APPROVED

by the Board of Directors
of the Saint Petersburg International Mercantile Exchange

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SPIMEX CEO

A.E. Rybnikov

RULES
OF ORGANIZED TRADING IN THE DERIVATIVES SECTION
of the Saint Petersburg International Mercantile Exchange

VERSION No. 10

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Section 1. Terms and Definitions (Glossary)

1.1 For the purpose of the Rules of Organized Trading in the Derivatives Section of the Saint Petersburg International Mercantile Exchange the following terms and definitions shall apply:

Automated Workstation (AWS)	a set of software and hardware facilities used by the Trading Participant for technical access to the ITHS (IT Hardware and Software).
Order cancellation (deletion)	termination in accordance with the Trading Rules of the possibility to make Contracts under this Order accepted for execution.
Underlying Asset	an asset, on which a futures contract is based. This asset is delivered under the physically settled futures contract and the asset price (or numerical value of the indicator) is the basis for calculation upon settlement of the futures contract.
Exchange or SPIMEX	the Saint Petersburg International Mercantile Exchange.
Exchange Fee	amount of money paid to the Exchange by each Trading Participant in the Derivatives Section for registration of a Contract or a Physical Contract.
External Software and Hardware Facilities (ESHF)	software and hardware facilities determined by the Exchange that, subject to agreement with the Exchange, can be integrated by the Trading Participant into the ITHS by means of a universal hardware-software gateway.
SPIMEX Internal Regulations	Rules of Organized Trading, Rules of EIS (Electronic Interaction System), Specifications of futures contracts, Procedure for Determination of Settlement Prices of Futures Contracts, Procedure for Exchange of Documents in the Derivatives Section, Technical Regulations on Provision of Reports to Trading Participants by the Derivatives Section, Regulation on Payment of Remuneration for Provision of Liquidity.
Internal Regulations of the Clearing Organization	Clearing Rules and Clearing Regulations of the Nonbank Financial Institution — Central Counterparty RDC (Joint Stock Company) in the SPIMEX Derivatives Market.

Resumption of Organized Trading continuation of organized trading after suspension thereof.

Futures Contract Expiration Date (Period) a day (period) established in accordance with the Futures Contract Specification, on (during) which:

- for cash settled futures contracts: all obligations (all positions) under futures contracts of such month are terminated (closed) at the final settlement price set for futures contracts of such month;
- for physically settled futures contracts: all obligations (all positions) under futures contracts of such month are terminated (closed) by executing contracts in the manner prescribed by the Futures Contract Specification and the Trading Rules.

Contract or Futures Contract or Futures a contract, which is a derivative financial instrument in accordance with the legislation of the Russian Federation and other regulations of the Russian Federation, entered into in accordance with the Trading Rules.

Physical Contract a contract for physical delivery of the underlying asset, which is a type of sale and purchase contract in accordance with clause 5 of Article 454 of the Civil Code of the Russian Federation. A Physical Contract is made on the terms and conditions determined in the Trading Rules for a physically settled futures contract executed by making a Physical Contract between a Delivery Maker and a Delivery Taker on the Expiration Date (period) of futures contracts of a certain month as prescribed by the Trading Rules in the Physical Contract Conclusion Mode.

Physical Contract in the Refined Products Section a contract for delivery of the commodity made in accordance with the Rules of Organized Trading in the Refined Products Section of the Saint Petersburg International Mercantile Exchange.

Additional Code of the Trading Participant an additional code of the Trading Participant consisting of a unique sequence of letters and numbers, which is assigned by the Exchange and used in the Derivatives Market ETS (Electronic Trading System).

Order or submitted (placed/filed/posted) Order or recorded Order an electronic document generated in accordance with the EIS Rules and sent by the Trading Participant to the Derivatives Market ETS, containing information provided for in the Trading Rules. The Order is deemed to be a proposal (offer) of the Trading Participant to enter into one or several Contracts in organized trading in accordance with the Trading Rules and the Futures

Contract Specification and is recorded in the Derivatives Market ETS in accordance with the procedure prescribed in the Trading Rules. Orders, as well as requirements for content thereof, are determined by the Trading Rules. Electronic document with the basic digital signature sent by the Trading Participant to the Derivatives Market ETS shall be signed with the Encrypted Non-Certified Digital Signature registered in the Derivatives Market ETS in the event of connection to the Derivatives Market ETS through the AWS, or with the basic digital signature corresponding to the verification key certificate of the Encrypted Non-Certified Digital Signature of the Trading Participant's Trader in the event of connection to the Derivatives Market ETS through the ESHF.

Spread Order an Order posted only in the Main Trading Mode by the Trading Participant in accordance with the procedure established by the Trading Rules and containing offers:

- one part of which is aimed at selling futures contracts with the earlier expiration date and the other — at buying futures contracts with the later expiration date (hereinafter, the Spread Buy Order),

or

- one part of which is aimed at buying futures contracts with the earlier expiration date and the other — at selling futures contracts with the later expiration date (hereinafter, the Spread Sell Order).

These offers are aimed at entering into futures contracts with one underlying asset, i.e. the futures contracts of the same type. Number of offers aimed at selling a futures contract shall be equal to the number of offers aimed at buying a futures contract.

As applied to Spread Orders, futures contracts with the earlier expiration date are hereinafter referred to as the front or near month contracts and contracts with the later expiration date — as the back or far month contracts.

Unless otherwise expressly provided in the Trading Rules, all provisions of the Trading Rules relating to the Orders, Orders to sell, Orders to buy shall apply respectively to the Spread Orders, Spread Sell Orders and Spread Buy Orders.

Active Order

an Order accepted by the Exchange for execution (registered Order), valid until it is fully executed or cancelled (deleted).

Opposite Order — for a given Order — an opposite side active Order for futures contracts of the same month.

For a Spread Order — an opposite side active Order filed in relation to futures contracts of the same pair of months.

Best Order

- for an Order to buy — an Order accepted for execution with the biggest price, and out of several such Orders with equal price — an Order accepted for execution earlier than the rest in accordance with the Trading Rules;
- for an Order to sell — an Order accepted for execution with the lowest price, and out of several such Orders with equal price — an Order accepted for execution earlier than the rest in accordance with the Trading Rules.

Unfilled Order — an Order accepted for execution, on the basis of which no Contracts were made following matching of Orders accepted for execution.

Fully Executed Order — an Order accepted for execution, the aggregate size of Contracts made on the basis of which following matching of Orders accepted for execution is equal to the Order size.

For Spread Orders — an Order accepted for execution, the aggregate size of Contracts of each of the near and far contract months entered into on the basis of which following matching of Spread Orders accepted for execution is equal to the Spread Order size.

Partially Executed Order — an Order accepted for execution, the aggregate size of Contracts entered into on the basis of which following matching of Orders accepted for execution is less than the Order size.

For Spread Orders — an Order accepted for execution, the aggregate size of Contracts of each of the near and far contract months entered into on the basis of which following matching of Spread Orders accepted for execution is less than the Spread Order size.

Matching Order

1) for a market Order — any opposite Order filed in the same trading mode and listed in the Order Book;
2) for a limited Order to buy/to sell — any limited opposite Order filed in the same trading mode and having the price, which is not, respectively, higher/lower than the price of such limited Order accepted for execution, as well as any market opposite Order;

	3) for a negotiated Order — a negotiated opposite Order filed in the same trading mode and having the following parameters: ▪ number of futures contracts and price matching the respective parameters of the initial negotiated Order; ▪ the "Additional Code of the Trading Participant that filed the Opposite Order" parameter matching the Additional Code of the Trading Participant that filed the initial negotiated Order; ▪ the Additional Code of the Trading Participant that filed the negotiated Opposite Order matching the "Additional Code of the Trading Participant that filed the Opposite Order" parameter of the initial negotiated Order.
Best Matching Order	▪ in relation to the Order to buy — the best Order to sell out of all matching Orders; ▪ in relation to the Order to sell — the best Order to buy out of all matching Orders.
Order accepted for execution, or registered Order	an Order registered in the Order Register in the Derivatives Market ETS that conforms to all conditions established by the Clearing Organization and meets requirements specified for the Orders in the respective trading mode.
Trader's ID (Code)	a unique alphanumeric code assigned to the Trader upon registration in the Derivatives Market ETS in accordance with the Rules of Organized Trading, which is a basic digital signature uniquely associated with the Trader's digital signature verification key certificate registered in the Derivatives Market ETS.
Order execution	making of Contracts on the basis of the Order accepted for execution in accordance with its parameters.
Trading Participant's Customer or Customer	a legal entity or an individual that entered into an engagement/agency/commission/trust management agreement with the Trading Participant/Trading Participant's Customer and is registered on the Exchange subject to the requirements of the Rules of Organized Trading.
Clearing Organization	Nonbank Financial Institution — Central Counterparty RDC (Joint Stock Company) (full name), NFI CCP RDC (JSC) (abbreviated name).

Clearing Broker	a Clearing Member acting as a clearing broker in accordance with the Federal Law On Clearing, Clearing Activities and the Central Counterparty and the Clearing Rules.
Mark-to-market	a procedure for revaluation of positions, following which the current price of each position is equated to the settlement price determined for futures contracts of a certain month, at which this position was opened.
Trading System Administrator	the Exchange employee appointed by the Order of the Exchange CEO or his designated substitute and authorized to administer and conduct organized trading, as well as to monitor compliance with the Trading Rules in relation to submission of Orders and making of Contracts and/or Physical Contracts.
Market Maker	a Trading Participant that on the basis of the agreement entered into with the Exchange undertakes obligations to maintain prices, demand, offer and/or volume of trading in futures contracts in the Section under the terms and conditions set forth in such agreement.
Order side	characteristic of an Order indicating whether it is an Order to buy or an Order to sell. Orders to buy and Orders to sell are opposite-sided in relation to each other.
Position side	characteristic of a position indicating whether it is long or short. Long and short positions are opposite side positions in relation to each other.
Order size	number of futures contracts, in respect of which the Trading Participant's offer expressed in the Order is applied. For Spread Orders — number of futures contracts, in respect of which the Trading Participant's offers relating to the near and far futures contracts expressed in the Spread Order are applied.
Contract size	number of futures contracts, under which positions are opened as a result of making this Contract.
Physical Contract size	amount of the underlying asset to be delivered under the Physical Contract.
Exchange's official website on the Internet	www.spimex.com
Order Book	a list of active Orders (except for negotiated Orders and Spread Orders) for futures contracts of each month maintained in

	electronic form in the Derivatives Market ETS for each trading mode. For Spread Orders — a list of active Spread Orders (except for negotiated Spread Orders) maintained in electronic form in the Derivatives Market ETS for the main trading mode only for each pair of futures contracts being a near month contract and a far month contract of the same type of futures, in respect of which Spread Orders can be filed.
Deliverable Position	a position at the end of trading on the last day of trading in futures contracts of a certain month opened at the expense of the Delivery Maker/Taker and recorded on the position account of the Clearing Member.
Position Account	a clearing register intended for recording information on positions of the Clearing Member, which is opened in accordance with the Clearing Rules.
Position Account of the Delivery Maker/Taker	a position account used for recording positions opened at the expense of the Delivery Maker/Taker.
Position, Open Position	a combination of rights and obligations of the Clearing Member resulting from purchase or sale of one futures contract of a given month. Position can be either long or short.
Long Position	a combination of rights and obligations of the Clearing Member resulting from making one futures contract on the part of the buyer.
Short Position	a combination of rights and obligations of the Clearing Member resulting from making one futures contract on the part of the seller.
Standard Delivery Unit	minimum amount of the underlying asset allowed for delivery in accordance with the Futures Contract Specification.
Clearing Rules	Clearing Rules of the Nonbank Financial Institution — Central Counterparty RDC (Joint Stock Company) in the SPIMEX Derivatives Market.
Rules of Trading, Trading Rules	Rules of Organized Trading in the Derivatives Section of the Saint Petersburg International Mercantile Exchange being a constituent part of the Rules of Organized Trading.

Rules of Admission	Rules of Admission to Organized Trading of the Saint Petersburg International Mercantile Exchange being a constituent part of the Rules of Organized Trading.
Rules of Organized Trading	Rules of Trading and Rules of Admission formulated in accordance with the requirements of the legislation of the Russian Federation, the Articles of Association of the Exchange, approved by the authorized bodies of the Exchange and duly registered by the Bank of Russia.
Rules for Using the Electronic Interaction System (EIS Rules)	Rules for using the electronic interaction system of the Saint Petersburg International Mercantile Exchange that establish the general principles of organization of the electronic interaction system and organization of electronic interaction in certain EIS sectors approved by the SPIMEX authorized body and posted on the Exchange's official website on the Internet.
Basic Digital Signature	an attribute of the Order being the Trader's ID that allows to uniquely identify the representative of the Trading Participant that filed the Order and reliably verify that the Order comes from the Trading Participant, the Trader of which was assigned this ID.
Basic Digital Signature Key	combination of the ID code and password for the Trader's access to the Derivatives Market ETS.
IT Hardware and Software of the Exchange (ITHS)	combination of the Exchange's software and hardware facilities used for provision of trading, information and other services to Trading Participants.
Suspension of Organized Trading	temporary termination of trading.
Settlement Price	the most representative price of futures contracts of a certain month on a given trading day, at which positions on futures contracts of this month are marked to market.
Current Settlement Price	the price of futures contracts of a certain month at a certain point during trading calculated according to the algorithm established for determining the settlement price.
Final Settlement Price	the price determined in accordance with the Futures Contract Specification: ▪ for cash settled futures contracts — on the futures contract expiration date (period); ▪ for physically settled futures contracts — on the last trading day of futures contracts.

Order Register	a list of all Orders submitted by Trading Participants and registered by the Exchange. The Order Register includes parameters of the registered Orders. The Order Register is formed and maintained in the Derivatives Market ETS.
List of Transactions made in Organized Trading (List of Transactions)	a list of all Contracts and Physical Contracts registered by the Exchange. The List of Transactions includes terms and conditions of Contracts and Physical Contracts made. The List of Transactions is formed and maintained in the Derivatives Market ETS.
Procedure for Exchange of Documents	Procedure for Exchange of Documents in the SPIMEX Derivatives Section that defines the specifics of the document exchange procedure in the performance of obligations for delivery and payment for the delivery of the underlying asset under physically settled futures contracts entered into in the Section.
Trading Mode	organized trading held in the period of time established as prescribed by the Trading Rules, which is characterized by a specific set of rules for submission of Orders, acceptance of Orders for execution and conditions for registration of Contracts on the basis of Orders accepted for execution or conditions for registration of Physical Contracts.
Refined Products Market	organized trading, in which Physical Contracts are made in accordance with the procedure prescribed by the Rules of Organized Trading in the Refined Products Section of the Saint Petersburg International Mercantile Exchange and the Clearing Rules of the Clearing Organization designated as the clearing organization in the Rules of Organizing Trading in the Refined Products Section of the Saint Petersburg International Mercantile Exchange.
Section	Derivatives Section of the Saint Petersburg International Mercantile Exchange.
Futures Contract Month	a multitude of futures contracts of a certain type with the same parameters, characteristics and conditions, except for the prices that may differ. Same type futures contracts of different months differ from each other by the expiration date (period) of futures contracts.
Digital Signature Verification Key Certificate (DSVKC, Certificate)	an electronic document or a hard copy document issued by a certificate authority or an authorized person of a certificate authority and confirming that the digital signature verification key belongs to the holder of the digital signature verification key certificate.

Derivatives Market Electronic Trading System (Derivatives Market ETS)	combination of software and hardware facilities, databases, telecommunication systems and other equipment constituting the ITHS subsystem dedicated to making of Contracts and Physical Contracts in the Section.
Central Counterparty's Message (Confirmation)	an electronic message generated in the Derivatives Market ETS that confirms consent (acceptance) of the Central Counterparty to make Contracts in a given trading mode.
Futures Contract Specification or Specification	a document, in accordance with which the standard parameters and procedure for performance of obligations under physically settled and cash settled futures contracts of a certain type(s) are determined, that meets the requirements of regulations of the Russian Federation and the Trading Rules.
List of Recorded Orders	a list of all recorded Orders submitted by Trading Participants. The List of Recorded Orders is compiled and maintained in the Derivatives Market ETS.
Cryptographic Information Protection Facilities (CIPF)	combination of software and hardware facilities that ensure application of digital signatures and encryption in the electronic interaction and document management system. CIPF can be used both in the form of individual software units and in the form of software tools embedded in application software.
Cash Settled Futures Contract	a futures contract settled without delivery of the underlying asset (cash settled futures contract).
Physically Settled Futures Contract	a futures contract settled with physical delivery of the underlying asset (physically settled futures contract).
Exchange's Fees and Commissions Schedule	a schedule that contains information on the size of service fees and other commissions and charges related to performance of activities on conducting organized trading and clearing activities established by the Board of Directors of SPIMEX, as well as on the cost of information and other services of the Exchange not related to performance by the Exchange of activities on conducting organized trading and clearing activities established by the Management Board of SPIMEX.
Technical Committee	the advisory body of the Exchange that operates in accordance with the Regulation on the Technical Committee approved by the authorized body of the Exchange.
Futures Contract Type	a multitude of futures contracts with the same parameters, characteristics and conditions, except for the prices that may differ and expiration dates (periods) of futures contracts.

Trading Session	a period of time of a trading day, during which Trading Participants submit Orders and/or make Contracts and Physical Contracts in the Section in accordance with the Trading Rules.
Trading Days	days, on which organized trading in futures contracts of at least one month is held.
Trader	an individual authorized by the Trading Participant to participate in Organized Trading and accredited in the Section as an authorized representative of the Trading Participant.
Unique Code of the Trading Participant	a code of a registrant — Trading Participant — assigned by the Exchange in accordance with the Rules of Admission and regulatory acts of the Bank of Russia.
Unique Code of the Customer	a code of a registrant — Trading Participant's Customer — assigned by the Exchange in accordance with the Rules of Admission and regulatory acts of the Bank of Russia.
Encrypted Non-Certified Digital Signature	a digital signature that meets the requirements of Federal Law No. 63-FZ On Digital Signature dated 06 April 2011 for the Encrypted Non-Certified Digital Signature.
Clearing Member	a legal entity that entered into a Contract for Clearing Services with the Clearing Organization.
Party to the Physical Contract, Delivery Maker/Taker	a person that is a Trading Participant or a Trading Participant's Customer, and simultaneously a Clearing Member, at the expense of which a deliverable position is opened, which is recorded on the position account of the Clearing Member.
Seller, Delivery Maker	a party to the Physical Contract, at the expense of which a long deliverable position is opened.
Buyer, Delivery Taker	a party to the Physical Contract, at the expense of which a short deliverable position is opened.
Trading Participant	a person admitted to organized trading in the manner prescribed by the Rules of Admission.
Central Counterparty	NFI CCP RDC (JSC).
Electronic Document	information in electronic form signed with a digital signature.
Electronic Message	a logically integral set of structured data relevant for participants of information interaction encoded in a manner that allows for its processing by computer equipment, transmission via communication channels and storage on machine-readable data storage media.

