Nano Silver Derivatives Contracts

Scope of Chapter

This chapter is limited in application to Nano Silver Derivatives Contracts ("Contract" or "Contracts"). The provisions of these rules shall apply to all Contracts bought or sold on the Exchange. The procedures for trading, clearing and settlement of Contracts and any other matters not specifically covered herein including, without limitation, the definitions of terms, shall be governed by the Rules of the Exchange.

Contract Specifications

The Nano Silver Derivatives Contract is a derivative whose underlying is assayed to a minimum of 999 fineness.

Trading System

A. ACM provides and sets the Electronic Trading System ("ETS") to implement Commodity trading in the ACM Auction Market.
B. ACM provides a username and password for members as an access right to the ETS.
C. In the event of failure of the ETS, ACM will establish another system that can be used in the trade at the ACM Auction Market.
D. Access and use of the ETS are subject to the terms and conditions as set by ACM.

Trading Specifications

The number of months open for trading at a given time shall be determined by the Exchange

A. Business Day

Any day when the Exchange is open for trading (Monday to Friday, excluding exchange holidays).

B. Trading Schedule

The hours of trading for this Contract shall be determined by the Exchange.

C. Trading Unit

The trading unit shall be one hundred (100) troy ounces. Price shall be quoted in U.S. dollars and cents per troy ounce.

D. Price Increments

Prices will be available during all trading hours. Tick sizes are $0.005 per troy ounce equal to $0.50 per Contract.

E. Price Limits

The Exchange employs two intraday limits of 20% and 25% and a daily limit of 50% all using the Contract's previous day's settlement value, as described below:

Once an intraday price limit is reached, the following actions take place over the next three (3) minutes:

- The market enters a "paused" state for one (1) minute, with no order matching or trades occurring. Only order cancellations are allowed New and replace orders are rejected by the Trading System.
- During the second minute, the market enters into the "pre-open" state, where no orders match and no Trades occur, but orders on opposite sides of the market may cross. Limit, Stop and Stop-Limit order types are accepted with a time in force of Good Till Cancelled ("GTC") or Good Till Day ("GTD"). Orders can also be cancelled or replaced. Market, Fill or Kill ("FOK") and Immediate or Cancel ("IOC") orders are rejected by the Trading System.
- In the third minute, the market enters into a "pre-open no cancel" state, where no orders match and no Trades occur, but orders on opposite sides of the market may cross. Limit, Stop and Stop-Limit order types are accepted with a time in force of GTC or Day. Cancel and replace requests will not be accepted. Market, FOK and IOC orders are rejected by the Trading System.
- At the end of the third minute, the market enters into an "open" state, with regular price-time priority matching in effect, and all supported orders are accepted. Upon reopening, the Exchange does not calculate or disseminate an opening print.
    - Once the market enters into an "open" state after an intraday limit of 20% has been reached on the up (down) side, all Contracts will be subject, for the remainder of the Business Day, only to an intraday limit of 25% and a daily limit of 50% on the up (down) side all using the Contract's previous day's Daily Settlement.
    - Once the market enters into an "open" state after an intraday limit of 25% has been reached on the up (down) side, all Contracts will be subject, for the remainder of the Business Day, only to a daily limit of 50% on the up (down) side all using the Contract's previous day's Daily Settlement.
- In the event that an intraday price limit is reached within three (3) minutes of the Exchange's market close time, the Exchange shall not reopen. The Exchange will publish a daily settlement value or a final settlement value on the Contact's Day of expiration, as appropriate, and the intraday price limit pause time as the Exchange's market close time.
    - The market cannot trade at prices 50% above or below the Contract's previous day's settlement value. This is a pre-order validation that prevents the acceptance of orders at such prices in such circumstances.

F. Position Limits, Position Accountability and Reportable Levels

Position limits for the Contracts are 4,000 contracts.

Reportable levels for the Contract are 400 contracts.

G. Settlement Timing and Termination of Trading

The Contract Termination will be displayed in the exchange calendar.

The New Contracts will begin trading on the specified date displayed in the exchange calendar. The contract will be marked to its final settlement price at the latest 60 minutes after closing of last trading day.

Settlement, Value and Process

A. Normal Daily Settlement Procedure

Tier 1: Each contract settles to the volume-weighted average price (VWAP) of outright trades in the last 30 minutes of daily trading hours, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded to the tick that is closer to the prior-day's settlement price.

Tier 2: If there are no outright trades during the settlement period, then the last trade price is checked against the current bid/ask.

- If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the current bid/ask.

- If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
- If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

B. Final Settlement Price

The spot month Nano Silver Derivatives Contract are settled against the prevailing market price. It is a price in U.S. cents per troy ounce equal to the corresponding daily settlement price for Silver Futures as made public by the Commodity Exchange (COMEX).

C. Conflict with Exchange

If there is any conflict with the trading, clearing and settlement of the Contract, the provisions specified under the ACM Exchange Rule shall prevail.

Disclaimer

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*COMEX is a registered trademark and SI is a ticker symbol of Commodity Exchange, Inc. and/or its affiliates. Reference is made to them here only to describe the source of the final settlement.

ACM Exchange

Applicable Position Limits and Reportable Position Levels

Instrument Name	Nano Silver Derivatives Contracts
Symbol	NSI
Contract Size	100 troy ounces
Margin	5%
Tick Size	0.005 per troy ounce = $0.50
Trading Hours (GMT+7)	Monday – Friday 6:00 a.m. - 5:00 a.m. the following day (5:00 a.m. – 4.00 a.m. the following day during DST) with a 60-minute break each beginning day at 5:00 a.m. (4:00 a.m during DST) The Friday trading session ends at 5:00 a.m. on Saturday (4:00 a.m. on Saturday during DST)
Listed Contracts	3 monthly contracts listed for Jan, Mar, May, Jul, Sep and Dec
Termination of Trading	Trading terminates on the 3rd last Exchange Business Day of the month prior to the contract month displayed in the exchange calendar
Reporting Level	400
Position Limit	4,000

Pertinent Special Price Fluctuation Limits

Product	Commodity Code	Primary/Associated	Associated With	Level 1	Level 2	Level 3
Nano Silver Derivatives Contracts	NSI	Primary	Primary	20%	25%	50%