of any of the following circumstances:
   1. the person is the controlling shareholder of others, that is defined as any person whose contribution represents fifty percent (50%) or more of the total contribution in the other person, or any shareholder who holds fifty percent (50%) or more of the total shares of the other person, or any shareholder who, despite of having a contribution or shareholding at less than fifty percent (50%), can nevertheless exercise the voting rights granted by its contribution or shareholding to significantly influence the decisions of the shareholders' meeting or the shareholders' general meeting of the other person;
   2. the person is the authorized person for account opening, authorized trader, authorized person for fund transfer, settlement statement verifier, or any other type of authorization engaged by the other person;
   3. the person is the legal representative, main partner, director, supervisor or senior manager of the other person, or shares the same legal representative, main partner, director, supervisor or senior manager with the other person;
   4. the person has the spousal relationship with such other person;
   5. the person has parental, children, sibling or other relationship with such other and has decision power or significant influence over the routine trading through the futures accounts of such other person;
   6. the person has the decision-making power or significant influence over the routine trading of such other's futures accounts through investment relations, agreements, financing arrangements or other arrangements;
   7. the person has the decision-making power or significant influence over the routine trading of two (2) or more futures accounts of such other person; or
   8. any other circumstance identified by the Exchange.

**Chapter III Reporting and Filing of Accounts Involving Actual Control Relationship**

1. The clients shall perform the reporting and filing, changing and cancellation procedures regarding the accounts involving actual control relationship in accordance with the Measures and the applicable rules of CFMMC through their respective account-opening Futures Company Member, OSBP, or Overseas Intermediary.
2. The Non-Futures Company Members and OSNBPs that satisfy the standards for identifying an account involving actual control relationship shall directly report and file to the Exchange within ten (10) trading days after they obtain the Exchange's membership or the OSNBP qualification. The Exchange shall then forward relevant information to CFMMC.
3. In case of any change to the actual control relationship involved with the Non-Futures Company Member or OSNBP, it shall proactively report to the Exchange within ten (10) trading days as of the occurrence of such change. The Exchange shall then forward relevant information to CFMMC.
4. Any client applying for terminating an actual control relationship shall submit an application to CFMMC through its account-opening Futures Company Member, then CFMMC will forward such application to the Exchange for review. The client shall also submit, through its account-opening Futures Company Member, OSBP, or Overseas Intermediary, relevant explanatory materials as required by the Exchange. Any Non-Futures Company Member or OSNBP applying for terminating an actual control relationship shall submit the application to the Exchange directly and shall provide such explanatory materials as required by the Exchange.

The Exchange shall examine the Non-Futures Company Member's, OSNBP's or client's application for cancellation of the actual control relationship, and shall have the right to require, as needed by examination, the Non-Futures Company Member, OSNBP and/or client to submit the relevant supplementary materials.

1. If the Exchange discovers an unfiled account that is suspected of involving actual control relationship during its routine monitoring, the Exchange is entitled to inquire the relevant account opener directly or through the Futures Company Member in case the account opener is a client who entrusts futures company to engage in futures trading; the Exchange is entitled to inquire the relevant account opener directly or through the OSBP in case the account opener is a client who entrusts the OSBP to engage in futures trading; the Exchange may inquire the relevant account opener directly in case the account opener is a Non-Futures Company Member; the Exchange may inquire the relevant account opener directly in case the account opener is an OSNBP.

In case a client entrusts an Overseas Intermediary to engage in futures trading, the Futures Company Member or the OSBP shall timely forward the relevant inquiry of the Exchange to such Overseas Intermediary, who shall inquire the client accordingly.

1. The client, the Non-Futures Company Member and the OSNBP shall timely respond in writing and shall submit the relevant explanation materials with respect to the Exchange's inquiry. In addition, the relevant Futures Company Member, the OSBP and the Overseas Intermediary shall timely report and submit the client's response and the relevant explanation materials to the Exchange.
2. If the Non-Futures Company Member, the OSNBP or the client acknowledges existence of an actual control relationship after inquired by the Exchange, it shall make filings in accordance with Articles 6 and 7 of the Measures.