1.2 Terms not specifically defined in the Trading Rules are used with the meanings defined in the SPIMEX internal regulations, including Rules of Admission, Procedure for Exchange of Documents, etc., Clearing Rules, EIS Rules, as well as the meanings established by laws, regulatory acts of the Bank of Russia and other legal regulations of the Russian Federation.

Section 2. General Provisions

2.1 The Trading Rules were developed in accordance with Federal Law No. 325-FZ of 21 November 2011 On Organized Trading, regulatory acts of the Bank of Russia and other regulations of the Russian Federation, as well as the Articles of Association of SPIMEX.

2.2 The Trading Rules establish the procedure for preparation and conducting of organized trading in the Section, are accepted by and binding upon all Trading Participants.

2.3 The Trading Rules, other SPIMEX internal regulations, resolutions of the CEO or his designated substitute, the Management Board, the Board of Directors adopted on issues relating to operation of the Section within the scope of their competence are binding upon the Trading Participants.

2.4 Violation of the Trading Rules by the Trading Participants entails applying appropriate measures prescribed in the Rules of Admission.

2.5 Lack of awareness or understanding of provisions of the Trading Rules, other SPIMEX internal regulations, resolutions of the Board of Directors, the Management Board, the Exchange CEO or his designated substitute shall not exempt the Trading Participants from compliance therewith.

2.6 The Trading Rules govern the relations between the Exchange and the Trading Participants, as well as between the Trading Participants, associated with:

- the procedure for filing Orders, matching the registered Orders and making Contracts and Physical Contracts;
- establishment of additional requirements stipulating admission of the Trading Participants to participation in organized trading in the Section;
- suspension of admission to organized trading in futures contracts of a certain type;
- performance by the Market Makers of their functions and responsibilities;
- payment by the Trading Participants of fees and commissions;

as well as other relations in the Section between the Exchange and the Trading Participants, and between the Trading Participants.

2.7 Parameters and procedure for performance of obligations under futures contracts determined in accordance with regulatory acts of the Bank of Russia and other regulations of the Russian

Federation are set forth in Futures Contract Specifications. Procedure for performance of obligations under futures contracts is additionally determined in the Clearing Rules and the Procedure for Exchange of Documents.

2.8 A list of documents to be exchanged in the form of electronic documents between the Trading Participants, the Exchange and the Clearing Organization, formats of electronic documents and instructions for generating electronic documents are determined in accordance with the EIS Rules, regulations approved by the Exchange CEO or his designated substitute and posted on the Exchange's official website on the Internet, as well as with the agreement entered into between the Exchange and the Clearing Organization that defines the terms and conditions of interaction in the course of trading and clearing of obligations under Contracts and Physical Contracts made in the Section (hereinafter, the Interaction Agreement).

2.9 In accordance with the Trading Rules, the Exchange provides equal opportunities to all Trading Participants in the Section for making Contracts and Physical Contracts, as well as for obtaining reporting documents.

2.10 All appendices to the Trading Rules constitute an integral part thereof. The Exchange may in its sole discretion make amendments and modifications in the Trading Rules.

2.11 The Trading Rules and amendments and modifications introduced therein shall be approved by the Board of Directors and are subject to registration with the Bank of Russia in accordance with the requirements of the legislation of the Russian Federation.

2.12 The Trading Rules and amendments and modifications made therein shall be disclosed by posting on the Exchange's official website on the Internet after registration thereof with the Bank of Russia within five working days after receipt by the Exchange of the official decision of the Bank of Russia (or a copy thereof) to register the Trading Rules, but no later than three working days before their effective date.

2.13 The Trading Rules and amendments and modifications made therein shall become effective after registration thereof with the Bank of Russia in accordance with the requirements of the legislation of the Russian Federation on the date determined by the Board of Directors or on its behalf by the Exchange CEO or his designated substitute, but no earlier than five days after the day of disclosure of information in accordance with clause 2.12 of this Section of the Trading Rules, unless other effective date is determined by the Board of Directors or on its behalf by the Exchange CEO or his designated substitute, subject to the requirements of the legislation of the Russian Federation.

2.14 Procedure for exchange of electronic documents of the prescribed format between the Exchange and the Trading Participants, cryptographic support of these procedures is determined by the Trading Rules and the EIS Rules. The Trading Participants shall recognize the tools for logging, transmission and reception of messages available in the Derivatives Market ETS as sufficient for registration of the date and time of delivery of electronic documents. In order to ensure integrity and confidentiality of electronic documents in the course of information interaction in accordance with the EIS Rules the Trading Participants shall use CIPF, the requirements and procedures for working with which are established by the legislation of the Russian Federation and the SPIMEX internal regulations.

2.15 In order to ensure electronic interaction between the Trading Participants and the Exchange in the Derivatives Market ETS cryptographic procedures, including the basic digital signature key, that meet the requirements of electronic document processing technologies in the Derivatives Market ETS shall be used. Generation of an electronic document and transmission thereof to the Derivatives Market ETS is performed as follows:

- If the Trading Participant connects to the Derivatives Market ETS via the AWS, the electronic document containing the basic digital signature is signed with the Encrypted Non-Certified Digital Signature using the private encryption key (digital signature key) that corresponds to the public encryption key (Digital Signature Verification Key Certificate) registered in the Derivatives Market ETS and encrypted with CIPF installed on the AWS.
- If the Trading Participant connects to the Derivatives Market ETS via the ESHF, the electronic document containing the basic digital signature is generated by the ESHF and encrypted by cryptographic protection facilities of communication channels.

2.16 Upon receipt of the electronic document the Derivatives Market ETS automatically decrypts it and verifies the Encrypted Non-Certified Digital Signature, with which the electronic document is signed, as well as correspondence of the basic digital signature to the DSVKC of the Trading Participant registered in the Derivatives Market ETS and used in the established communication session.

2.17 Electronic documents generated in accordance with the Trading Rules have the same legal force as hard copy documents bearing a handwritten signature of the authorized employee (representative) and/or seal of the Trading Participant or SPIMEX.

2.18 In the course of electronic interaction conflict situations may arise in relation to generation, delivery, receipt, confirmation of receipt of an electronic document, as well as the use in such documents of the Encrypted Non-Certified Digital Signature. Such conflict situations shall be resolved in the manner prescribed in the EIS Rules.

Section 3. Procedure for Notification of Trading Participants

3.1 Trading Participants are notified by information messages sent by the Exchange. Unless otherwise provided for in the Rules, the information message may be sent:

- by means of the Derivatives Market ETS;

- by mail;
- by email;
- by courier;
- by posting information on the Exchange's official website on the Internet;
- in the form of an electronic document in accordance with the EIS Rules.

3.2 The day of notification of the Trading Participants shall be the day of sending the informational message in accordance with the Section 3 of the Trading Rules.

Section 4. Trading System Administrator

4.1 On the part of the Exchange authority to conduct trading and monitor the proper execution of the Trading Rules by the Trading Participants and their representatives when performing transactions on the Exchange is vested in the Trading System Administrator.

4.2 The Trading System Administrator is appointed by order of the Exchange CEO or by his designated substitute from among the Exchange employees.

4.3 The Trading System Administrator is responsible for preparation, starting, suspension, resumption and termination of trading.

4.4 The Trading System Administrator controls the course of trading in accordance with the requirements of the Trading Rules, maintains real-time interaction with Traders, representatives of the Bank of Russia, authorized representatives of the Clearing Organization, and coordinates actions of representatives of the Exchange subdivisions involved in conducting of trading during the course of trading.

4.5 The Trading System Administrator is authorized to:

- demand strict compliance by the Trading Participants with the provisions of the Trading Rules;
- execute decisions to grant/terminate/suspend full (to all operations) or partial (to certain operations) admission of a Trading Participant and/or a Trader to trading on the Exchange in cases stipulated by the Rules of Admission, other SPIMEX internal regulations, as well as in accordance with the Instructions of the Bank of Russia;
- execute decisions to suspend admission of a Trading Participant to trading, to terminate/suspend and resume trading where and as provided for in Section 14 "Cases

and Procedure for Suspension, Termination and Resumption of Organized Trading” of the Trading Rules;

- prepare and sign reporting documents at the close of trading in the Section confirming the fact of registration of Orders, making of Contracts and Physical Contracts, as well as provide them to Trading Participants in accordance with the Trading Rules;
- make official announcements (messages) on issues related to trading in the Section, as well as perform other actions necessary for implementation of these Trading Rules.

4.6 The Trading System Administrator shall:

- in a timely manner prepare, start and shut down the Derivatives Market ETS;
- control processes of trading in the Section;
- execute orders of the Bank of Russia, the Exchange CEO or his designated substitute, whose authority includes deciding on issues related to trading in the Section;
- in a timely manner make official announcements (messages) on issues related to trading in the Section, as well as perform other actions necessary for implementation of the Trading Rules;
- inform the authorized official of the Exchange in cases specified in the Trading Rules of occurrence of circumstances that may be the reason for suspension of trading;
- in a timely manner take measures within his/her powers to prevent occurrence of circumstances impeding the normal course of trading;
- arrange for recording and storage of reporting documents at the close of trading in the Section.

4.7 The Trading System Administrator may, at the request of a Trading Participant, cancel (delete) active Orders if during the trading session the Trading Participant has lost access to the Derivatives Market ETS for technical reasons or there is no technological capability to access the Derivatives Market ETS. In order to do that the Trading Participant shall send to the Exchange a request (message) to cancel (delete) the active Orders submitted by it. The request (message) shall be transmitted only by the Trading Participant’s Trader by a telephoned telegram and shall contain the following details:

- Full name, ID code and contact telephone number of the Trader;
- Additional Code of the Trading Participant;
- Unique codes of active Orders submitted by the Trading Participant that shall be cancelled (deleted) with specification of parameters of the active Orders or an indication that all active Orders submitted by the Trading Participant that are listed in the Order Book shall be cancelled (deleted);

- date and time of transmission of the telephoned telegram, as well as the Trading Participant's telephone number used to transmit it.

4.8 The Exchange will take all necessary steps to verify eligibility of sending such telephoned telegram. If details of the request are correct and the unique codes of the active Orders specified in the request (message) of the Trading Participant match the unique codes of the active Orders submitted by the Trading Participant that are registered in the Order Register, the Trading System Administrator, if technically possible, will cancel (delete) the Orders in accordance with the request (message). If this is not possible, the Trading System Administrator will inform the Trading Participant that has sent such request of impossibility to cancel (delete) the Orders by a telephoned telegram. If the unique codes of the active Orders specified in the request (message) of the Trading Participant do not match the active Orders submitted by the Trading Participant that are registered in the Order Register, and/or details of the request (message) are incorrect, then such request is rejected, whereof the Trading System Administrator will inform the Trading Participant by a telephoned telegram. The Trading Participant may send a request (message) to the Exchange containing an indication that all active Orders registered in the Order Register submitted using the Trader's ID assigned to a certain Trader shall be cancelled (deleted), in this case indication of Unique Codes of active Orders submitted by the Trading Participant is not required. The Exchange is not liable for losses that may the Trading Participant may incur in case of fulfillment of its request (message) to cancel (delete) active Orders or in case of non-fulfillment of such request, if Unique Codes of active Orders do not match the Orders submitted by the Trading Participant and registered in the Order Register, and/or details of the request (message) are incorrect.

4.9 Information that is not publicly available, which becomes known to the Trading System Administrator in the course of trading, qualifies as information constituting a trade or other legally protected secret.

Section 5. Futures Contracts

5.1 Trading in futures contracts of a certain type(s) in the Section commences on the date determined in the manner established in the respective Futures Contract Specification.

5.2 Parameters and procedure for performance of obligations under futures contracts set forth in the Futures Contract Specification can be changed by amending the respective Futures Contract Specification. Procedure for performance of obligations under futures contracts may also be changed by amending the Clearing Rules, as well as the Procedure for Exchange of Documents.

5.3 Decisions on approval and entry into force of the Futures Contract Specifications, as well as amendments and modifications therein, are made by the Exchange CEO or his designated substitute. Information on approval and entry into force of the Futures Contract Specification, amendments and modifications therein, as well as the text of the Futures Contract Specification (amendments and modifications therein) are posted on the Exchange's official website on the Internet on the date set by the Exchange CEO or his designated substitute, but at least three (3) working days prior to the effective date of the Futures Contract Specification or amendments and modifications therein.

The Trading Participants are notified of the entry into force of the Futures Contract Specification, as well as amendments and modifications therein, by disclosure of information on the Exchange's official website on the Internet, unless otherwise established by the Exchange CEO or his designated substitute.

5.4 Trading in futures contracts of a certain type is terminated by the decision of the Exchange CEO or his designated substitute on the date determined by the Exchange CEO or his designated substitute. Trading Participants are notified of termination of trading in futures contracts of a certain type at least five (5) working days prior to the date of termination of trading in futures contracts of a certain type, but no later than one Trading Day after the day the decision for termination is made, in the manner prescribed by the Trading Rules, unless otherwise established by the Exchange CEO or his designated substitute, or provided for in the Futures Contract Specification.

5.5 Organized trading in all futures contracts in the Derivatives Section and/or in a certain trading mode is terminated by the decision of the Exchange CEO or his designated substitute on the date determined by the Exchange CEO or his designated substitute. Information on the termination of organized trading in all futures contracts in the Derivatives Section and/or in a certain trading mode is disclosed on the Exchange's official website on the Internet. The said information is subject to disclosure at least one month prior to the date, when provision of the said services is terminated, with simultaneous sending of this information to the Bank of Russia, but no later than one Trading Day after the day the decision for termination is made, in the manner prescribed by the Trading Rules, unless otherwise established by the Exchange CEO or his designated substitute.

5.6 Trading Participants are notified of termination of the Futures Contract Specification at least five (5) working days prior to the date of termination of the Futures Contract Specification in the manner prescribed by the Trading Rules, unless otherwise established by the Exchange CEO or his designated substitute, or provided for in the Futures Contract Specification.

5.7 Unless otherwise established by the Exchange CEO or his designated substitute, trading in futures contracts of a certain type is terminated as follows:

- in respect of a certain month of futures contracts of this type, for which Contracts and/or Physical Contracts are being made in the Section when trading in futures contracts of this type is terminated in the Section, futures contracts continue to trade in accordance with the Futures Contract Specification and parameters determined in accordance with this Specification, which remain effective for these futures contracts until expiration thereof;
- trading in this type of futures contracts of new months is terminated in the Section.

5.8 For futures contract months, in respect of which Contracts can be made, the Exchange CEO or his designated substitute may determine pairs of futures contract months being the near month and the far month of the same type of futures, in respect of which Spread Orders may be submitted.

Section 6. Conditions for Admission to Participation in Organized Trading in the Section

6.1 Trading Participants that fall under one of the categories provided for by the Rules of Admission are admitted to participation in organized trading in the Section. In addition, in order to make:

- Physical Contracts in the Physical Contract Conclusion Mode the Trading Participants are required to fulfill additional requirements specified in clause 6.2 of Section 6 of the Trading Rules;
- Contracts in the Settlement Price Trading Mode the Trading Participants are required to fulfill additional requirements specified in clause 6.3 of Section 6 of the Trading Rules.

6.2 When a Trading Participant on its own behalf or on behalf of its Customer makes Physical Contracts in the Physical Contract Conclusion Mode, the following requirements must be met:

- The buyer may only be a non-resident legal entity.
- The seller may be either a resident legal entity or a non-resident legal entity.
- The Trading Participant shall fulfill the requirements specified in the Procedure for Exchange of Documents.

However, Physical Contracts on behalf of a Resident Customer may be made by the Trading Participant providing services to this Customer and being a resident legal entity, and Physical Contracts on behalf of a Non-Resident Customer may be made by the Trading Participant providing services to this Customer and being a resident or non-resident legal entity.

6.3 To be admitted to trading in the Settlement Price Trading Mode the Trading Participant shall submit a request for admission to trading in the Settlement Price Trading Mode. Format of the request, procedure for submission thereof and requirements necessary for admission to trading in the Settlement Price Trading Mode are defined in the Procedure for Exchange of Documents. Based on the results of the request processing the Exchange will generate a notice for the Trading Participant of compliance/non-compliance with the requirements that stipulate admission to trading in this mode. Format of the notice and procedure for provision thereof are defined in the Procedure for Exchange of Documents.

6.4 The Trading Participant shall in accordance with the Rules of Admission accredit its authorized representatives as a Trader or analyst. Procedure for accreditation, suspension, termination and cancellation of accreditation of authorized representatives of the Trading Participant is determined by the Rules of Admission.

6.5 Admission of the Trading Participant to organized trading in the Section may be suspended:

- in respect of all futures contracts traded in the Section, or in respect of futures contracts of certain types or months;
- in all trading modes provided for in the Trading Rules, or in certain trading modes.

6.6 Decision to suspend admission to organized trading/terminate the right of participation of the Trading Participant in organized trading in the Section is made by the Exchange CEO or his designated substitute in cases determined by the Rules of Admission.

Section 7. Market Makers

Article 7.1 Requirements to Market Makers and procedure for performance by them of their functions and responsibilities

7.1.1 In accordance with the legislation of the Russian Federation the Exchange may enter into agreements with Trading Participants for maintaining prices, demand, offer and/or volume of trading in futures contracts by the Trading Participant.

7.1.2 Procedure and conditions for maintaining prices, demand, offer and/or trading volume by Market Makers are determined by the agreement between the Exchange and the Market Maker.

7.1.3 The futures contract price is maintained by the Market Maker by submitting and simultaneously maintaining opposite Orders to buy and to sell (double-sided quotations) in relation to the respective futures contract/futures contracts in the main trading mode. If the Trading Participant assumes the obligation to the Exchange to maintain the price of the futures contract/futures contracts, the Exchange will establish the mandatory requirements for the spread (difference between the price of the Order to sell and the price of the Order to buy) of a double-sided quotation for the Orders filed by the Market Maker, the minimum size of the Orders filed by the Market, the period of time, during which the Market Maker is required to file the respective Orders.

7.1.4 Demand for the futures contract/futures contracts is maintained by the Market Maker by submitting only Orders to buy for the respective futures contract/futures contracts during the Trading Session. If the Trading Participant assumes the obligation to the Exchange to maintain the demand for the futures contract/futures contracts, the Exchange will establish the mandatory requirements for the minimum size of the Orders to buy filed by the Market, the period of time, during which the Market Maker is required to file the respective Orders.

