

# **Membership Management Rules of Micro Connect (Macao) Financial Assets Exchange**

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## Membership Management Rules of Micro Connect (Macao) Financial Assets Exchange

### Chapter 1 General Provisions

**Article 1** The Rules are formulated by Micro Connect (Macao) Financial Assets Exchange (hereinafter referred to as "MCEX" or the "Exchange") in accordance with the laws, regulations and provisions, as well as the General Rules of Micro Connect (Macao) Financial Assets Exchange (hereinafter referred to as the "General Rules") with an aim to regulate the behaviour of Members, ensure the security of transactions, maintain the order of the trading market, and protect the legitimate rights and interests of Members and the public .

**Article 2** Pursuant to the laws, regulations and regulatory provisions of the Macao Special Administrative Region of the People's Republic of China (hereinafter referred to as "Macao"), the Rules shall apply to activities related to Members of the Exchange. Where there are no corresponding provisions in the Rules, other relevant Rules of the Exchange shall apply.

Where the laws and regulations of Macao and the Monetary Authority of Macao (hereinafter referred to as "AMCM") provide otherwise in respect of the matters covered by the Rules, such provisions shall prevail.

**Article 3** Members and their related personnel shall comply with the relevant laws, regulations and provisions as well as Rules of the Exchange and the requirements of relevant documents, follow the principle of honesty and trustworthiness, operate in a regulated manner, and accept the management of the Exchange regarding the conduct of trading and related business of the Exchange.

**Article 4** Article 4 Unless the context otherwise requires or unless otherwise provided in the General Rules, the following terms in the Rules shall have the following meanings

- (I) Business Days: shall mean the normal business days of the of the financial institutions in Macao (excluding statutory holidays and public holidays stipulated under the laws of Macao).

**Article 5** Article 5 Members conducting transactions and related business of the Exchange shall manage their own and clients' trading qualifications and trading behaviours, to prevent illegal trading practices and abnormal trading risks, and maintain market order in the conduct of trading and related business of the Exchange.

### Chapter 2 Eligibility of Members

**Article 6** Investors with the following eligibilities may apply for membership with the Exchange:

- (I) Such applicant is a regulated financial institution in Macao or other major jurisdictions; or
- (II) Such applicant is any other investor type approved by the Exchange and meeting the requirements of the AMCM.

**Article 7** Investors applying to become Members of the Exchange shall have the business facilities and technical systems as required by the Exchange from time to time, and recognise and comply with the relevant rules of the Exchange.

**Article 8** Applicants shall submit relevant supporting documents as required by the Exchange. The Exchange may impose documentary requirements on different types of investors accordingly.

**Article 9** The Exchange shall accept an applicant's application if the applicant's documents are complete. The Exchange shall have the right to request the applicant to submit other supplementary documents according to the situation. The Exchange shall make a decision on whether or not to accept the applicant as a Member and notify the applicant of the decision accordingly after completing the relevant compliance review, risk assessment and other review procedures.

**Article 10** If a Member's registration information on the Exchange changes, the Member shall notify the Exchange within fifteen (15) Business Days of the occurrence of the change and provide supporting documents as required. The registration information includes the company name, registered address, principal business address, principal business scope and other matters covered by the membership application. The Exchange will conduct verification and risk assessment of the relevant information and update the Member registration information accordingly.

**Article 11** A Member shall apply to the Exchange for termination of its membership under any of the following circumstances:

- (I) Having its financial licence revoked by the relevant regulatory authority in accordance with the law;
- (II) Failure to continue to fulfil normal trading and settlement obligations;
- (III) No longer being able to meet the basic qualification requirements for membership as set out in Article 6 of the Rules; or
- (IV) Other circumstances that do not comply with the eligibilities of membership stipulated by the Exchange.

Upon the occurrence of any of the above circumstances, the Member shall apply to the Exchange for termination of membership within fifteen (15) Business Days from the date of occurrence of the relevant event and submit relevant documents as required.

**Article 12** The Exchange shall have the right to suspend the provision of services to a Member if the Member has any of the following circumstances:

- (I) Any activity of the Member in connection with the Exchange is suspected to be unlawful and illegal;
- (II) The Member's behaviour is suspected to be in breach of the relevant Rules of the Exchange or the relevant requirements of the documents issued by the Exchange;
- (III) Any circumstances that may cause a Member to fail to meet the membership requirements of the Exchange; or
- (IV) Any other circumstances which, in the opinion of the Exchange, may render the Member unsuitable to retain the membership of the Exchange.

After making a decision to suspend the service to a Member, the Exchange shall have the right to request the Member to provide relevant documents to cooperate with the investigation, and the Exchange shall have the right to terminate the Member's membership depending on the severity of the specific circumstances. The Exchange shall have the right to directly terminate the membership of a Member if any of the circumstances listed in this Article has occurred and caused serious consequences.

**Article 13** In the event of termination of membership due to Article 11 and Article 12 or other circumstances as determined by the Exchange, the Member shall cooperate with the Exchange to complete the relevant procedures and settle the relevant fees in a timely manner.