If the Non-Futures Company Member, OSNBP or client denies the existence of an actual control relationship after inquired by the Exchange, it shall make explanation and sign a Compliance Declaration and Undertaking (See the Annex hereof). The Exchange shall examine its explanation materials. If the standards for identifying an actual control relationship cannot indeed be satisfied with clear facts and sufficient reasons, the Exchange will not regulate the relevant accounts as accounts involving actual control relationship. If the facts and reasons are insufficient, the Exchange shall conduct investigation over the Non-Futures Company Member, OSNBP or the client, and if it is deemed that the standards for identifying an actual control relationship are satisfied, the Exchange may order the Non-Futures Company Member, OSNBP or the client to make relevant reporting and filings. If the Non-Futures Company Member, OSNBP or the client refuses to report or file, the Exchange may directly identify the existence of actual control relationship and will handle it pursuant to Article 13 of the Measures and the applicable rules. If the Exchange is unable to identify the existence of actual control relationship for the time being, the Exchange may add such Non-Futures Company Member or client to the list of key regulatory target.

1. If any Non-Futures Company Member, OSNBP or client that involved in an actual control relationship does not truthfully file the relevant information, or honestly respond to the Exchange's inquiry, or elects to conceal any facts or truth, intentionally evade or otherwise not cooperate with the Exchange in the filings or during investigations, the Exchange may take such actions against the Non-Futures Company Member, OSNBP or the client as giving a verbal alert, issuing warning letter, suspension of position-opening or other regulatory actions. Where the circumstance is serious, the Exchange will handle it in accordance with the applicable provisions of the *Measures against Rule Violations of Dalian Commodity Exchange*.
2. The Futures Company Members, the OSBPs and the Overseas Intermediaries shall inform the clients to report and file the accounts involving actual control relationship in accordance with the applicable rules, and shall effectively perform the duties of managing such accounts of their clients, and timely discover, report and prevent the clients' dishonest behaviors.

The Futures Company Members, the OSBPs and the Overseas Intermediaries shall proactively cooperate with the clients to properly perform the reporting and filing of their accounts involving actual control relationship, and shall archive and securely store materials relating to the filing and administration of such accounts, and keep the information filed by the clients confidential.

1. In case of any of the following acts conducted by a Futures Company Member, an OSBP or an Overseas Intermediary, the Exchange may order to make rectification, give a verbal alert, issue warning letter, arrange regulatory talk and take other regulatory actions; or if the circumstance is serious, the Exchange will handle in accordance with the applicable rules of the Measures for against Rule Violations of Dalian Commodity Exchange:
   1. failing to timely, accurately or fully inform the client of the rules of the Exchange regarding accounts involving actual control relationship;
   2. failing to timely, accurately or fully complete the record or update of the information regarding accounts involving actual control relationship;
   3. indulging, inducing, encouraging or assisting the clients to make false reporting, or conceal truth or facts;
   4. failing to properly preserve the materials regarding the clients' accounts involving actual control relationship;
   5. failing to provide assistance in inquiring the clients about information of the accounts involving actual control relationship as required by the Exchange, or committing any intentional delay, concealment or omission of facts; or
   6. any other circumstance identified by the Exchange.