7.1.5 Offer for the futures contract/futures contracts is maintained by the Market Maker by submitting only Orders to sell for the respective futures contract during the Trading Session. If the Trading Participant assumes the obligation to the Exchange to maintain the offer for the futures contract/futures contracts, the Exchange will establish the mandatory requirements for the minimum size of the Orders to sell filed by the Market, the period of time, during which the Market Maker is required to file the respective Orders.

7.1.6 Volume of trading in the futures contract/futures contracts is maintained by the Market Maker by making Contracts in relation to the respective futures contract/futures contracts during the Trading Session in the amount not less than specified in the agreement between the Exchange and the Market Maker.

7.1.7 The fact of performance of obligations prescribed by the agreement for performance of the Market Maker’s responsibilities is determined on the basis of the Market Maker’s Orders submitted by the Trading Participant in the main trading mode and Contracts made in the main trading mode on the basis of the Market Maker’s Orders. The Market Maker’s Order must contain an indication that it was submitted in the performance of obligations of the Market Maker without disclosing the respective information to other Trading Participants. If the Order contains the Position Account stipulated in the agreement for performance of the Market Maker’s responsibilities in relation to the futures contract month/months indicated in the Order, then such Order is the Order submitted by the Trading Participant in the performance of obligations of the Market Maker.

7.1.8 A Trading Participant that entered into the agreement with the Exchange for maintaining prices, demand, offer and/or volume of trading in futures contracts by the Trading Participant gains the status of the Market Maker, which provides for a number of additional rights and obligations for performance of the Market Maker’s functions prescribed in the respective agreement.

7.1.9 Only the Trading Participant may be the Market Maker. The Exchange may establish additional requirements for Market Makers, including requirements for their financial position. In accordance with the legislation of the Russian Federation information on Trading Participants performing functions of the Market Makers is posted on the Exchange’s official website on the Internet.

Section 8. Procedure for Conducting Organized Trading

Article 8.1 Trading Modes

8.1.1 During the Trading Day organized trading is conducted in the course of one Trading Session. During the Trading Session trading can be conducted in the following modes:

- Main Trading Mode;
- Settlement Price Trading Mode;
- Physical Contract Conclusion Mode.

Article 8.2 Trading Hours

8.2.1 Organized trading in the Section is conducted during the Trading Session on Trading Days stipulated by the Futures Contract Specifications, with the exception of weekends and public holidays established in accordance with the legislation of the Russian Federation.

The Exchange shall ensure that there is at least one period during a calendar year that includes at least three consecutive calendar days, in which the Exchange does not conduct organized trading.

8.2.2 The Exchange CEO or his designated substitute may declare certain days non-trading. Trading Participants are notified of this decision in the manner prescribed by the Trading Rules at least five (5) Trading Days before the day, which is declared non-trading.

8.2.3 The Exchange CEO or his designated substitute may declare a day that is not a trading day in accordance with clauses 8.2.1 and 8.2.2 hereof to be trading. The Exchange shall notify the Bank of Russia of this decision and disclose the information on the declared trading day no later than three months before the declared trading day by posting it on the Exchange's official website on the Internet.

8.2.4 Time of beginning and end of the Trading Session, conducting of organized trading in each of the trading modes, as well as the time of preparation and provision of reporting documents for the trades made during the day (service provision schedule) is established by the Exchange CEO or his designated substitute.

Article 8.3 Procedure and Conditions for Submitting Orders

8.3.1 The Order is deemed to be a document containing an offer/offers of the Trading Participant to enter into one or several Contracts in organized trading in the Section in accordance with the Trading Rules and the Futures Contract Specification. Kinds, types of Orders, their parameters, as well as special features of execution of Orders are defined in the Trading Rules.

8.3.2 Submission/cancellation (deletion)/amendment of an Order in the Derivatives Market ETS is effected by sending to the Derivatives Market ETS a respective electronic document signed with a basic digital signature. However, in accordance with clause 2.15 of the Trading Rules, if a Trading Participant is connected to the ETS via the AWP the Encrypted Non-Certified Digital Signature shall be used in addition to the basic digital signature. If upon receipt of an electronic document the Exchange identifies errors in application of the basic digital signature and/or Encrypted Non-Certified Digital Signature by the Trading Participant, as well as non-compliance of the information contained in the electronic document with the requirements for composition of the Order parameters applicable to Orders in the respective trading mode, then such documents will not be recorded in the Derivatives Market ETS. When submitting an Order Trading Participants shall use Additional Codes assigned in accordance with the Rules of Admission. Unique Codes that correspond to the Additional Codes are used for maintaining by the Exchange of registers in the Derivatives Market ETS and in preparation of reporting documents for Trading Participants.

8.3.3 An Order is recorded by the Derivatives Market ETS upon its receipt. When the Order is recorded in the Derivatives Market ETS, date and time of its submission are recorded and a Unique Order Code is assigned to it. The Order is considered to be submitted by the Trading Participant upon its recording in the Derivatives Market ETS. All Orders are included in the List of Recorded Orders that contains the following information:

- Unique Code of the Order;
- date and time of recording the Order;
- status of the Order (recorded, not recorded);
- reason for denial of registration of the Order in the Order Register;
- other information on Orders.

8.3.4 Submission of Orders and cancellation (deletion) of Orders accepted for execution, as well as modification of their parameters, is performed by Traders of Trading Participants.

8.3.5 Modification of parameters of the Order accepted for execution means its cancellation (deletion) and submission of a new Order.

8.3.6 Submission of an Order by the Trading Participant to the Derivatives Market ETS means its unconditional consent to enter into one or more Contracts in organized trading in the Section in accordance with the Trading Rules and the Futures Contract Specification.

8.3.7 A Trading Participant may submit Orders in the following trading modes:

- Main Trading Mode (Section 9 of the Trading Rules);
- Settlement Price Trading Mode (Section 10 of the Trading Rules).

8.3.8 A Trading Participant may:

а) submit Orders and make Contracts on its own behalf and at its own expense (rights and obligations under such Contracts arise for the Trading Participant);

б) submit Orders and make Contracts on its own behalf and at the expense of the Customer (rights and obligations under such Contracts arise for the Trading Participant);

в) submit Orders and make Contracts at its own expense with indication of the Clearing Broker (rights and obligations under such Contracts arise for the Clearing Broker).

Provisions of sub-clauses "a" and "b" hereof apply only to the Trading Participants that are the Clearing Members.

Special features of making Contracts by the Central Counterparty are established by the Trading Rules.

8.3.9 A Trading Participant is responsible for errors made by its Trader when submitting and/or cancelling (deleting) Orders and/or modifying parameters of Orders accepted for execution, including errors made through lack of knowledge, experience, or for any other reasons. Orders submitted by mistake participate in organized trading on a general basis in accordance with the Trading Rules.

8.3.10 After the Order is recorded in the Derivatives Market ETS, a request for verification of compliance of this Order with the conditions established by the Clearing Organization is automatically generated and sent to the Clearing Organization. The Clearing Organization verifies compliance of the Order with the conditions established by the Clearing Organization in accordance with the internal regulations of the Clearing Organization and, based on the verification results, immediately transmits information on compliance or non-compliance of this Order with the established conditions to the Derivatives Market ETS. This interaction is carried out in the form of electronic message exchange between the Exchange and the Clearing Organization.

8.3.11 The Order of the Trading Participant is registered in the Order Register if, in accordance with the information received from the Clearing Organization, this Order complies with the conditions established by the Clearing Organization and also meets the requirements for Orders in the respective trading mode, except for the requirements for composition of the Order parameters and their values. Otherwise, the Order is not registered in the Order Register, and the reason for denial of registration in the Order Register is indicated in the List of Recorded Orders for this Order. The Order is deemed registered by the Exchange from the moment of receipt of information from the Clearing Organization on compliance of this Order with the conditions established by the Clearing Organization and completion of the procedure for verification of compliance of the Order with the requirements for Orders in the respective trading mode. Date and time of registration of the Order are also recorded in the Derivatives Market ETS.

8.3.12 The Order accepted by the Exchange for execution (registered Order) is valid for the duration of organized trading in this trading mode until it is fully executed or cancelled (deleted).

8.3.13 In the course of organized trading information on any change in the status of Orders accepted for execution (cancellation (deletion) of an Order accepted for execution, making of a Contract/Contracts, etc.) is transmitted via the Derivatives Market ETS to the Clearing Organization.

8.3.14 All facts of the Trading Participants submitting Orders and cancelling (deleting) Orders accepted for execution upon registration of these actions in the Derivatives Market ETS are recorded in the Order Register, where the following information on the registered Orders is reflected:

- Unique Code of the Order assigned upon its recording and identification number of the Order assigned upon its registration in the Order Register (same as the Unique Code of the Order);
- Unique Code of the Trading Participant;
- Unique Code of the Trading Participant's Customer;
- code of the Clearing Member or code of the Clearing Broker;
- position account;
- an indication that the Order is submitted in the performance of obligations of the Market Maker, if that is the case;
- kind and type of the Order;
- Order size;
- conditions for execution of the Order;
- date and time of registration of the Order in the Order Register;
- date and time of cancellation (deletion) of the Order;
- result of submission of the Order;
- reason for cancellation (deletion) of the Order;
- other information.

8.3.15 Requirements for Orders, as well as the procedure and conditions for submitting Orders in each of the trading modes are defined in the following sections of the Trading Rules:

- in the Main Trading Mode — Article 9.2 of Section 9 of the Trading Rules;
- in the Settlement Price Trading Mode — Article 10.2 of Section 10 of the Trading Rules;

Article 8.4 Registered Order Matching Procedure

8.4.1 Procedure for matching the registered Orders with each other in each of the trading modes is determined in the following sections of the Trading Rules:

- in the Main Trading Mode — Articles 9.3, 9.4 of Section 9 of the Trading Rules;

- in the Settlement Price Trading Mode — Article 10.3 of Section 10 of the Trading Rules.

Article 8.5 Procedure for Making Contracts and Physical Contracts in Organized Trading

8.5.1 A Contract is considered to be made on the basis of the registered Order of the Trading Participant upon registration in the Derivatives Market ETS of the Central Counterparty's message constituting a consent (acceptance) to enter into the Contract on the basis of this Order by making an entry in the List of Transactions on making the Contract.

8.5.2 Procedure for making Contracts in organized trading in each of the trading modes (trading period) is determined in the following sections of the Trading Rules:

- in the Main Trading Mode — Article 9.5 of Section 9 of the Trading Rules;
- in the Settlement Price Trading Mode — Article 10.4 of Section 10 of the Trading Rules;
-

A Physical Contract is considered to be made upon determination of parties to the Physical Contract in the manner prescribed in Article 11.2 of the Trading Rules by making an entry in the List of Transactions on making the Physical Contract.

Procedure for making Contracts in organized trading is determined in Section 11 of the Trading Rules.

8.5.3 All Contracts and Physical Contracts made by Trading Participants in the Section are recorded in the List of Transactions, where the following information is reflected:

- terms and conditions of Contracts and Physical Contracts made in the Section;
- identification numbers of Orders accepted for execution, on the basis of which the Contract is made;
- identification number of the Contract or Physical Contract;
- date and time of registration of the Contract or Physical Contract;
- Unique Codes of the Trading Participants that submitted the Orders accepted for execution, on the basis of which the Contracts are made, including Unique Codes of the Trading Participants' Customers, at the expense of which the Contract is made, or Unique Codes of the Trading Participants and Unique Codes of the Trading Participants' Customers, on behalf and at the expense of which the Physical Contract is made;
- futures contract month, for which the Contract or Physical Contract is made;
- price of the Contract or Physical Contract;
- number of contracts under the Contract or Physical Contract;
- size of the Contract or Physical Contract;
- other information.

Article 8.6 Limitations on Orders Submitted and Contracts and Physical Contracts Made

8.6.1 The Exchange verifies Orders of the Trading Participants submitted to the Derivatives Market ETS and Contracts and Physical Contracts being made for compliance with the restrictions established by the Trading Rules.

8.6.2 The Clearing Organization monitors Orders submitted by the Trading Participants for compliance with the limits established by the Clearing Organization in accordance with the internal regulations of the Clearing Organization.

8.6.3 The Exchange registers the Trading Participant's Order in the Order Register and accepts it for execution, if this Order complies with the restrictions and limits specified in clauses 8.6.1 and 8.6.2 hereof.

Article 8.7 Procedure for Provision of Reporting Documents on the Results of Organized Trading

8.7.1 Based on the results of organized trading in the Section during the period determined in accordance with clause 8.2.4 of Article 8.2 hereof the Exchange prepares and issues reporting documents (Bulletin on the results of trading, Extract from the List of Transactions, Extract from the Order Register, List of Recorded Orders and other reporting documents) to the Trading Participants. The list of reporting documents, composition of the information contained in the reporting documents, as well as formats thereof are determined in the Technical Regulations on Provision of Reports to Trading Participants by the SPIMEX Derivatives Section. In this regard, the Extract from the List of Transactions made by the Trading Participant (at the expense of the Trading Participant's Customers) before 19:00 local time during the current Trading Day is provided no later than 20:00 local time of the current Trading Day, and on the Contracts made by the Trading Participant (at the expense of the Trading Participant's Customers) after 19:00 local time during the current Trading day — no later than 20:00 local time of the next Trading Day.

8.7.2 In cases of suspension/termination of organized trading, as defined in Section 14 of the Trading Rules, the Exchange prepares and issues the reporting documents specified in clause 8.7.1 of the Trading Rules (with the exception of the Extract from the List of Transactions for cases of technical failure) no later than 20:00 local time of the next Trading Day.

If there were any technical malfunctions during the Trading Day that made it impossible for the Exchange to provide Extracts from the List of Transactions within the time limits specified in this clause, the Exchange will provide Extracts from the List of Transactions to the Trading Participants within 1 hour after restoration of possibility to provide Extracts from the List of Transactions.

8.7.3 Reporting documents are provided in the form of electronic documents in accordance with the Technical Regulations on Provision of Reports to Trading Participants by the Derivatives Section. Hard copy reporting documents are issued by the Exchange only at the request (in any form) of the Trading Participant for a fee established by the Board of Directors and specified in the Fees and Commissions Schedule disclosed on the Exchange's official website on the Internet within one (1) month after receipt of the request from the Trading Participant.

Article 8.8 Interactions between Trading Participants and their Customers

8.8.1 For the purposes of separate accounting of the Trading Participant's transactions made by it at the expense of other person, the respective position accounts shall be opened for the said person in the manner prescribed by the internal regulations of the Clearing Organization.

8.8.2 The Trading Participants are prohibited from performing actions misleading their Customers, including provision of inaccurate reports and other false information. In this regard, it does not matter whether the Customer was actually misled or not.

8.8.3 The Trading Participant is obliged to bring the applicable SPIMEX internal regulations to the Customer's knowledge, as well as inform the Customer in a timely manner of any changes in the SPIMEX internal regulations and decisions of the Exchange's authorized bodies.

8.8.4 The Trading Participant shall at the request of the Customer provide it with an extract from the Order Register containing information on the Orders accepted for execution and submitted by the Trading Participant on the basis of instructions received from the Customer.

8.8.5 At the request of the Exchange the Trading Participant shall provide to it documentation confirming receipt of the Customer's instructions, on the basis of which the Trading Participant submitted Orders at the expense of the Customer.

8.8.6 Provision by the Trading Participant to its Customers of false information or information aimed at deceiving or misleading the Customers, refusal to provide or untimely provision by the Trading Participant of information to the Customers on Contracts and Physical Contracts made on behalf of the Customers results in application to the Trading Participant of appropriate measures established in the Rules of Admission.

Article 8.9 Settlement Price Determination Procedure

8.9.1 On the first Trading Day in the main mode of trading in futures contracts of a certain month the price used as the settlement price established for futures contract of this month on the previous Trading Day is the theoretical settlement price for futures contracts of this month established in accordance with the methodology approved by the Exchange CEO or his designated substitute.

8.9.2 For each futures contract month in the main trading mode every Trading Day, except for months of cash settled futures contracts, for which this Trading Day is the expiration date, and futures contracts, for which the method for determination of the settlement price is established by their Futures Contract Specification, the settlement price is determined as follows:

- if during the last hour of the Trading Session ten or more Contracts were made for futures contracts of this month — as the weighted average price of all Contracts made during this period for futures contracts of this month rounded according to the rules of mathematical rounding to the nearest multiple of the minimum change in the price of the futures contract determined in accordance with the Futures Contract Specification;

- if during the last hour of the Trading Session less than ten Contracts were made for futures contracts of this month or if the Trading Session lasted for less than one hour — as the weighted average price of all Contracts made during the Trading Session for futures contracts of this month rounded according to the rules of mathematical rounding to the nearest multiple of the minimum change in the price of the futures contract determined in accordance with the Futures Contract Specification;
- if during the Trading Session no Contracts were made for futures contracts of this month in the following cases:
    a) if the price of the best active Order to buy is higher than the settlement price of the previous day, the settlement price is equated to the price of the best active Order to buy;
    b) if the price of the best active Order to sell is less than the settlement price of the previous day, the settlement price is equated to the price of the best active Order to sell.

8.9.3 In determining the settlement price for futures contracts of each month only Orders and Contracts submitted and accepted for execution/made in the main trading mode are taken into account, with the exception of negotiated Orders and Spread Orders accepted for execution and Contracts made on the basis of negotiated Orders and Spread Orders accepted for execution.

8.9.4 If the settlement price on any other Trading Day for futures contracts of any month cannot be determined in the manner described in clause 8.9.2 hereof, then the settlement price determined for futures contracts of this month on the previous Trading day is used as the settlement price.

8.9.5 If the situation described in clause 8.9.4 hereof develops for futures contracts of a certain month with no open positions, then in accordance with the methodology approved by the decision of the Exchange CEO or his designated substitute it is established if it is necessary to set a new value of the settlement price for futures contracts of this month and, if there is such a necessity, a new value is set in accordance with the methodology.

8.9.6 If the situation is recognized as emergency in accordance with the internal regulations of the Clearing Organization, the settlement price for futures contracts of one or several months may be established by the decision of the Exchange CEO or his designated substitute.

8.9.7 On the last Trading Day of each physically settled futures contract month the settlement price for futures contracts of this month is calculated in accordance with this Article, unless otherwise specified in the Futures Contract Specification.

8.9.8 On the expiration date of each cash settled futures contract month the settlement price for this futures contract month is equal to the final settlement price. The expiration date and the procedure for determining the final settlement price are established in accordance with the Futures Contract Specifications.

Section 9. Main Trading Mode

Article 9.1 General Provisions

9.1.1 The main trading mode in the Section is the double-sided auction arranged by way of posting by the Trading Participants to the Derivatives Market ETS of Orders to buy and to sell futures contracts, as well as Spread Buy Orders and Spread Sell Orders.