Depending on the characteristics of the Exchange Products and the specific circumstances of the termination of membership, the Exchange shall have the right to require a Member to dispose of the Products held in the trading account through the Exchange market; in the event that a Member refuses to cooperate or the Exchange deems it necessary to take additional measures within the scope permitted by law and regulations, the Exchange shall have the right to compulsorily dispose all Products held in the Member's trading account, or to adopt other handling or recourse measures in accordance with the relevant Rules of the Exchange. The term "Trading account" in this Article refers to the book-keeping account opened by the Exchange and registered in the name of a Member for the purpose of recording the type, quantity, registration and custody of the Products held by the Member, and the changes thereof.

### Chapter 3 Management of Members' Rights

**Article 14** Members shall have the right to enter the Exchange market for Products trading and enjoy the related services of the Exchange.

**Article 15** The Exchange shall have the right to manage Members' trading rights based on Products characteristics, Members' business scope, relevant risk factors, and other factors.

**Article 16** The Exchange may set, adjust and restrict the types, modes, scale and etc., of Members' participation in the transactions of the Exchange when implementing the management of Members' trading rights.

### Chapter 4 Reporting of Member Information

**Article 17** Members shall fulfil their obligations to report relevant information to the Exchange in a timely manner in accordance with the requirements of the Rules and other Rules of the Exchange. The information and data reported by Members to the Exchange shall be true, accurate and complete.

**Article 18** Members shall, within fifteen (15) Business Days of the occurrence of any of the following circumstances, report to the Exchange, provide relevant supporting documents and continuously report on the progress:

- (I) Significant structural changes, including changes in shareholding structure and asset restructuring;
- (II) Changes in directors and other key management personnel;
- (III) Any circumstances that may affect the going concern of the Member, including any impending or ongoing bankruptcy proceedings;
- (IV) The imposition of penalties on the Member or its management personnel by the regulator;
- (V) Significant business risks that may affect trading in the market;
- (VI) Significant technical incidents in the trading and related systems, resulting in trading not being able to proceed normally or significant anomalies occurring;
- (VII) Force majeure or unforeseen events that affect normal trading; or
- (VIII) Circumstances affecting a Member's fulfilment of obligations to the Exchange and its membership status, including major litigation.

## Chapter 5 Membership Fees

**Article 19** Members shall pay the relevant fees in a timely manner in accordance with the fee items, fee standards and fee collection methods as stipulated by the Exchange.

**Article 20** In the event that a Member defaults on the payment of relevant fees, the Exchange may, in addition to other specified management measures, make a corresponding credit against the accumulated amount of fees in the Member's fund account. The term "Fund account" in this Article refers to the book-keeping account opened by the Exchange for a Member and registered in the name of such Member for the purpose of supporting trading, settlement and recording changes of the Member's funds.

## Chapter 6 Management Measures for Members

**Article 21** The Exchange carries out real-time monitoring of Members' trading behaviours, focusing on monitoring abnormal trading behaviours that may affect the trading price or trading volume.

**Article 22** The Exchange may, in accordance with its management needs, adopt daily management measures for Members such as oral inquiries, reports to explain the situation by a deadline, inspection of relevant information, or other daily management measures.

**Article 23** Members shall actively cooperate with the measures taken by the Exchange, explain the situation in a timely manner and provide relevant documents and information in accordance with the requirements of the Exchange, and shall not refuse or delay the provision of relevant information for any reason, nor shall they provide false, misleading or incomplete information.

**Article 24** In any event that a Member violates the Rules or other relevant Rules of the Exchange, the Exchange may take the following management measures against the member as appropriate:

- (I) Verbal warnings;
- (II) Written Warnings;

- (III) Interviews;
- (IV) Requirements to make corrections by a deadline;
- (V) Restrictions of Members' trading rights;
- (VI) Suspensions of Exchange-related services;
- (VII) Termination of membership; or
- (VIII) Other management measures stipulated by the Exchange.

Any Member disagreeing with the relevant management measures may apply to the Exchange for a review. The Exchange shall have the right to decide whether or not to accept the application for review after examination. Matters relating to the review shall be dealt with in accordance with the relevant Rules of the Exchange.

## Chapter 7 Supplementary Provisions

**Article 25** The Exchange may formulate additional Rules related to the content stipulated in the Rules. In the case of any conflicts between the Rule and the additional Rules, the additional Rules shall prevail.

**Article 26** The Rules are subject to amendment by MCEX, and the right of final interpretation is reserved by MCEX. Unless otherwise stipulated, any amendment to Rules shall take effect on the date of publication on the MCEX platform, and no further notice shall be given.

**Article 27** After the approval by MCEX, the Rules shall take effect and be implemented from the date of publication on the official website of MCEX.

*This document is issued in both English and Chinese languages. In case of any conflict of inconsistency between the English version and the Chinese version of the document, the Chinese version shall prevail.*