**Chapter IV Management of Accounts Involving Actual Control Relationship**

1. When the Exchange implements rules of the position limit, trading limit, large position reporting, abnormal trading management and others, it shall calculate the order quantity, cancelled order quantity, trading volume and open interest of a group of accounts with actual control relationship on a consolidated basis.
2. In case that a group of accounts with actual control relationship are all held by clients, the speculative positions held by such accounts shall be calculated on a consolidated basis and shall not exceed the speculative position limit of a single client. Where a group of accounts with actual control relationship includes one or more Non-Futures Company Member(s) or OSNBP(s), the speculative positions held by such accounts shall be calculated on a consolidated basis and shall not exceed the speculative position limit of a single Non-Futures Company Member or OSNBP.
3. The arbitrage positions of a group of accounts with actual control relationship shall not exceed the arbitrage position limit determined by the Exchange, and the total of the arbitrage positions and the speculative positions held by a group of accounts with actual control relationship shall not exceed the arbitrage position limit determined by the Exchange.
4. The hedging positions of a group of accounts with actual control relationship shall not exceed the hedging position limit determined by the Exchange, and the total of the hedging positions and the speculative positions of a group of accounts with actual control relationship shall not exceed the hedging position limit determined by the Exchange.
5. In case the position exceeds the limit with respect to a group of accounts with actual control relationship, the Exchange will implement forced liquidation in accordance with the applicable rules on the immediately following trading day. The principles for implementing the forced liquidation are listed below:
6. in case the speculative positions of a group of accounts with actual control relationship exceed the limit, the force liquidation shall be implemented as per the speculative positions of the client, the OSNBP or the Non-Futures Company Member within such group in descending order at the time of clearing on the immediately preceding trading day; or in case the speculative positions are equal to the limit, the force liquidation shall be implemented in ascending order as per the client numbers of the clients, the ledger numbers of the OSNBPs or the membership numbers of the Non-Futures Company Members. In case the arbitrage positions or the hedging positions of a group of accounts with actual control relationship exceed the limit, the principles of forced liquidation shall be the same as those applicable to excessive speculative positions.
7. in case the total of the speculative positions and the hedging positions of a group of accounts with actual control relationship exceeds the limit, the Exchange will implement forced liquidation by choosing the clients, the OSNBPs or the non-Futures Company Members, subject to the principles of "speculation first, hedging second" and in descending order in the positions at the time of clearing on the immediately preceding trading day; or in case the positions are equal to the limit, the forced liquidation shall be implemented in ascending order as per the client numbers of the clients, the ledger numbers of the OSNBPs or the membership numbers of the non-Futures Company Members.
8. in case a group of accounts with actual control relationship holds over-limit positions, and a client, an OSNBP or a Non-Futures Company Member within the same group of accounts holds over-limit positions concurrently, the Exchange shall implement forced liquidation against the client, the OSNBP or the Non-Futures Company Member first, and then implement it against the group of accounts.

**Chapter V Supplementary Provisions**

1. The Exchange reverses the right to interpret the Measures.
2. The Measures shall come into force on the date of May 28, 2018.

Annex: Compliance Declaration and Undertaking

***Disclaimer****:* *This English translation may be used for reference only. In cases there is any discrepancy between the English version and the original Chinese version, the original Chinese version shall prevail. Dalian Commodity Exchange may change or update this English translation without any prior notice and shall accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or change with regard to this English translation.*

**Annex:**

**Compliance Declaration and Undertaking**

To: Dalian Commodity Exchange,

I declare that I do not have actual control or significant influence over the futures trading under the accounts of \_\_\_\_\_\_\_\_ due to such factors as brokerage, investment, kinship, cross-holding of job positions, agreements, and other arrangements between the accounts \_\_\_\_\_\_\_\_ of and my own account; that my futures trading is not being controlled or significantly influenced by \_\_\_\_\_\_\_\_\_ due to the foregoing relationships, and that I do not evade and exceed the position limit prescribed by the Exchange by holding positions through separate accounts.

I undertake that the foregoing declaration is true, accurate and complete without any false recording, misleading representation or material omission. I undertake that I will participate in the futures trading through in strict compliance with the provisions of the laws and regulations of the futures trading and the Exchange's rules, that I am willing to cooperate with the Exchange and/or the relevant futures companies in respect of their appropriate measures; and that I fully understand the results or the possible consequences of misrepresentation, voluntarily assume the legal liabilities arising out of the illegalities and/or irregularities and accept the actions taken by the Exchange for my illegal acts or misconduct.

Signature:

Date: MM/DD/YYYY