9.1.2 Orders, including Spread Orders, may be of the following types: negotiated and standard. Orders, information on which is disclosed to all Trading Participants, are deemed standard. All other Orders are recognized as negotiated. During the main trading mode Contracts can be made on the basis of standard and negotiated Orders, including on the basis of Spread Orders. However, in order to make a Contract/Contracts the negotiated Order must contain the “Counterparty” parameter, i.e. Additional Code of the Trading Participant, from which the matching Order for making a Contract/Contracts must be accepted for execution. Parameters of the negotiated Order are disclosed for the Trading Participant, the Additional Code of the Trading Participant of which is indicated as the “Counterparty” parameter of this Order.

9.1.3 To be admitted to trading in this mode the Trading Participant must comply with the requirements specified in clause 6.1 of the Trading Rules.

Article 9.2 Orders of the Main Trading Mode

9.2.1 All Orders, including Spread Orders, posted by the Trading Participants in the main trading mode are addressed to the Central Counterparty. Upon acceptance of the Order submitted by the Trading Participant for execution by the Exchange the Central Counterparty is deemed to have received the offer contained therein.

9.2.2 The Order posted in the main trading mode is not registered in the Order Register, if there are matching Orders posted at the expense of the same Trading Participant/Trading Participant’s Customer.

9.2.3 The Order posted by the Trading Participant in the main trading mode shall contain the following main parameters taking the indicated values:

- *Futures contract month* traded in the Section on the current Trading Day, or futures contract months, for making Contracts with which the offers contained in the Spread Order are aimed.
- *Order side.*

The Order side may be to buy or to sell. Orders to buy and Orders to sell are opposite-sided in relation to each other.

- *Order size.*

  Indicates the number of futures contracts, for making which the offer(s) is (are) aimed.

- *Position Account* specified in the Derivatives Market ETS for the Trading Participant in accordance with information from the Clearing Organization. In this regard, if the position account is opened by the Clearing Member that is not the same person as the Trading Participant, then such Order shall be deemed submitted with indication of such Clearing Member as the Clearing Broker.

- *Order type.*

  By its type standard Orders may be *market* or *limited*. Negotiated Order may only be limited.

  Market Order is a proposition containing an offer/offers for making Contracts at the best prices at the given time (Orders accepted for execution).

  Limited Order is an offer to make a Contract/Contracts to buy/to sell futures contracts at the price no worse than that specified in the Order.

- *Conditions for execution of the Order.*

  The Order must indicate one of the following conditions of its execution:

  - Condition "All or reject" means that the Order must be executed in full without being entered in the Order Book.
  - Condition "Put in the queue" means that the Order must be executed to the fullest extent possible, after which listed in the Order Book as a limited Order with the size of the unfilled balance. This condition is set by default when the limited Order is posted, unless the Trading Participant specified a different condition for its execution.
  - Condition "Withdraw the balance" means that the Order must be executed to the fullest extent possible without being listed in the Order Book.

- *Trader's ID,* which is the basic digital signature of the Trading Participant.

In addition to the specified parameters the "Price" parameter shall be indicated for the limited Order to be accepted for execution.

When the negotiated Order is posted, in addition to the obligatory "Price" parameter it shall also contain the "Counterparty" parameter, i.e. Additional Code of the Trading Participant, from which the matching negotiated Order for making a Contract must be accepted for execution.

Article 9.3 Rules for Execution of Standard Orders in the Main Trading Mode

9.3.1 Upon registration by the Exchange of the Order filed in the main trading mode in the Order Register this Order, before being listed in the Order Book, is checked for availability of opposite Orders accepted by the Exchange for execution in the main trading mode with the same or matching price and for the possibility of fulfillment of the conditions for execution of this Order. If the condition for execution of the Order can be fulfilled and if there is at least one machining Order for the Order accepted for execution a Contract is registered (for Spread Orders — two Contracts) with the Central Counterparty. The Central Counterparty simultaneously enters into Contracts under this Order and the best matching Order. In this case:

- Contracts are made at the price of the best matching Order. For Spread Orders, Contracts are made in respect of two futures contract months at the following prices:
    - Contracts in respect of the near contract month are made at the settlement price of this contract determined on the previous Trading Day;
    - Contracts in respect of the far contract month are made at the price equal to the sum of values of the settlement price of the near futures contract determined on the previous Trading Day and the price of this Spread Order;
- the number of futures contracts, in respect of which Contracts are made, is equal to the minimum number of futures contracts specified in each of the Orders accepted for execution, under which Contract are made;
- the number of futures contracts in the Order accepted for execution is reduced by the number of futures contracts, in respect of which the Contract is made (for Spread Orders, two Contracts are made — in respect of the near and far futures contract months). If the resulting unfilled balance is equal to zero, then this Order accepted for execution is considered fully executed;
- the number of futures contracts in the matching Order is reduced by the number of futures contracts, in respect of which the Contract is made (for Spread Orders, two Contracts are made — in respect of the near and far futures contract months). If the resulting unfilled balance is equal to zero, then the matching Order is considered fully executed;
- checking for availability of matching Orders and making of Contracts is repeated continuously until either the Order accepted for execution is fully executed or there is no matching Orders left;
- if there is no matching Orders left and the submitted Order is executed partially, then it is entered in the Order Book if the condition for its execution is “Put in the queue”, or cancelled (deleted) if the condition for its execution is “Withdraw the balance”.

9.3.2 If there are no matching Orders, the Order accepted for execution is listed in the Order Book if the condition for its execution is "Put in the queue" or cancelled (deleted) if other condition for its execution is specified.

9.3.3 The sequence number of the Order in the Order Book is determined by its price and time of acceptance for execution. The first in the queue of Orders to buy is the Order with the maximum price and in the queue of Orders to sell — the Order with the minimum price. If Orders of the same side have equal prices, priority is given to the Order earlier accepted for execution by the Exchange. The Order will be listed in the Order Book either until it is executed or cancelled (deleted), or until the end of trading in the main trading mode.

9.3.4 The Order listed in the Order Book remains active until any of the following events occurs:

- posting of a matching Order leading to making of a Contract, as a result of which the unfilled balance under this Order becomes zero;
- cancellation (deletion) of the Order;
- suspension of admission to organized trading in the Section of the Trading Participant that submitted this Order;
- suspension of trading in futures contracts of the type or month, in respect of which the Order was submitted;
- end of trading in the main trading mode.

Article 9.4 Rules for Execution of Negotiated Orders in the Main Trading Mode

9.4.1 Contracts can be made during the Trading Session under negotiated Orders submitted by the Trading Participants during this Trading Session in the main trading mode and accepted by the Exchange for execution in accordance with Article 9.2 of Section 9 of the Trading Rules.

9.4.2 Upon registration by the Exchange of a negotiated Order in the Order Register, this Order is checked for availability of a matching Order. Negotiated Order is not entered in the Order Book.

9.4.3 If there are no matching Orders submitted and accepted by the Exchange for execution, the Order remains active until any of the following events occurs:

- posting of a Matching Order;
- cancellation (deletion) of the Order;
- suspension of admission to organized trading in the Section of the Trading Participant that submitted this Order;
- suspension of trading in futures contracts of the type or month, in respect of which the Order was submitted;
- end of trading in the main trading mode.

9.4.4 If there is a matching Order for the negotiated Order, the Contract is registered (for Spread Orders two Contracts are made — in respect of the near and far futures contracts) with the Central Counterparty. The Central Counterparty simultaneously makes Contracts under this Order and the matching Order. In this case:

- Contracts are made at the price indicated in the opposite-sided Orders, on the basis of which these Contracts are made. For Spread Orders, Contracts are made in respect of the same type of futures contracts of two months at the following prices:
    - Contracts in respect of the near contract month are made at the settlement price of this contract determined on the previous Trading Day;
    - Contracts in respect of the far contract month are made at the price equal to the sum of values of the settlement price of the near futures contract determined on the previous Trading Day and the price indicated in the Spread Order;
- the number of futures contracts, in respect of which Contracts are made, is equal to the number indicated in the opposite-sided Orders, on the basis of which these Contracts are made.

Article 9.5 Contracts Made in the Main Trading Mode

9.5.1 In accordance with the Trading Rules all Contracts in the main trading mode are made with the Central Counterparty.

9.5.2 Contracts are made via the Derivatives Market ETS on the basis of opposite-sided Orders posted (submitted) by the Trading Participants accepted by the Exchange for execution and the Central Counterparty's messages constituting a consent (acceptance) to enter into Contracts on the basis of these Orders. Orders are matched in the Derivatives Market ETS in the manner provided for in Articles 9.3 and 9.4 of Section 9 of the Trading Rules.

9.5.3 The Central Counterparty assumes the obligation to enter into a Contract (for Spread Orders, two Contracts — in respect of the near and far futures contracts) on the terms no less favorable than those specified in the Order accepted by the Exchange for execution.

9.5.4 Upon registration by the Exchange in the Order Register of the Order, for which the Exchange has previously accepted for execution a matching Order that meets the conditions for making Contracts provided for in Articles 9.3 and 9.4 of Section 9 of the Trading Rules, the Central Counterparty shall enter into Contracts with the Trading Participants that submitted the said matching Orders by sending the Central Counterparty's messages to these Trading Participants via the Derivatives Market ETS.

9.5.5 Information on availability of matching Orders of the Trading Participants and compliance with the conditions for making Contracts provided for by the Trading Rules becomes available to the

Central Counterparty via the Derivatives Market ETS. The Central Counterparty's messages are recorded in the Derivatives Market ETS.

9.5.6 The Contract is considered to be made when the Exchange matches the Orders submitted by the Trading Participants and accepted for execution with each other by making an entry in the List of Transactions on making the Contract with the Central Counterparty by each of the Trading Participants and each Trading Participant receives the Central Counterparty's message (confirmation). The Trading Participant is considered to have received the Central Counterparty's message upon entry of such message in the Derivatives Market ETS.

Section 10. Settlement Price Trading Mode

Article 10.1 General Provisions

10.1.1 Settlement Price Trading Mode is intended for making Contracts that are physically settled futures contracts settled by making Physical Contracts. Trading Participants are given the opportunity to make Contracts at the futures settlement price determined based on the results of trading in the main mode. In this mode Orders are submitted and Physical Contracts are made during the period of time established in accordance with clause 8.2.4 of the Trading Rules.

10.1.2 To be admitted to trading in this mode the Trading Participant must comply with the requirements specified in clause 6.3 of the Trading Rules.

Article 10.2 Orders of the Settlement Price Trading Mode

10.2.1 All Orders posted by the Trading Participants in the Settlement Price Trading Mode are addressed to the Central Counterparty. Upon acceptance of the Order for execution by the Exchange the Central Counterparty is deemed to have received the offer contained therein.

10.2.2 An Order posted in the Settlement Price Trading Mode is not registered in the Order Register if there is an opposite Order with the same size posted in the Settlement Price Trading Mode at the expense of the same Trading Participant/Trading Participant's Customer as the said Order, and the "Position Account of the Counterparty" parameter of which indicates the position account specified in this Order.

10.2.3 The Order posted by the Trading Participant in the Settlement Price Trading Mode shall contain the following main parameters taking the indicated values:

- *Month of physically settled futures contracts* settled by making a Physical Contract and traded in the Section on the current Trading Day.

- *Order side.*
- The Order side may be to buy or to sell. Orders to buy and Orders to sell are opposite-sided in relation to each other.
- *Order size.*
- Indicates the number of futures contracts, for making which the offer(s) is (are) aimed.
- *Position Account* specified in the Derivatives Market ETS for the Trading Participant in accordance with information from the Clearing Organization. In this regard, if the position account is opened by the Clearing Member that is not the same person as the Trading Participant, then the Order shall be deemed submitted with indication of such Clearing Member as the Clearing Broker.
- *Position Account of the Counterparty*, from which an opposite Order with the same size shall be accepted for execution. In this case, the “Position Account of the Counterparty” parameter in the opposite Order must indicate the position account specified in this Order.
- *Trader’s ID,* which is the basic digital signature of the Trading Participant.

10.2.4 The Trading Participant cannot submit an Order with the same basic parameters as the active Order previously submitted by it.

Article 10.3 Rules for Execution of Orders in the Settlement Price Trading Mode

10.3.1 Contracts in this mode are made after the end of trading in the main mode under the Orders submitted by the Trading Participants during this Trading Session in the Settlement Price Trading Mode and accepted by the Exchange for execution in accordance with Article 10.2 of the Trading Rules.

10.3.2 After acceptance of the Order by the Exchange this Order remains active until any of the following events occurs:

- cancellation (deletion) of the Order;
- making of a Contract under this Order in accordance with clause 10.3.3 of the Trading Rules;
- suspension of admission to organized trading in the Section of the Trading Participant that submitted this Order;
- suspension of trading in futures contracts of the type or month, in respect of which the Order was submitted;
- end of trading in the Settlement Price Trading Mode.

10.3.3 After the end of trading in the main mode and if there is an opposite Order with the same size for the Order submitted in the Settlement Price Trading Mode and accepted for execution, the

“Position Account of the Counterparty” parameter of which indicates the position account specified in this Order, the Contract with the Central Counterparty is registered. The Central Counterparty simultaneously enters into Contracts under this Order and the opposite Order. In this case:

- Contracts are made at the settlement price determined for the Trading Day for a futures contract month after the end of trading in the main mode;
- the number of futures contracts, in respect of which Contracts are made, is equal to the number indicated in the opposite-sided Orders, on the basis of which these Contracts are made.

10.3.4 Orders submitted in the Settlement Price Trading Mode are processed in the order of their registration in the Derivatives Market ETS.

Article 10.4 Contracts in the Settlement Price Trading Mode

10.4.1 In accordance with the Trading Rules all Contracts are made with the Central Counterparty.

10.4.2 Contracts are made via the Derivatives Market ETS on the basis of opposite-sided Orders posted (submitted) by the Trading Participants accepted by the Exchange for execution and the Central Counterparty’s messages constituting a consent (acceptance) to enter into Contracts on the basis of these Orders. Orders are matched in the Derivatives Market ETS in the manner provided for in Article 10.3 of Section 10 of the Trading Rules.

10.4.3 The Central Counterparty assumes the obligation to enter into a Contract on the terms no less favorable than those specified in the Order accepted for execution.

10.4.4 Upon matching the opposite Orders in the manner specified in Article 10.3 of the Trading Rules the Central Counterparty shall enter into Contracts with the Trading Participants that submitted the said opposite Orders by sending the Central Counterparty’s messages to these Trading Participants via the Derivatives Market ETS.

10.4.5 Information on availability of matching Orders of the Trading Participants and compliance with the conditions for making Contracts provided for by the Trading Rules becomes available to the Central Counterparty via the Derivatives Market ETS.The Central Counterparty’s messages are recorded in the Derivatives Market ETS.

10.4.6 The Contract is considered to be made when the Exchange matches the Orders of the Trading Participants with each other by making an entry in the List of Transactions on making the Contract with the Central Counterparty by each of the Trading Participants and each Trading Participant receives the Central Counterparty’s message (confirmation). The Trading Participant is considered to have received the Central Counterparty’s message upon entry of such message in the Derivatives Market ETS.

Section 11. Physical Contract Conclusion Mode

Article 11.1 General Provisions

11.1.1 Physical Contracts are made in order to settle physically settled futures contracts.

11.1.2 To make Physical Contracts on its own behalf or on behalf of the Customer the Trading Participant shall comply with the requirements specified in clause 6.2 of the Trading Rules.

11.1.3 Compliance with the requirements for making Physical Contracts is verified by the Exchange at the end of the last day of trading in futures contracts. Information on compliance with the requirements stipulated by clause 6.2 of the Trading Rules is transmitted by the Exchange to the Clearing Organization in accordance with the Interaction Agreement. Deliverable positions, for which the requirements stipulated by clause 11.1.2 hereof are not met, are closed on the expiration date of futures contracts in accordance with the Clearing Rules. Physical delivery under such positions is not effected and obligations are terminated by payment of a penalty.

Article 11.2 Procedure for Determination of Parties to Physical Contracts

11.2.1 Physical Contracts in this mode are made during the period of time established in accordance with clause 8.2.4 of Article 8.2 of the Trading Rules on deliverable positions, for which the requirements stipulated in clause 6.2 of the Trading Rules are met. Information on deliverable positions is transmitted to the Exchange by the Clearing Organization in accordance with the Interaction Agreement. On the last day of trading in futures contracts of a certain month after the end of trading in the main mode the Exchange carries out the procedure for determining parties to Physical Contracts and making Physical Contracts between certain parties by making an entry in the List of Transactions.

11.2.2 For the purposes of targeted determination of parties to Physical Contracts the Trading Participant may file a notice to the Exchange of the delivery counterparty.

11.2.3 The notice of the delivery counterparty shall contain the following information:

- Number of the position account of the Delivery Maker/Taker;
- Code of the month of a physically settled futures contract settled by making a Physical Contract;
- Number of positions;
- Side of positions (sell (short)/buy (long));
- Number of the position account of the Delivery Counterparty.

11.2.4 Procedure, time limits for filing and form of the notice of the delivery counterparty are established in the Procedure for Exchange of Documents.

11.2.5 In case two Trading Participants filed opposite notices of the delivery counterparty, i.e. notices of the delivery counterparty specifying the same number of positions and the futures contract code, containing reference to the opposite-sided positions and indication of position accounts as counterparties of each other, such opposite notices of the delivery counterparty are further taken into account by the Exchange in the procedure for determining parties to Physical Contracts in accordance with this Article.

11.2.6 For each pair of opposite notices of the delivery counterparty the Exchange verifies correctness of the information specified therein, as well as the fact that the requirements for making Physical Contracts are met for all deliverable positions indicated therein. If these requirements are not met, then the pair of opposite notices of the delivery counterparty will not be further taken into account in the procedure for determining parties to Physical Contracts in accordance with this Article. If the said requirements are met for the pair of opposite notices of the delivery counterparty, the Exchange, based on such notices, determines parties to Physical Contracts with the following parameters:

- Seller: a party to the Physical Contract (Delivery Maker), in respect of which the notice of the delivery counterparty is filed that indicates sell (short) positions;
- Buyer: a party to the Physical Contract (Delivery Taker), in respect of which the notice of the delivery counterparty is filed that indicates buy (long) positions;
- Contract month: a month of a physically settled futures contract settled by making a Physical Contract specified in notices of the delivery counterparty;
- Physical Contract size: number of positions indicated in the notices of the delivery counterparty expressed in units of the underlying asset established in accordance with the Futures Contract Specification.

Parties to Physical Contracts are determined by the Exchange with account for the time of submission of the notice of the delivery counterparty. The Exchange takes into account notices of the delivery counterparty submitted by the Trading Participant in the order, in which these notices were submitted.

11.2.7 After determining parties to Physical Contracts on the basis of opposite notices of the delivery counterparty the number of deliverable positions of the Delivery Maker/Taker to be used further in the procedure for determining parties to Physical Contracts is reduced by the number of positions, for which the parties to the Physical Contracts have been determined. Then, the number of deliverable positions of the Delivery Maker/Taker to be used further in the procedure for determining parties to Physical Contracts is reduced by the number of positions that are not multiples of the standard delivery unit determined in accordance with the Futures Contract Specification.

11.2.8 After determining parties to Physical Contracts on the basis of opposite notices of the delivery counterparty, the Exchange determines parties to Physical Contracts as follows:

а) Parties to Physical Contracts are determined for all deliverable positions to be used in the procedure for determining parties to Physical Contracts in accordance with clause 11.2.7 of the Trading Rules less the number of deliverable positions, for which the parties to Physical Contracts have already been determined.

б) Deliverable sell positions are sorted in descending order of the number of positions. Deliverable positions with the equal number of positrons are sorted in descending order of the position account number.

в) Deliverable buy positions are sorted in descending order of the number of positions. Deliverable positions with the equal number of positrons are sorted in descending order of the position account number.

г) The Exchange determines parties to Physical Contracts for futures contracts of a certain month with the following parameters:

- seller: a party to the Physical Contract (Delivery Maker), the position account of which contains deliverable sell positions that appear first in the list of deliverable sell positions sorted in accordance with sub-clause b) hereof;
- buyer: a party to the Physical Contract (Delivery Taker), the position account of which contains deliverable buy positions that appear first in the list of deliverable buy positions sorted in accordance with sub-clause c) hereof;
- Physical Contracts are made with respect to deliverable positions determined at least from the number of deliverable buy and sell positions recorded on the above position accounts of the buyer and the seller that shall be used in the procedure for determining parties to Physical Contracts in accordance with clause 11.2.7 of the Trading Rules less the number of deliverable positions, for which the parties to Physical Contracts have already been determined.-In this regard, the size of each Physical Contract shall be equal to the size of the standard delivery unit determined in accordance with the Futures Contract Specification expressed in units of the underlying asset.

д) After determining parties to Physical Contracts the number of deliverable positions of the Delivery Maker/Taker to be used further in the procedure for determining parties to Physical Contracts is reduced by the number of positions, for which the parties to Physical Contracts have already been determined.

The procedure provided for in sub-clauses a)-e) hereof is repeated until the number of short and long deliverable positions for this futures contract to be used in the procedure for determining parties to Physical Contracts is greater than zero.

Article 11.3 Physical Contracts

11.3.1 Physical Contracts are made in the Physical Contract Conclusion Mode on the terms and conditions provided for in Appendix No. 01 to the Trading Rules for the SPIMEX Urals Crude Futures Contracts (FOB Primorsk) or in Appendix No. 02 to the Trading Rules for the SPIMEX ULSD Futures Contracts (FOB Primorsk). Procedure for determining parties to and size of Physical Contracts is defined in Article 11.2 of the Trading Rules. The price of the Physical Contract made in the performance of obligation to deliver the underlying asset under the futures is equal to the final settlement price of this futures contract month. A Physical Contract is considered to be made upon determination of the parties to the Physical Contract by making an entry in the List of Transactions on making the Physical Contract.

11.3.2 A notice shall be sent to the Trading Participant for each Physical Contract, to which it or its Customer is a party, containing all necessary information on the counterparty. Procedure and time limits for providing such notifications are established by the Procedure for Exchange of Documents.

11.3.3 The Exchange forwards information on Physical Contracts to the Clearing Organization. Based on the said information the Clearing Organization in accordance with the Clearing Rules supervises execution of obligations under the Physical Contracts.

11.3.4 Deliverable positions that are not multiples of the standard delivery unit and are recorded on position accounts of the Parties to the Physical Contract, for which the requirements for making Physical Contracts are met, are closed on the settlement day in accordance with the Clearing Rules. Physical delivery under such positions is not effected and obligations are terminated by payment of a penalty.

11.3.5 Deliverable positions that are multiples of the standard delivery unit and are recorded on position accounts of the Parties to the Physical Contract, for which the requirements for making Physical Contracts are met, but no Physical Contracts are made, are closed on the settlement day in accordance with the Clearing Rules. Physical delivery under such positions is not effected and obligations are terminated by payment of a penalty.

11.3.6 Upon completion of delivery the Trading Participant shall in relation to the Physical Contract, to which it or its Customer is a party, submit a bill of lading to the Exchange in the manner and within the time period specified in the Procedure for Exchange of Documents. In case of failure to provide the said bill of lading the Trading Participant may in relation to the Physical Contract submit to the Exchange the following documents, the time limit, format and procedure for submission of which are defined in the Procedure for Exchange of Documents:

- notice of settlement of obligations provided in case of approval of changes in the terms and conditions of the Physical Contract, its termination (sent to each of the parties to the Physical Contract);
- notice of changing the date of performance of obligations (sent to each of the parties to the Physical Contract);
- notice of non-delivery due to the fault of one of the parties (sent to each of the parties to the Physical Contract);
- copy of the effective decision of the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation confirming the faulty actions of one of the parties to the Physical Contract or absence thereof (sent to either party to the Physical Contract).

The Exchange sends information on the received documents to the Clearing Organization. Based on the information received from the Exchange the Clearing Organization in accordance with the Clearing Rules supervises execution of obligations under the Physical Contracts.

11.3.7 Delivery of the underlying asset under the Physical Contracts is carried out in accordance with the Trading Rules, Futures Contract Specification, SPIMEX internal regulations. Formats and procedure for exchange of documents in the course of delivery under the Physical Contract are specified in the Procedure for Exchange of Documents.

Section 12. Procedure for Cancellation (Deletion) of Orders on the Basis of a Notice from the Clearing Organization

12.1 In cases provided for in the Clearing Rules the Clearing Organization may send a notice to the Exchange stating that it is necessary to cancel (delete) Orders.

The notice of the necessity to cancel (delete) Orders shall contain the reason for cancellation (deletion) of Orders and the list of position accounts of the Clearing Member specified in active Orders that shall be cancelled (deleted).

12.2 Based on the notice received in accordance with clause 12.1 of Section 12 of the Trading Rules the Exchange will restrict the possibility of submitting Orders indicating position accounts of the Clearing Member specified in the notice, while all active Orders submitted with indication of these position accounts will be cancelled (deleted) via the Derivatives Market ETS.

12.3 After termination of the reason that caused cancellation (deletion) of the Orders submitted with indication of the position accounts of the Clearing Member specified in the notice received in accordance with clause 12.1 of Section 12 of the Trading Rules the Clearing Organization will notify the Exchange thereof. Based on such notice the Exchange will remove the restrictions on the possibility of submitting Orders indicating the position accounts of this Clearing Member.

12.4 When the Exchange executes the notice of the necessity to cancel (delete) Orders received from the Clearing Organization, the Exchange assumes no responsibility for losses that may be incurred by the Clearing Broker or the Trading Participant being the Clearing Member, the position account of which is specified in the notice sent in accordance with clause 12.1 of Section 12 of the Trading Rules.

Section 13. Procedure for Making Contracts by the Clearing Organization with Indication of Position Accounts of Clearing Members

13.1 In cases provided for in the Clearing Rules the Clearing Organization, acting as the Central Counterparty, may submit Orders in the main trading mode indicating position accounts of the Clearing Member, which is the Trading Participant or the Clearing Broker:

1. for making Contracts on behalf of such Trading Participant or Clearing Broker;
2. for making Contracts on behalf of the Clearing Organization as part of the close-out netting procedure.

13.2 When making Contracts on behalf of the Trading Participant (Clearing Broker) in accordance with sub-clause 1 of clause 13.1 of Section 13 of the Trading Rules, the Orders submitted by the Clearing Organization are registered in the Order Register, and the Contracts made on the basis of such Orders are entered in the List of Transactions. Information on such Orders and Contracts is contained in the reporting documents issued by the Exchange in accordance with the procedure provided for in Article 8.7 of the Trading Rules and is sent to the Trading Participant, which is the Clearing Member, or to the Trading Participant that submitted the Orders and made the Contract at its own expense with indication of the Clearing Broker.

13.3 When making Contracts on behalf of the Clearing Organization in accordance with sub-clause 2 of clause 13.1 of Section 13 of the Trading Rules, the Contract is made between the Central Counterparty and the Trading Participant (Clearing Broker), the Orders of which are matching in relation to the Order submitted by the Central Counterparty on its own behalf, or the Trading Participant (Clearing Broker) that has positions opposite to the positions of the Clearing Member, in respect of which close-out netting is performed.

Section 14. Cases and Procedure for Suspension, Termination and Resumption of Organized Trading

14.1 The Exchange is obliged to suspend or terminate trading in cases, in the manner and within the time limits established by federal laws and regulations of the Bank of Russia, as well as by the decision of the Chairman of the Bank of Russia (his designated substitute) executed by a proper instruction of the Bank of Russia.

14.2 Except for the cases specified in clause 14.1 of Section 14 of the Trading Rules, suspension, termination and resumption of trading is effected by decision of the Exchange due to impossibility of the proper operation of the Clearing Organization in the event of any circumstances that disrupt or could disrupt the normal course of trading, specifically force majeure circumstances or other circumstances of an emergency, unavoidable and unforeseen nature (hereinafter referred to as extraordinary circumstances), as well as in other cases resulting in the actual impossibility to conduct trading. In this regard, suspension of trading means termination of trading for a certain period of time, as well as delay in commencement of trading. Extraordinary circumstances include, without limitation:

- natural phenomena and natural disasters (earthquakes, floods, etc.), fires or other accidents, destruction or significant damage to the premises occupied by the Exchange, as well as other emergencies beyond the control of the Exchange, which impede performance by it of its obligations;
- suspension of organized trading, where value of the underlying asset of futures contracts is determined;
- military operations, acts of terror, subversion and sabotage, mass disturbances, strikes, imposition of a state of emergency or martial law, political regime change and other political complications, epidemics, adoption by the Bank of Russia or other government bodies of acts that prohibit organized trading, embargoes, imposition of economic sanctions, circumstances that pose or may pose a threat to the life or health of the Exchange employees, as well as circumstances caused by technical and organizational reasons, which include technical failures, equipment malfunctions and failures, software breakdowns and errors related, in particular, to virus and other attacks on the ITHS,

breakdowns, malfunctions and failures of communication systems, power supply, air conditioning and other life support systems, other events of an unpredictable nature, which cannot be prevented by efforts and resources available to the Exchange.

14.3 The Exchange shall suspend/terminate trading, where futures contracts are entered into upon occurrence of circumstances specified in clauses 14.1—14.2 of Section 14 of the Trading Rules by the decision of the Exchange CEO or his designated substitute by issuing the appropriate Order.

In this case, if organized trading, where value of the underlying asset of futures contracts is determined, is suspended or terminated the Exchange suspends trading in such futures contracts within 5 minutes after detection of the said event, but no later than 2 hours before the end of the Trading Session.

14.4 The Exchange shall not be liable for any delays or failures in the performance of its obligations under the Trading Rules resulting from circumstances that include, without limitation, those specified in clauses 14.1—14.2 of Section 14 of the Trading Rules.

The basic rules and procedures for diagnosing extraordinary circumstances in the course of the Exchange's activities on conducting organized trading, as well as the plan of actions of the Exchange employees in case of suspension, termination and resumption of trading, are established in the Regulation on Measures Taken by the Saint Petersburg International Mercantile Exchange in Emergency Situations Aimed at Ensuring Continuity of Activities on Conducting Organized Trading (hereinafter, the Regulation on Emergency Situations).

14.5 The situation that arose upon occurrence of the circumstances specified in clause 14.2 of Section 14 of the Trading Rules, in which in accordance with clause 14.3 it is decided to suspend trading, may be declared to be emergency by the decision of the Exchange CEO or his designated substitute, if such circumstances are not eliminated within sixty (60) minutes. If, after suspension of trading, the circumstances that may constitute grounds for declaring an emergency are eliminated within sixty (60) minutes and no later than ten (10) minutes before the end of trading, then trading may be resumed by the decision of the Exchange CEO or his designated substitute.

14.6 The Exchange shall suspend trading in accordance with the criterion for suspension of organized trading in the Section in case of technical failures in operation of facilities for conducting trading agreed upon with the Technical Committee: technical failures in operation of trading facilities during trading that affect or may affect the course of trading for the majority of active Trading Participants.

Organized trading in the Section may be suspended:

- in respect of all futures contracts, or in respect of futures contracts of certain types or months;
- in all trading modes provided for in the Trading Rules, or in certain trading modes.

14.7 In the event of occurrence during trading of circumstances that may constitute grounds for declaring the situation to be emergency the Exchange may additionally verify the information submitted to the Clearing Organization on the Orders filed and the Contracts and Physical Contracts made. When verifying the Contracts and Physical Contracts the Exchange checks the terms and conditions of the Contracts and Physical Contracts registered by the Exchange and included in the List of Transactions for compliance with the terms and conditions of the Contracts and Physical Contracts, the information on which was sent to the Clearing Organization upon making thereof. If the Contracts that do not meet the requirements of the Trading Rules are identified following the verification, the Exchange may decide to cancel the trading results in full or in part.

14.8 The Exchange shall notify the Bank of Russia, as well as the Trading Participants and the Clearing Organization of suspension, termination and resumption of trading in the manner and within the time limits established by Regulation of the Bank of Russia No. 437-P dated 17 October 2014 On Conducting Organized Trading and other regulatory acts of the Bank of Russia, as well as the SPIMEX internal regulations.

Procedure for notifying the Trading Participants of a technical failure and its recovery is established in the Trading Rules.

In case of suspension/termination of trading active Orders of the Trading Participants are automatically cancelled (deleted) by means of the Derivatives Market ETS.

14.9 After resolving the situations caused by occurrence of extraordinary circumstances, as well as the circumstances provided for in clause 14.1 of Section 14 of the Trading Rules the Exchange may:

- resume trading;
- cancel trading;
- close trading ahead of schedule.

14.10 If during trading the Trading Participant has lost access to the Derivatives Market ETS, all of its Orders submitted earlier remain. At the request of the Trading Participant the Trading System Administrator of the Exchange, in the manner specified in clause 4.7 of Section 4 “Trading System Administrator” of the Trading Rules, if possible, cancels (deletes) active (unfilled) Orders entered earlier by the Trading Participant in the Derivatives Market ETS. When considering disputes the Exchange and the Trading Participant have the right to use records of telephone conversations in evidence of the fact that the Trading Participant filed the said request for cancellation (deletion) of active Orders.

14.11 All decisions related to resumption of trading, extension, early closing or cancellation of trading are made by the Exchange CEO or his designated substitute, including in cases of complying with the instructions of the Bank of Russia. The Trading Participants are notified of the decisions made by Trading System Administrator of the Exchange by means of the Derivatives Market ETS and/or by posting information on the Exchange’s official website on the Internet and/or by any other means available. Time limits and specific methods for notifying the Trading Participants are established by the decision of the Exchange CEO or his designated substitute.

In this respect, in the event of occurrence during trading of technical failures in operation of the trading facilities that affect or may affect the course of trading with respect to the majority of the Trading Participants the Exchange will disclose information to that effect on the Exchange’s official website on the Internet, and if it is not possible to disclose the said information on the Exchange’s official website on the Internet — in any other possible way provided for by the Regulation on Emergency Situations and ensuring its receipt by the Trading Participants no later than fifteen minutes after detection of such technical failures.

Upon restoration of normal operation of the trading facilities and detection of technical failures in operation of the trading facilities, the Exchange will disclose information to that effect on the Exchange’s official website on the Internet, and if it is not possible to disclose the said information on the Exchange’s official website on the Internet — in any other possible way provided for by the Regulation on Emergency Situations and ensuring its receipt by the Trading Participants no later than fifteen minutes after detection of such technical failures.

14.12 Submission of Orders and entering into Contracts or Physical Contracts in organized trading with violation of the Rules of Organized Trading (including as a result of failures and/or errors of software and hardware, failures in operation of information and communication equipment) can result in occurrence of the following consequences:

1. If an emergency situation was declared on the Exchange:

- Upon resumption of trading the Orders registered before suspension of trading may be declared not filed, and the Contracts and Physical Contracts entered into on the Exchange before suspension of trading may be declared not made.
- If trading is cancelled in the event of declaring the situation to be emergency, trading is declared failed, the Orders — not filed, and the Contracts and Physical Contracts — not made.
- Trading may be closed ahead of schedule without clearing (all Contracts and Physical Contracts for the current Trading Day are declared not made) or with clearing and provision to the Trading Participants of the final documents for the Contracts and Physical Contracts made before the early closing of trading in the manner established by the Trading Rules.

2. If the Orders registered and/or the Contracts and Physical Contracts made are suspicious for signs of illegal use of insider information and/or market manipulation, then the Exchange will implement measures provided for in Section 15 “Monitoring of Organized Trading and Supervision of Trading Participants” of the Trading Rules and other SPIMEX internal regulations. If necessary, the Exchange may impose appropriate measures on a certain Trading Participant stipulated in the Rules of Admission and will transfer information on the Orders

submitted and/or the Contracts and Physical Contracts made to the Bank of Russia. In this regard, clearing and provision of reporting documents for such Orders and/or Contracts and Physical Contracts is carried out in accordance with the procedure established by the Trading Rules.

14.13 In all other cases the Contracts and Physical Contracts made on the Exchange may be declared invalid or not made in the manner established by the legislation of the Russian Federation on the basis of the decision of a court, arbitration court or the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation.

14.14 Except for the cases specified in clauses 14.1 and 14.2 of Section 14 of the Trading Rules, trading is suspended during trading in order to change the price change limits. In the cases established by the Procedure for Changing by NFI CCP RDC (JSC) of Risk Parameters of the SPIMEX Derivatives Market During Trading, the Clearing Organization in the course of trading sends a notification to the Exchange of the necessity to suspend trading. On the basis of the notification the Exchange suspends trading for all futures contracts in all trading modes. Trading Participants are notified by the Trading System Administrator of suspension of trading no later than 10 minutes before suspension by means of the Derivatives Market ETS and/or by posting information on the Exchange's official website on the Internet and/or by any other means available as specified in clause 3.1 of the Trading Rules. After changing the price change limits the Clearing Organization sends a notification to the Exchange of the possibility to resume trading. On the basis of the notification the Exchange resumes trading for all futures contracts in all trading modes, for which trading was previously suspended. Trading Participants are notified by the Trading System Administrator of resumption of trading no later than 10 minutes after resumption of trading by means of the Derivatives Market ETS and/or by posting information on the Exchange's official website on the Internet and/or by any other means available as specified in clause 3.1 of the Trading Rules.

Section 15. Monitoring of Organized Trading and Supervision of Trading Participants

15.1 The Exchange monitors operations of the Trading Participants in order to identify actions that have signs of market manipulation and/or improper use of insider information. Monitoring is carried out in accordance with the SPIMEX internal regulations, which determine the procedure for organizing monitoring of organized trading and supervision of the Trading Participants in the SPIMEX.

15.2 Monitoring of organized trading on the Exchange shall be understood to mean a set of organizational and technical measures aimed at continuous tracking during the Trading Session of prices, sizes and other characteristics of Contracts and Orders registered in the Derivatives Market ETS of the Exchange, which include:

- identification of Contracts (Orders), parameters and conditions of which meet the criteria established by the SPIMEX internal regulations that determine the procedure for organizing monitoring of organized trading and supervision of the Trading Participants;
- identification of cases of violation of legislative acts of the Russian Federation on organized trading, regulatory acts of the Bank of Russia and other regulations of the Russian Federation, requirements of the SPIMEX internal regulations governing organization and conducting of organized trading on the SPIMEX.

15.3 If Contracts (Orders) that meet the criteria established by the SPIMEX internal regulations that determine the procedure for organizing monitoring of organized trading and supervision of the Trading Participants are identified, the Exchange may send requests to the Trading Participant that made the respective Contracts (submitted the respective Orders) for provision of documents and information directly or indirectly relating to such Contracts (Orders) and disclosing the reasons for making the Contract (filing the Order) (including the instruction of the Trading Participant's Customer, on the basis of which the Order was submitted, if the Order was submitted by the Trading Participant at the expense of the Customer).

15.4 The Trading Participant is required to provide a written explanation of its actions to the Exchange within 15 working days after receipt of such request.

15.5 If the Trading Participant provides unsatisfactory explanations of the actions it performed that fall under the conditions of this Section, or if the Trading Participant fails to provide any explanations within the prescribed time period, or if there are reasons to qualify the actions of the Trading Participant as a violation of the Trading Rules, the Exchange has the right to impose on the Trading Participant the appropriate disciplinary measures established in the Rules of Admission and/or apply to the Bank of Russia.

Section 16. Procedure for Disclosure and Provision of Information

16.1 The Exchange is the proprietor of all information related to the course and results of trading on the Exchange. The Trading Participants and/or their Customers may distribute this information and specifically use it for calculation of derived indicators, including indices, only on the basis of an agreement entered into with the Exchange and/or organization authorized by the Exchange to distribute the Exchange's proprietary information. In the event that the Trading Participant and/or its Customer distributes information on the course and results of trading or uses this information to calculate derived indicators, including indices, with the purpose of their further distribution without entering into an agreement with the Exchange, the Trading Participant incurs liability as prescribed in the Rules of Admission. Provision by the Trading Participant to its Customer of information on the course of organized trading to the extent necessary to make a decision on making Contracts, as well as on the results of organized trading with respect to the Contracts made at the expense of this Customer, is not considered to be distribution of information and does not entail imposition of the appropriate disciplinary measures in accordance with this clause.

16.2 Disclosure (provision) of information is effected by the Exchange in the manner and to the extent provided for by Federal Law No. 325-FZ dated 21 November 2011 On Organized Trading, Regulation of the Bank of Russia No. 437-P dated 17 October 2014 On Conducting Organized Trading:

- by posting information on the Exchange's official website on the Internet;
- by sending information to the Bank of Russia in the manner established by the Bank of Russia;
- by providing information at workstations of the Trading Participants.

Information posted on the Exchange's official website on the Internet does not contain information on the parties to certain Contracts, information constituting a trade or other legally protected secret, as well as information classified as insider information in accordance with the SPIMEX internal regulations determining the procedure for storage and protection of information constituting a trade or other legally protected secret, as well as the procedure for access to insider information.

16.3 Information that is not subject to disclosure (provision) in accordance with clause 16.2 of Section 16 of the Trading Rules may be provided to the Trading Participants by the Exchange under an agreement for provision of information services entered into with the Trading Participant for a fee in the amount approved by the SPIMEX Management Board and contained in the Fees and Commissions Schedule disclosed on the Exchange's official website on the Internet.

16.4 Information disclosed (provided) to the Trading Participants in accordance with clause 16.2 of Section 16 of the Trading Rules shall be used by the Trading Participants in compliance with the requirements provided for in the Section of the Trading Rules and other SPIMEX internal regulations that determine the procedure for using such information. In case of violation by the Trading Participants of the procedure for using proprietary information of the Exchange the Trading Participant may incur liability stipulated in the Rules of Admission.

16.5 The Trading Participants are provided only with information that is not classified as commercial and other legally protected secrets or as insider information in accordance with the SPIMEX internal regulations determining the procedure for storage and protection of information constituting commercial and other legally protected secrets, as well as the procedure for accessing insider information.

16.6 Information contained in the List of Recorded Orders, the Order Register and the List of Transactions that is not classified as commercial and other legally protected secrets or as insider information in accordance with the SPIMEX internal regulations determining the procedure for storage and protection of information constituting commercial and other legally protected secrets, as well as the procedure for accessing insider information, is disclosed only to the Trading Participants that submitted the respective Orders/made the respective Contracts, unless provision of such information is required by laws and other regulations of the Russian Federation.

16.7 Information regarding facts of failure of the Trading Participant to perform their obligations is disclosed on the Exchange's official website on the Internet in the manner prescribed by regulatory acts of the Bank of Russia, unless otherwise provided for by the laws and other regulations of the Russian Federation.

Section 17. Dispute Resolution

17.1 Legal relations arising in connection with implementation of the Trading Rules are governed by the law of the Russian Federation.

17.2 In the event of any disputes and disagreements in connection with the Contracts made the parties shall make every effort to resolve them through negotiations. In the cases specified in the General Terms and Conditions of Physical Contracts made in the SPIMEX Derivatives Section (Appendices No. 01 and No. 02 to the Trading Rules), the parties are required to comply with the complaint procedure. Disputes that are not resolved by the parties shall be considered by the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation in accordance with its applicable rules and regulations. The arbitration award shall be final and binding on the parties. The parties agree not to apply to a state court for a judgment on the lack of jurisdiction of an arbitration court if the arbitration court rules as a preliminary question that it has jurisdiction. The arbitration shall be composed of three arbitrators with each of the Parties appointing one arbitrator in the manner established in the applicable rules and regulations of the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation. The arbitration shall be conducted in Moscow in the Russian language.

Appendix No. 01

to the Rules of Organized Trading in the Derivatives Section of the Saint Petersburg International Mercantile Exchange

General Terms and Conditions of Physical Contracts for the SPIMEX Urals Crude Futures Contract (FOB Primorsk)

Terms and Definitions

Term	Definition
Exchange-Traded Commodity (Commodity)	the underlying asset of a physically settled futures contract that is the subject of a Physical Contract determined in accordance with the Specification of the physically settled futures contract.
Delivery Unit	quantity of the Commodity of the same name and quality being the subject of one Physical Contract.
Buyer	a party to the Physical Contract, which is the buyer under such Physical Contract.
Supplier	a party to the Physical Contract, which is the seller under such Physical Contract.
Contract Specification	Specification of the SPIMEX Urals Crude Futures Contracts (FOB Primorsk).
Party	The Buyer or the Supplier.

1. Subject of the Physical Contract

1.1. Pursuant to the Physical Contract made, the Supplier undertakes to deliver and the Buyer undertakes to accept and pay for the Commodity subject to the nomenclature, quality, quantity (+/- 5% at the Supplier's discretion), prices and delivery times as specified in the Physical Contract made in the SPIMEX Derivatives Section in accordance with the Rules of Organized Trading in the SPIMEX Derivatives Section under the terms and conditions set forth in the General Terms and Conditions of Physical Contracts (hereinafter, the Terms and Conditions of Physical Contracts), as well as in accordance with the Contract Specification.

1.2. Commodity under the Physical Contract will be delivered on FOB Delivery Point (as worded by INCOTERMS 2010) basis with the delivery point determined in accordance with the Contract Specification.

1.3. The date of delivery of the Commodity (Delivery Date) shall be the date of the respective on-board Bill of Lading (B/L).

2. Quality

2.1. Quality of the Commodity delivered under the Physical Contract is determined in accordance with the Contract Specification.

2.2. Quality of the Commodity delivered to the Buyer under the Physical Contract shall be determined for each Delivery Unit at the port of loading in accordance with the Certificate of Quality issued by the laboratory of the port of loading. Such Certificate of Quality will be final and binding on the Parties, except in cases of fraud or obvious error. The Buyer may at its own expense appoint an Independent Inspector to supervise the process of loading and confirm the quantity and quality of each Delivery Unit. During loading of the Commodity retained samples are taken at the end point of the onshore pipeline in accordance with the standard procedure in force at the port of loading. Samples taken this way are thoroughly mixed, poured into bottles and sealed. One part of these samples filled in at least two bottles is sealed by the Supplier and placed on board of a tanker under the supervision of the Captain for delivery to the Buyer or the recipient designated by it at the port of discharge. Another part of these samples filled in at least two bottles is sealed by the Captain and stored at the Supplier. Both Parties shall keep their samples for at least two months from the Date of the Bill of Lading, and in the case of any claim — until settlement of the claims.

In case of any disputes regarding the quality of the Commodity the final analysis of the samples will be carried out by a neutral laboratory in the Russian Federation by agreement of both Parties in accordance with the methods used during loading of the Delivery Unit with disputable quality, and the costs of such analysis will be divided equally. Results of the analysis are final and binding on the Parties, except in cases of fraud or obvious error, and prevail over the results of the Quality Certificate of the laboratory of the port of loading.

2.3. Quality claims may be presented to the Supplier within 60 days from the date of delivery. Claims received by the Supplier after expiration of this time limit will be deemed cancelled, legally void and not subject to consideration.

2.4. A quality claim presented by the Buyer in relation to the entire quantity of the Commodity or any part thereof does not release the Buyer from any obligations under the Physical Contract, including, but not limited to, obligations to accept and pay for the Commodity delivered under the Physical Contract.

3. Price and Terms of Payment

3.1. Price of the Commodity being delivered is determined by the Physical Contract made in the SPIMEX Derivatives Section and is set in US dollars per net US barrel.

3.2. If the actual density appears to be higher or lower than the basic density range (31.00 — 31.09° API), the price for the Commodity increases by USD 0.003 per barrel for every full 0.10° API above 31° or decreases by USD 0.003 per barrel for every full 0.10° API below 31.09°.

3.3. The terms of payment for any Commodity delivered under the Physical Contract are determined in accordance with Appendix No. 1, which is an integral part of these Terms and Conditions of Physical Contracts.

3.4. Diversity in time between the time of payment and provision of counter-performance in the procedure of settlements between the Parties under this Contract does not constitute a ground for establishment between the Parties to the Contract of commercial lending relations.

4. Delivery and Acceptance of the Commodity

4.1. Quantity of any Commodity delivered by the Supplier and accepted by the Buyer under the Physical Contract is determined in net US barrels according to the figures indicated in the Bill of Lading subject to the measurement methods applicable at the port of loading, which are final and binding on both Parties, except in cases of fraud or obvious error. If the net quantity of the

Commodity in barrels is not indicated in the Bill of Lading, then the Parties will jointly convert the gross amount indicated in the Bill of Lading in metric tonnes, net of ballast water and impurities according to the Certificate of Quality issued at the port of loading, into net US barrel in accordance with the conversion tables (ASTM Tables D1250-80 53A, 51, 56 and 58).

Such net quantity of the Commodity in US barrels to the nearest barrel will be used for invoicing.

4.2. Ownership of any Commodity delivered under the Physical Contract and all risks, including the risk of damage or loss of the Commodity, is transferred from the Supplier to the Buyer at the time of passing of the Commodity through a permanent flange connection of the loading arm and the tanker at the port of loading.

5. Terms of Shipment and Transportation of the Commodity, Nomination Procedure

5.1. The Buyer shall at least ten (10) calendar days before the first day of the shipping position send to the Supplier a tanker nomination specifying the name, tonnage, draft and other performance characteristics for its receipt at the port, flag, demurrage rate and estimated time of arrival at the port of loading. The Supplier shall within one working day from the date of the tanker nomination confirm to the Buyer its consent to the nomination (which should not be unreasonably withheld or refused) or require the Buyer to replace the tanker with justification of the reasons. If the tanker nominated by the Buyer is not accepted by the Supplier on reasonable grounds, the Buyer shall replace the tanker with another tanker. After confirmation by the Supplier of its acceptance of the nomination, the captain of the tanker shall by telex or telegraph inform the Supplier and the shipowner’s agent at the port of loading of the estimated time of arrival of the tanker at the port of loading 72 hours before to arrival, of the tanker’s tonnage, flag and draft, amount of clean and dirty ballast on board, the exact time of arrival of the tanker 48, 24 and 12 hours before the arrival of the tanker at the port of loading.

5.2. The Buyer may, with the consent of the Supplier, replace the agreed tanker with another similar one.

The Supplier will provide a secure location for berthing/terminal at the port of loading. The berth at the loading terminal indicated by the Supplier shall allow the vessel with characteristics not exceeding the restrictions of the loading terminal to proceed thereto, moor, load the Commodity and depart, all the while staying afloat.

5.3. The Buyer’s tanker must be ready for loading of the entire Delivery Unit of the Commodity, for which it was nominated, and must comply with the requirements applicable at the port of loading, such as vessel size, ballasting, safety arrangements, etc. Otherwise, all losses of the Supplier, as well as expenses associated with damage to the Commodity, shall be paid by the Buyer to the extent that such costs or losses are caused by non-compliance of the vessel with the requirements of this Section.

The Buyer’s vessel must arrive at the port of loading only with clean ballast on board.

The Supplier will notify the Buyer by fax and/or e-mail of the shipment details of each Delivery Unit within 48 hours after completion of loading.

Top-up after each loading must be shipped by the Buyer in the same month as the main batch.

5.4. All quantities supplied under the Physical Contract are understood as net quantities, without water and mechanical impurities.

5.5. Within the shipping schedule agreed upon by the parties the Buyer shall ensure timely arrival of the tanker at the port of loading, and the tanker must be ready for loading of the nominated cargo. Otherwise, the Supplier has the right to refuse to perform the shipment. However, the

Supplier undertakes to do everything possible to ensure that the tanker is loaded within the shortest possible time. In the event of delay in arriving of the tanker due to a reason associated with the Buyer, the Supplier has the right to demand compensation from the Buyer by way of recourse for all fines and penalties charged to the Supplier by Transneft JSC due to such delay.

6. Laytime and Demurrage

6.1. Upon arrival of the tanker at customary anchorage at the port of loading the Captain or his agent shall give the terminal representative at that port a written Notice (hereinafter, the Notice) that the tanker is ready for loading of the Commodity. The Notice may be sent at any time of the day.

6.2. Laytime for deliveries on FOB basis commences:

a. If the Notice at the port of loading is provided before the start of the shipping position, laytime shall commence:
   i. at 06:00 (local time) on the first day of the shipping position; or
   ii. after commencement of loading,

   whichever comes first.

b. If the Notice at the port of loading is given during the shipping position, laytime will commence upon the expiry of 6 hours after giving the Notice or after commencement of loading, whichever comes first; or

c. If the Notice at the port of loading is given later than the shipping position, the Supplier shall not be held liable for any possible expenses that may arise in this regard, however the Supplier and the Buyer will make efforts to load the vessel as soon as possible. In this case laytime counting will start only after commencement of loading.

Laytime counting at the port of loading stops when loading hoses are disconnected. However, if the tanker waits for shipping documents for more than 3 hours after disconnection of loading hoses, then all time beyond these 3 hours is included in laytime or demurrage, if the vessel is on demurrage.

Sundays and national holidays of the respective port of loading are included in laytime count.

Any time spent for one of the following reasons will not be considered as laytime used or demurrage, if the vessel is on demurrage:

- if the shipowner or the Captain or the port prohibits loading at any time;
- time of waiting and undergoing sanitary, border and customs inspections, deballasting, except for deballasting operations coupled with loading, mooring, pilotage, waiting for day time, other actions from the moment the tanker is unmoored up to its berthing, and time, during which loading cannot be carried out due to technical and other conditions:
  - tank inspection;
  - pipe fill rate measuring;
  - shipboard and shore main adjustment;
  - operations carried out by independent surveyors.

6.3. Time allotted for full loading of the Commodity under FOB terms amounts to 36 hours, including Sundays and public holidays. However, the Supplier is excused from paying demurrage, if the total time used for loading and unloading the tanker does not exceed the time allowed for these operations as provided for in the Charter Party.

6.4. The total loading time when calculating demurrage is reduced by 50% of the vessel weather downtime. Any expenses for mooring at the port of loading caused by the actions of the Supplier shall be paid by the Supplier and the time taken for such mooring is counted as laytime.

6.5. The Supplier will reimburse the Buyer for demurrage expenses for the entire time spent at the port of loading in excess of the allowed laytime provided for in this Section. The Buyer's demurrage expenses will be reimbursed by the Supplier in US dollars for each elapsed hour and minute in accordance with the Timesheet. Demurrage is calculated on the basis of the demurrage rate stipulated in the Charter Party for the loaded vessel, or as otherwise agreed.

6.6. If the cargo consists of more than one lot from different Sellers, reimbursement for demurrage expenses will be proportional to each shipped part of the cargo according to the quantities indicated in bills of lading, unless demurrage was caused by one particular Supplier that shall bear responsibility for the entire time on demurrage.

6.7. Any claims for demurrage shall be presented within ninety (90) calendar days from the date of the Bill of Lading together with a full set of documents confirming the claim (Timesheet, notice of readiness for loading (NOR), Charter Party or telex of its conclusion, certificate of unloading, invoice of the Shipowner and calculation of demurrage, a document confirming payment by the Buyer of the amount of demurrage to the Shipowner (these documents are not provided if the vessel belongs to the Buyer or is on a time charter), as well as other documents relevant to this voyage as may be additionally and reasonably requested by the Supplier).

The documents, except for the Charter Party, shall be signed by the authorized representatives.

If the Buyer fails to present a demurrage claim to the Supplier and/or fails to provide a complete list of the specified supporting documents within the specified time limits, any liability of the Supplier in respect of any demurrage incurred is cancelled.

If the Supplier requests the Buyer to provide additional documents reasonably necessary for the Supplier to consider the demurrage claim, then the deadline for provision of documents on demurrage by the Buyer will be automatically extended by the period necessary to provide these additional documents.

The Buyer may not demand from the Supplier payment of demurrage in the amount exceeding the amount that the Buyer actually paid to the Shipowner.

All claims for demurrage shall be sent to the Supplier in accordance with clause 11.1 and clause 11.2 of the Terms and Conditions of Physical Contracts.

The Supplier and the Buyer shall agree upon the amount of reimbursement for the Buyer's demurrage expenses within 30 working days from the date of receipt of the claim and the full set of supporting documents. The Supplier will pay the Buyer the amount of reimbursement due no later than on the thirtieth day from the date of mutual approval of this amount.

If the Buyer is a resident of the country, with which the Russian Federation has an international treaty (agreement) governing taxation issues in force, the Buyer shall provide to the Supplier a document (tax certificate, exemption certificate) confirming its domicile in this country.

The specified document certified by the competent authority of the respective state shall be submitted annually and must be legalized in the prescribed manner in the consular institution or diplomatic mission of the Russian Federation in the foreign state or by affixing the apostille by the competent authority of the foreign state in accordance with the Hague Convention of 05 October 1961. Documents drawn up in a foreign language must be accompanied by a translation into Russian, accuracy of which is certified by a notary.

Amount of demurrage is reduced by the amount of taxes payable for a foreign organization in the territory of the Russian Federation in the absence of the above international treaty (agreement) between the Russian Federation and the country, of which the Buyer is the resident, as well as in the case of failure to provide confirmation of the Buyer's permanent location in such country.

7. Force Majeure

7.1. The Parties shall not be held liable for full or partial failure to perform contractual obligations (other than payment obligations), if such failure is caused by Force Majeure.

7.2. Force Majeure means any circumstances that cannot be foreseen or prevented and that are reasonably beyond the control of the party declaring such events (hereinafter, the Affected Party), including, but not limited to:

i. Military events, whether declared or not, civil war, civil disobedience and coups, piracy, sabotage;

ii. Natural disasters, such as severe storms, cyclones, earthquakes, tidal events, floods and destructions caused by lightnings or weather conditions;

iii. Explosions, fires, destruction of tanks, pipelines, refineries or terminals and any other similar structures;

iv. Strikes, lockouts, attempts to resolve any types of labour disputes, labour slowdowns, occupation of industrial structures and adjacent territories, prohibition of access to industrial facilities and adjacent territories of the Affected Party;

Introduction of restrictive and prohibitive measures by the government authorities that prevent the Parties from performance of their obligations under the Physical Contract shall be considered equivalent to circumstances of insuperable force (Force Majeure).

7.3. A party prevented from performing its contractual obligations due to Force Majeure Events (the Affected Party) must notify the other party in writing by fax, email or post within 3 business days of the date of occurrence of the events. The date of such notice shall be the date of the post stamp affixed in the country of dispatch, or the date of the e-mail delivery report (if sent by fax, the date of the notice is determined in accordance with clause 11.4 hereof). The Affected Party shall provide to the other party within a reasonable time written evidence of the occurrence of Force Majeure Events issued, should such events exist, by the Chamber of Commerce and Industry of the Russian Federation or other authorized body that has proper authority to evidence the occurrence of force majeure events.

If the Party prevented from performing its contractual obligations due to Force Majeure circumstances fails to notify the other Party in the manner set forth in this Article, it shall lose its right to refer to Force Majeure circumstances in order to be released from the liability under the Physical Contract.

7.4. Upon occurrence of Force Majeure Events the time period for performance by the Parties of their obligations (other than payment obligations) under the Physical Contract shall be extended for the duration of the Force Majeure Events or consequences thereof, provided, however, that if the Force Majeure Events in respect of delivery of a certain Delivery Unit continue for more than 30 calendar days, the Party shall have the right to terminate the Physical Contract immediately by giving a written notice to the other Party with respect to such Delivery Unit affected by the Force Majeure (and the total contract quantity and monthly delivery volumes specified in clause 1.1 will be reduced accordingly by the size of such Delivery Unit) without prejudice to any matured obligations to pay for the delivered Commodity and without prejudice to any deliveries under the Physical Contract.

8. Applicable Law and Jurisdiction

8.1. The text of the Terms and Conditions of the Physical Contract is drawn up and shall be applied and interpreted in accordance with the laws of the Russian Federation.
The UN Vienna Convention on Contracts for the International Sale of Goods of 11 April 1980 shall not apply to the Physical Contract.

8.2. The Parties shall resolve all disputes, disagreements, claims arising out of or in connection with the Physical Contract or its violation, termination or invalidity through negotiations. Should the Parties fail to reach agreement, all disputes, disagreements or claims arising out of or in connection with this Contract, including those related to its entry into force, conclusion, amendment, performance, breach, termination or validity, shall be referred for consideration to the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation in accordance with its applicable rules and regulations. The arbitration award shall be final and binding on the parties. The parties agree not to apply to a state court for a judgment on the lack of jurisdiction of an arbitration court if the arbitration court rules as a preliminary question that it has jurisdiction. The arbitration shall consist of three arbitrators, with each of the Parties appointing one arbitrator in accordance with the procedure established in the Rules of Arbitration of International Commercial Disputes. The arbitration shall be conducted in Moscow in the Russian language.

8.3. The Parties undertake to maintain strict confidentiality of the content of arbitration proceedings or awards (unless otherwise required for enforcement thereof).

9. Difficulties in the Performance of the Physical Contract

9.1. If in the course of performance of the Physical Contract it becomes clear that some of its provisions need to be amended or modified to ensure better achievement of the purposes of the Physical Contract or in connection with any changes in the practices, laws or regulations governing export of oil, the Parties shall negotiate in good faith to find a fair solution to these issues.

9.2. Notwithstanding anything to the contrary contained herein, if it becomes impossible for either Party to perform its obligations under the Physical Contract (including) due to bankruptcy, reorganization, insolvency or similar proceedings affecting this Party, the other Party has the right to terminate the Physical Contract.

10. Sanctions, Trade Controls and Boycotts

Notwithstanding anything to the contrary contained herein:

10.1. Nothing in these Terms and Conditions of Physical Contracts shall be interpreted or construed as demanding or compelling a Party to take any action in any manner (including omission to take any action relating to the Physical Contract) that contradict, are sanctioned or prohibited under any laws, regulations, decrees, orders, resolutions, requests, rules or provisions (whether voluntary or compulsory) applicable to the Party, which relate to international trade controls, export controls, embargoes, sanctions (imposed by any person other than government authorities), or international boycotts of any kind, non-proliferation, anti-terrorism laws, and other laws (hereinafter, the Trade Restrictions).

10.2. Neither of the Parties shall be obliged to perform any obligations under the Terms and Conditions of Physical Contracts (including, without limitation, obligations to (a) execute, deliver, accept, sell, purchase, pay for, or receive money from, or through, a person or entity, or (b) participate in any other activity), if this violates or is otherwise prohibited under the Trade Restrictions.

If performance by the Party of its obligations violates, or is otherwise prohibited by, the Trade Restrictions, then such Party (hereinafter referred to as the Affected Party) shall as soon as reasonably possible give the other Party a written notice of its inability to perform certain obligations under the Physical Contract. Once such notice is given, the Affected Party may:

(a) immediately suspend performance of the respective obligation (whether in the form of payment or execution) until the Affected Party is legally able to perform such obligation; and/or

(b) expect full release from performance of the respective obligation, if inability to perform the obligation remains (or it is reasonably expected to remain) until the end of the period for performance prescribed by the Physical Contract, provided that if the respective obligation is related to payment for the delivered Commodity, the respective payment obligation remains suspended (without prejudice to accrual of interest on the outstanding amounts) until the Affected Party is legally allowed to resume payments;

(c) and/or require the nominating Party to nominate an alternative vessel, if the respective obligation is related to approval of the vessel nominated to receive the Commodity.

In each of the cases provided for in clauses (a), (b) and (c), unless otherwise expressly provided in the Physical Contract, the Affected Party shall not be held liable whatsoever (including, but not limited to, for damages for breach of contract, fines, costs, charges and expenses).

10.3. Without prejudice to the foregoing, if the Trade Restrictions limit, prevent or prohibit performance of an obligation by one of the Parties for a period of 60 days or more from the due date of the respective obligation, the Supplier and the Buyer may immediately terminate the Physical Contract in respect of all outstanding obligations by giving the other Party a written notice indicating the date of termination of the Physical Contract, and, with the exception of amounts that have become due before termination of the Physical Contract, neither Party shall be liable to the other Party for failure to perform and/or improper performance of any further obligations under the Physical Contract.

10.4. Where the laws on the Trade Restrictions, regulations or regime allow to obtain an authorization, license or approval, a Party shall, at the request of the other Party and for the purpose of performing its obligations under the Physical Contract, apply to the proper Government and/or other competent authorities for obtaining such authorization, license or approval as soon as reasonably possible. If a Party fails to obtain the appropriate authorization, license or approval within 60 days from the due date of the Party’s respective obligation under the Physical Contract, solely or partially due to actions or omissions of the respective authority, the other Party may terminate the Physical Contract in accordance with clause 10.3 hereof.

10.5. In the event of termination or amendment of the Physical Contract the Parties hereto shall give a notice of settlement of obligations in accordance with the procedure for performance of obligations for delivery of the underlying asset and delivery settlements under physically settled futures contracts provided for in the Clearing Rules (Section VIII).

11. Notifications

11.1. Any communications in connection with the Physical Contract shall be made in writing and, unless otherwise specified, may be given by e-mail, courier or fax. Unless otherwise agreed between the Parties, any consent or approval required under the Physical Contract shall be given in writing.

11.2. The contact details of the Supplier and the Buyer shall be provided in accordance with the Procedure for Exchange of Documents in the SPIMEX Derivatives Section.

Any Party may change its contact information by giving the other Party at least 5 days' prior written notice.

11.3. Any notice (other than exchange of documents between the Parties and the Exchange) given in connection with the Physical Contract shall be in English and Russian. The Russian version of any notice shall prevail.

11.4. Except as otherwise provided for herein, any communication in connection with the Physical Contract shall be deemed to have been received:

i. if sent by courier — on the date of the post stamp on the acknowledgement of receipt; and

ii. if sent by fax — on the date when the sender's fax machine receives automatic confirmation that the message has been successfully transmitted;

iii. if sent by e-mail — on the date of the message delivery report.

11.5. Any notice given in accordance with clause 11.4 and received on a non-working day or after the regular business hours at the place of receipt shall be deemed to have been delivered on the next Working Day at the place of receipt.

12. Severability

12.1. If any provision of these Terms and Conditions of Physical Contracts is or becomes illegal, invalid or unenforceable in any jurisdiction, this shall not affect:

(a) legality, validity, or enforceability in that jurisdiction of any other provision of these Terms and Conditions of Physical Contracts; or

(b) legality, validity, or enforceability of this or any other provision of these Terms and Conditions of Physical Contracts in other jurisdictions.

13. Miscellaneous

13.1. Unless otherwise expressly provided for herein, neither of the Parties may assign its rights and obligations under the Physical Contract to any third parties without the written consent of the other Party. In the event of assignment of rights and obligations, subject to such written consent, the Party assigning the obligations remains jointly liable for performance of the obligations under the Physical Contract with the person, to which the obligations were assigned.

13.2. All authorizations of government and customs authorities required for delivery of the Commodity under the Physical Contract in the territory of the Russian Federation shall be obtained by the Supplier, and outside the Russian Federation — by the Buyer.

All taxes, customs duties and other charges arising in the performance of the Physical Contract that are collected in the territory of the Russian Federation will be paid by the Supplier; outside the Russian Federation — by the Buyer.

13.3. In the event of reorganization of a legal entity that is a Party to the Physical Contract, all rights and obligations under the Physical Contract are transferred to its legal successor.

13.4. All Commodities sold under the Physical Contract shall be free and clear of any encumbrances, charges, mortgages and claims (actions).

14. Conformity to ISPS Standards

14.1. The Buyer shall ensure that the vessel complies with the requirements of the International Ship and Port Facility Security (ISPS) Code and applicable amendments to Chapter XI of the SOLAS Convention (hereinafter, the ISPS Code).

14.2. At the first request, the vessel must submit a Declaration of Safety (DoS) to the port authorities before entering the port.

14.3. If at any time before the transfer of ownership and risks the vessel ceases to meet the ISPS requirements, even though the Supplier has already approved this vessel in the past:

(a) the Supplier has the right not to moor such vessel at the port of loading, and any downtime (demurrage) will in no way be charged to the Supplier;

(b) the Buyer will be required to replace such vessel with another that complies with the ISPS Code.

14.4. The Supplier guarantees that the port/terminal/place of loading complies with the ISPS Code. All expenses relating to the vessel, including downtime (demurrage) or other additional penalties or charges imposed on the vessel at the port of loading and actually incurred by the Buyer as a result of non-compliance of the port/terminal/place of loading with the requirements of the ISPS Code will be charged to the Supplier, including, but not limited to, the time or money spent by the vessel to ensure compliance with the ISPS Code, as well as the time and money spent on other additional security measures required by the said Codes.

14.5. If the vessel meets the ISPS requirements, the Supplier will be liable for any downtime (demurrage) incurred by the Buyer as a result of the vessel’s delay at the port of loading caused by requests of the port or appropriate authorities to take any special or additional security measures or to undergo additional checks due to the vessel calling at previous ports.

14.6. The Supplier’s liability to the Buyer under the Physical Contract for any costs, losses or expenses incurred by the vessel, the charterer or the Shipowner due to non-compliance of the port/terminal/place of unloading with the ISPS Code will be limited to payment of downtime (demurrage) and actual costs of the Buyer in accordance with the provisions of this Section.

15. Anti-Corruption Clause

15.1. The term “Anti-Corruption Acts” means the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (hereinafter, the OECD Convention) signed in Paris on 17 December 1997, which entered into force on 15 February 1999 and was ratified by the Russian Federation through adoption of Federal Law No. 3-FZ of 01 February 2012 on the Accession of the Russian Federation to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, as well as all applicable federal, regional and municipal regulations and by-laws in force in the Russian Federation that prohibit bribes, illegal gratification or other payments in favour of persons defined in the OECD Convention, as well as in the relevant regulatory legal acts of the Russian Federation.

16. Confidentiality

16.1. For the purposes of the Physical Contract, the term “Confidential Information” shall mean any information under the Physical Contract that has actual or potential value due to it being unknown to the third parties, is not intended for general public and/or any public use and meets the requirements of the legislation of the Russian Federation.

16.2. The Parties shall keep the Confidential Information obtained in the course of performance of the Physical Contract confidential and shall not disclose the Confidential Information to any third parties, except in cases of unintentional and/or involuntary disclosure of the Confidential Information due to force majeure circumstances or requirements of the applicable legislation of the Russian Federation.

16.3. It is not allowed to transfer the Confidential Information through unsecured telephone and facsimile channels or via the Internet without taking security measures deemed appropriate by both Parties.

16.4. The respective Party shall be liable for damages (subject to provisions of Article 17 hereof) that may be caused to the other Party as a result of disclosure of the Confidential Information or unauthorized use of the Confidential Information in violation of the provisions of this Article.

17. Limitation of Liability

Without prejudice to other provisions hereof that expressly set any other limits of liability of the Parties, liability of each Party shall be limited to the obligation to compensate the other Party for the documented losses incurred by the latter in the amount of actual damage.
Neither of the Parties shall be liable for the other Party’s loss of profits.

APPENDIX No. 1 to the General Terms and Conditions of Physical Contracts

1. Payment
   1.1. Payment for the Commodity will be effected by issuing and cashing letters of credit.
   1.2. The Buyer shall at least seven (7) days before the first day of the shipping position open an irrevocable documentary letter of credit in favour of the Supplier with a reputable bank advised with the Supplier's bank.
   The said letter of credit shall be opened for the amount equal to the cost of each Delivery Unit of the Commodity. The letter of credit is honored by the Supplier's bank.
   1.3. The letter of credit shall be opened in accordance with the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, Paris, as amended in 2007 (publication No. 600), indicating the number of the Physical Contract.

Model form of the letter of credit:

Name of the issuing Bank.
We hereby open the following documentary Letter of Credit that will be advised by (name of the Supplier's bank being the Advising Bank):
Text: ________________ in the amount of USD ________________.
We hereby open an irrevocable documentary Letter of Credit No. ________
In favour of: ________________, ____
Contract No. _______ of (date)
On the basis of instruction: "________"
Amount: USD ___________ +/-_____ percent
(_______ million _____ thousand US dollars +/-_____ percent)

Coverage of payment for cargo in the amount of ____,000 metric tonnes + / -_____ percent at the discretion of the Supplier of crude oil of standard quality (oil grade name) normally exported from

____

Terms of Delivery: FOB
First delivery:
………….. metric tonnes +/- 5 percent (at the discretion of the Supplier) in each vessel with the date of loading during the period from ____ to ____ (both dates inclusive)
Second delivery:
remaining volume (if any part is not delivered in the first delivery), with loading during the period from ____ to ____
Price:

FOB terms of delivery shall be understood to mean USD _________ per barrel of oil, calculated ……………………………………..
The price calculated as described above is then rounded to the nearest thousandth.

Payment

Payment is effected with a 30-day deferment of payment from the date of the Bill of Lading (provided that the date of the Bill of Lading is considered to be "date zero") in the bank of the Supplier, which is the Nominated Bank:

against provision of the following documents, each of which shall be presented in the original (one copy) and three copies), unless specified otherwise:

1). An invoice signed by the Beneficiary indicating the volume of delivery in metric tonnes, the number of US barrels (net) and the actual density on the scale of the American Petroleum Institute (API);

2). A full set of 3/3 copies (originals) of the Bill of Lading issued or endorsed on the order of _____ (or other party (or consignee) acting on the basis of the Buyer's order documented by the Buyer as amendment to this Letter of Credit) and signed by the captain of the vessel or by the vessel's agent, which shall indicate "freight payable as per charter party" and "clean on board".

3). Certificate of quality.

4). Certificate of quantity.

5). Certificate of origin of cargo signed by the Chamber of Commerce or the administration of the port of loading.

In the absence — at the due date of the payment obligation — of the documents listed in clauses (2-5) above, payment is effected against the documents listed in clause 1 above and **Letter of Guarantee (LG)** executed in the following form:

Form of the LG:

For the attention of: _______

In consideration of your payment for the cargo with the (net) volume of ________________ US barrels of crude oil (oil grade name) shipped "________________" at ________________ 00.00.00, in cases where the documents stipulated by the contract of ________________ or according to the contract ________________ (hereinafter, the Documents) are not provided as of the due date of payment pursuant to our contract of ________________ (date) (hereinafter, the Contract):

1. We hereby guarantee that:

a) as of the time of loading the specified cargo we are authorized to sell you the specified cargo; and

b) ownership of the specified cargo was transferred to you under the terms and conditions of the Contract without any lien, pledge or any other encumbrance whatsoever.

2. We hereby irrevocably and unconditionally undertake to indemnify you for any damage and liability for any claims and demands against you from any person(s), as well as indemnify you for all losses, expenses (including, but not limited to, litigation fees and legal costs), as well as any moneys awarded as damages, and other expenses that you may incur or that may be imposed on you as a result of:

a) failure to perform our obligations under any and all guarantees given by us in clause 1 above, and/or

b) failure to provide any and all documents as provided in the contract.

3. Your acceptance of this guarantee instead of documents is without prejudice to your right to demand provision of the documents stipulated in the Contract for further deliveries under the contract (if any) and will not be considered as our normal business practice.

4. This guarantee expires upon provision of the documents by us and your consent to accept them in strict accordance with letter of credit No. ________ advised (by the Supplier's bank).
5. This guarantee is governed by and shall be interpreted in accordance with English law. All disputes, disagreements and claims arising out of or in connection with this guarantee, as well as arising out of or in connection with non-performance of obligations under it, expiration of its validity or its invalidity, are subject to the exclusive jurisdiction of the English courts.
Signature of the authorized representative of the Supplier ______________________________.

Special provisions:
1. Charter party bills of lading are acceptable.
2. Transfer to another vessel is prohibited/partial shipments are allowed.
3. Documents provided later than 21 days after the date of the Bill of Lading, but prior to expiration of this Letter of Credit shall be accepted.
4. If the payment date falls on Sunday or Monday that is a banking holiday in New York, then payment shall be made on the first working day in New York after the said holiday. If the payment date falls on Saturday or on any other (except for Monday) banking holiday in New York, then payment shall be made on a working day in New York preceding Saturday or such (that is, except Monday) banking holiday in New York.
5. Amount of obligation under this Letter of Credit automatically increases/decreases depending on changes in the price indicated above, and in the event of such change in the price there is no need to amend this Letter of Credit.
6. Expenses for payment of commissions and fees charged by the banks in connection with opening and maintenance of this Letter of Credit, as well as in connection with introduction of amendments thereto, except for the fees charged by the Supplier's bank, shall be borne by the Customer. Expenses for payment of commissions and fees charged by the Supplier's bank shall be borne by the Beneficiary.
Expenses for payment of commissions and fees, if any, incurred in connection with the actions of the issuing Bank of this Letter of Credit undertaken by it on behalf of the Supplier's bank in order to obtain confirmation of the payment date or the amount payable by installments, as well as to obtain clarifications in the event case of detection of incomplete or unclear provisions in the text of this Letter of Credit, shall be borne by the Applicant.
7. Letter of Credit closing date: "___" ____________.
8. For the purposes of transmitting invoices and a Letter of Guarantee it is allowed to use e-mail, SWIFT system and facsimile.
9. Spelling errors and typos (other than incorrect numbers) shall not be considered causes for disputes and disagreements.
10. It is allowed to use photocopies instead of the original documents.
11. This Letter of Credit is governed by the Uniform Customs and Practice for Documentary Credits (International Chamber of Commerce, publication No.600, as amended in 2007).

1.4. Payments from the Letter of Credit will be made to the Supplier's transit currency account on the 30th day from the date of delivery of the Commodity (Date of the Bill of Lading = day "zero") against provision to the Supplier's bank of one original and three copies of the following documents, unless specified otherwise:

- Commercial invoice (indicating calculation of the price, quantity, density at 20°C, API degrees, total amount and date of payment);
- Three originals of the Bill of Lading and three non-transferable copies with the mark "at the disposal of ………" (or at the disposal of another beneficiary according to the Buyer's documentary instruction) signed by the captain or vessel's agent duly authorized by the captain of the vessel and indicating "freight payable as per charter party" and "clean on board";
- Certificate of quantity issued at the port of loading;
- Certificate of quality issued at the port of loading;
- Certificate of origin issued by the Chamber of Commerce at the port of loading or the port authorities;

1.5. The date of payment shall be the date when funds are credited to the correspondent account of the Supplier's bank.

1.6. The term of validity of the Letter of Credit shall be 60 calendar days.

1.7. All bank charges and fees relating to opening, maintaining and amending the Letter of Credit, except for the Supplier's bank fees, shall be charged to the Buyer. Fees and commissions of the Supplier's bank shall be charged to the Supplier.

Fees and charges (if any) incurred by the issuing bank in connection with actions taken at the request of the Supplier's bank for confirmation of the amount and period of the deferred payment obligation and/or clarification of incomplete or unclear terms of the Letter of Credit shall be charged to the Buyer.

All necessary changes to the terms of the Letter of Credit shall be made by the Buyer within the next two banking days following the date of receipt of the respective notice from the Supplier.

2. The Supplier's Invoice

2.1. The Supplier's invoice will be prepared on the basis of the quantity indicated on the Bill of Lading confirmed by the data of the certificate(s) of quantity and quantity.

2.2. Payment of any balance payable by either Party to the other Party shall be effected after receiving the final invoice of the respective Party, which shall be issued as soon as possible after obtaining by the Parties of the respective information on the quantity.

2.3. Unless otherwise agreed between the Parties, payment of any other costs, charges and expenses arising out of the Physical Contract shall be effected after issuing by the Party that incurred the costs, charges and expenses a respective invoice and supporting documents (if any) and shall be effected by the other Party immediately on or before the date indicated in that invoice.

3. Payments that fall due on weekends or holidays.

If any payment falls due on Sunday or Monday in New York or Europe, then such payment shall be made on the next working day in New York or Europe, and if the payment falls due on Saturday or any holiday in New York or Europe (excluding Monday), then such payment shall be made on the previous working day in New York or Europe.

4. Late payment penalties

4.1. Provisions of this Article shall not be interpreted as an indication or an intention of either Party to unconditionally grant credit to the other Party and shall be without prejudice to any rights or remedies that the Party may have under the Physical Contract or otherwise. Any expenses incurred by any Party, including, but not limited to, reasonable legal fees, litigation costs and fees of recovery agencies incurred in connection with late payment or non-payment of amounts due shall be borne by the Party that failed to pay on time and shall be paid upon request on the basis of supporting documents.

4.2. In case of incorrect payment or delay in payment due to the fault of the Buyer or the Buyer's bank, the Buyer shall pay interest on the specified amount in US dollars based on the one-month LIBOR rate plus three (3) percent per annum for each day of payment delay. The number of days of delay is calculated as the difference between the actual payment date and the due date provided for in the Physical Contract. The LIBOR rate is regulated by the ICE Benchmark Administration (or any of its official successors) and published by Reuters (or any of its official successors) on the LIBOR01 page at 11:00 London time on the date of payment stipulated by the Physical Contract. Interest shall be paid within 5 days from the date of receipt by the Buyer of a copy of the invoice for payment.

4.3. In the event of failure to perform or improper performance by the Buyer of these Terms and Conditions of Physical Contracts that entail violation of the requirements of the currency legislation, if such violation occurs through no fault of the Supplier and/or Supplier's bank, the Buyer shall pay to the Supplier a penalty of 0.1% of amount of the invoice paid with delay and compensate the Supplier for all losses, including those incurred in connection with imposition of administrative penalties by the authorized bodies, including, but not limited to, penalty amounts imposed on the Supplier paid or payable on the basis of a ruling issued for non-compliance with the requirements of the currency legislation in accordance with the legislation of the Russian Federation on administrative offences. Losses and penalties specified shall be paid within seven days after receipt by the Buyer of the Supplier's written request for payment thereof or may be withheld by the Supplier from the amounts paid by the Buyer to the Supplier under the Physical Contract.

For calculations, the date of delivery is taken as day "zero".

Appendix No. 02

to the Rules of Organized Trading in the Derivatives Section of the Saint Petersburg International Mercantile Exchange

General terms and conditions of Physical Contracts for the SPIMEX ULSD Futures Contract (FOB Primorsk)

Section 1. Terms and Definitions

1.1. For the purposes of these General Terms and Conditions of Physical Contracts made in the performance of obligations under the SPIMEX ULSD Futures Contracts (FOB Primorsk) in the Derivatives Section of the Saint Petersburg International Mercantile Exchange the following terms and definitions shall apply:

Term	Definition
Exchange-Traded Commodity (Commodity)	the underlying asset of the SPIMEX ULSD Futures Contract (FOB Primorsk), which is the subject of the Physical Contract and determined in accordance with the Specification of the SPIMEX ULSD Futures Contract (FOB Primorsk).
Parameters	Parameters of the SPIMEX ULSD Futures Contract (FOB Primorsk).
Delivery Unit	quantity of the Commodity of the same name and quality being the subject of one Physical Contract.
Buyer	a party to the Physical Contract, which is the buyer under such Physical Contract.
Supplier	a party to the Physical Contract, which is the seller under such Physical Contract.
Specification	Specification of the SPIMEX ULSD Futures Contract (FOB Primorsk).
Party	The Buyer or the Supplier.

Section 2. Subject of the Physical Contract

2.1. Pursuant to the Physical Contract made, the Supplier undertakes to deliver and the Buyer undertakes to accept and pay for the Commodity subject to the nomenclature, quality, quantity (+/-5% at the Supplier's discretion), prices and delivery times as specified in the Physical Contract made in the SPIMEX Derivatives Section in accordance with the Rules of Organized Trading in the SPIMEX Derivatives Section under the terms and conditions set forth in the General Terms and Conditions of Physical Contracts (hereinafter, the Terms and Conditions of Physical Contracts), as well as in accordance with the Specification.

2.2. Commodity under the Physical Contract will be delivered on FOB Delivery Point (as worded by INCOTERMS 2010) basis with the delivery point determined in accordance with the Specification.

2.3. The date of delivery of the Commodity (Delivery Date) shall be the date of the respective on-board Bill of Lading (B/L).

Section 3. Quality

3.1. Quality of the Commodity shipped under the Physical Contract shall comply with the requirements set forth in the Parameters.

3.2. Quality of the Commodity delivered to the Buyer under the Physical Contract shall be determined for each Delivery Unit at the port of loading according to the Certificate of Quality for the refined product issued by the laboratory of the port of loading. Such Certificate of Quality will be final and binding on the Parties, except in cases of fraud or obvious error. The Buyer may at its own expense appoint an Independent Inspector to supervise the process of loading and confirm the quality of each Delivery Unit. During loading of the Commodity retained samples are taken in the shore tank (VST) at the end point of the onshore pipeline in accordance with the standard procedure in force at the port of loading. Samples taken this way are thoroughly mixed, poured into bottles and sealed. One part of these samples filled in at least two bottles is sealed by the Supplier and placed on board of a tanker under the supervision of the Captain for delivery to the Buyer or the recipient designated by it at the port of discharge. Another part of these samples filled in at least two bottles is sealed by the Captain and stored at the Supplier. Both Parties shall keep their samples for at least two months from the Date of the Bill of Lading, and in the case of any claim — until settlement of the claims.

In case of any disputes regarding the quality of the Commodity the final analysis of the samples will be carried out by an independent international surveyor having a laboratory in the Russian Federation by agreement of both Parties in accordance with the methods used during loading of the Delivery Unit with disputable quality, and the costs of such analysis will be divided equally. Results of the analysis are final and binding on the Parties, except in cases of fraud or obvious error, and prevail over the results of the Quality Certificate for the refined product of the laboratory of the port of loading.

3.3. Quality claims may be presented to the Supplier within 60 days from the date of delivery. Claims received by the Supplier after expiration of this time limit will be deemed cancelled, legally void and not subject to consideration.

3.4. A quality claim presented by the Buyer in relation to the entire quantity of the Commodity or any part thereof does not release the Buyer from any obligations under the Physical Contract, including, but not limited to, obligations to accept and pay for the Commodity delivered under the Physical Contract.

3.5. If the port of discharge is located in the territory of the EU or the European Economic Area, the Supplier shall, in accordance with Regulation (EU) No. 1907/2006 of the European Parliament and of the Council of Ministers of the European Union of 18 December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH, https://ec.europa.eu/growth/sectors/chemicals/legislation_en), as well as in accordance with other directives, amendments and other government regulations related to REACH, provide the Buyer with a copy of the effective Product Safety Data Sheet, number(s) of chemical substance(s) (CAS number) contained or included in the Commodity delivered, EINECS number(s), and pre-registration and/or registration number(s) (ECHA-number) of the European Chemical Agency (ECHA) assigned to the respective Commodity (product), as well as, if applicable, the name and contact information of the Supplier's Special Representative, no later than at the time of transfer of ownership of the Commodity in accordance with these Terms and Conditions of the Physical Contract.

Section 4. Price and Terms of Payment

4.1. Price of the Commodity delivered is determined by the final settlement price of the futures contract of the corresponding delivery month in the SPIMEX Derivatives Section and is set in US dollars per metric tonne. The final price of the Commodity is calculated according to the formula:

$$P = F \times \frac{845\left[\frac{\text{кг}}{\text{м}^3}\right]}{\rho},$$

P — final price of the Commodity,

F — final settlement price of the futures contract,

ρ — actual density at 15°C in $\frac{кг}{м^3}$.

Actual density is always determined in accordance with indicators of the Quality Certificate.

Values of the final price, the actual density of the Commodity are rounded to the nearest two decimal places.

4.2. The terms of payment for the Commodity delivered under the Physical Contract are determined in accordance with Appendix No. 1, which is an integral part of these Terms and Conditions of Physical Contracts. These terms of payment are basic and are used by default. Payment can also be made under other payment terms subject to written agreement between the Parties. In this case the Parties shall agree upon alternative payment terms within three (3) working days after receipt of a notice from the Exchange of the name of the delivery counterparty. If agreement is not reached, the basic terms of payment will be used.

Section 5. Delivery and Acceptance of the Commodity

5.1. Quantity of the Commodity delivered by the Supplier and accepted by the Buyer under the Physical Contract is determined in metric tons in vacuum according to the figures indicated in the Bill of Lading subject to the measurement methods applicable at the port of loading, which are final and binding on both Parties, except in cases of fraud or obvious error.

5.2. Risk of damage or loss of the Commodity is transferred from the Supplier to the Buyer at the time of passing of the Commodity through a permanent flange connection of the loading arm and the tanker at the port of loading. Ownership of the Commodity delivered under this Physical Contract is transferred from the Supplier to the Buyer on the date of execution of the Bill of Lading at the port of loading.

5.3. At least 2 working days before the tanker's arrival the Buyer shall send the Supplier written instructions on preparation of the set of shipping documents. Risks, losses and damages caused by incorrect execution of the shipping documents due to the fault of the Buyer shall be charged to the Buyer. Risks, losses and damages caused by incorrect execution of the shipping documents due to the fault of the Supplier shall be charged to the Supplier.

Section 6. Terms of Shipment and Transportation of the Commodity, Nomination Procedure

6.1. The Supplier shall inform of the quantity of the Commodity and the two-day shipping position (the date of availability and departure of the tanker from the port of loading) for each delivery unit of the Commodity delivered hereunder no later than on the last working day of the month preceding the month of shipment, but in any case at least 8 calendar days before the first day of the shipping position.

6.2. The Buyer shall at least seven (7) calendar days before the first day of the shipping position send to the Supplier a tanker nomination specifying the name, tonnage, draft and other performance characteristics for its receipt at the port, flag, demurrage rate and estimated time of arrival at the port of loading. The Supplier shall within one (1) working day from the date of the tanker nomination provide the Buyer with either approval of the vessel (such approval cannot be unreasonably refused) or a reasoned refusal with a request to provide an alternative vessel. If the tanker nominated by the Buyer is not accepted by the Supplier or the export terminal on reasonable grounds, the Buyer shall replace the tanker with another tanker. Regardless of any previous acceptance of the vessel, the Supplier has the right (which can be exercised only before the transfer of risk and ownership of the Commodity hereunder) to refuse this vessel for objective reasons: if the tanker was a participant of a marine casualty, or the Supplier received information on the tanker that made its approval impossible. After confirmation by the Supplier of the nomination, the captain of the tanker shall by telex or telegraph inform the Supplier and the shipowner's agent at the port of loading of the estimated time of arrival of the tanker at the port of loading 72 hours before to arrival, of the tanker's tonnage, flag and draft, amount of clean and dirty ballast on board, the expected time of arrival of the tanker 48, 24 and 12 hours before the arrival of the tanker at the port of loading.

6.3. The Buyer has the right to replace the nominated tanker with the consent of the Supplier and the export terminal. The replacement tanker shall be provided no later than one working day before the start of the first day of the shipping position. The Supplier may not unreasonably refuse to approve the replacement tanker. The Supplier shall provide a safe berthing place/terminal at the port of loading. The berth at the loading terminal indicated by the Supplier shall allow the vessel with characteristics not exceeding the restrictions of the loading terminal to proceed thereto, moor, load the Commodity and depart, all the while staying afloat.

6.4. The Buyer's tanker must be ready for loading of the entire Delivery Unit of the Commodity, for which it was nominated, and must comply with the requirements applicable at the port of loading, such as vessel size, ballasting, safety arrangements, etc. Otherwise, all losses of the Supplier, as well as expenses associated with damage to the Commodity, shall be paid by the Buyer to the extent that such costs or losses are caused by non-compliance of the vessel with the requirements of this Section. The Buyer's vessel must arrive at the port of loading only with clean ballast on board.

6.5. The Supplier will notify the Buyer by fax and/or e-mail of the shipment details of each Delivery Unit within 48 hours after completion of loading.

6.6. Within the shipping schedule agreed upon by the Parties the Buyer shall ensure timely arrival of the tanker at the port of loading on the first day of the agreed shipping position. If the Buyer fails to meet this requirement (that is, does not provide the vessel according to the above procedure), all costs in the amount of the actually incurred losses directly related to the above violation, including, but not limited to, storage costs (arising out of untimely nomination of the vessel by the Buyer, late arrival of the vessel, rejection of the vessel, etc.) are charged to the Buyer. Expenses shall be documented. If the tanker provided by the Buyer is not ready for any reason to start loading within the agreed deadlines, the Buyer is given a 2-day period to eliminate the defaults. All possible losses of the Supplier related to such delay are charged to the Buyer. If after the expiry of this period the tanker is still not ready to start loading, the Supplier has the right to refuse to perform the shipment. However, the Supplier undertakes to do everything possible to ensure that the tanker is loaded within the shortest possible time. However, the tanker will be handled subject to the port and the terminal having technical capabilities and without detriment to handling of tankers of other consignors.

Section 7. Laytime and Demurrage

7.1. Upon arrival of the tanker at customary anchorage at the port of loading the Captain or his agent shall give the terminal representative at that port a written Notice (hereinafter, the Notice) that the tanker is ready for loading of the Commodity. The Notice may be sent at any time of the day. The Notice shall be given before 24:00 of the first day of the shipping position.

7.2. Laytime shall commence:

7.2.1. If the Notice at the port of loading is provided before the start of the shipping position, laytime shall commence:

- at 06:00 (local time) on the first day of the shipping position; or
- after commencement of loading,

whichever comes first.

7.2.2. If the Notice at the port of loading is given during the first day of the shipping position, laytime will commence upon the expiry of 6 hours after giving the Notice or after commencement of loading, whichever comes first; or

7.2.3. If the Notice at the port of loading is given after the first day of the shipping position, the Supplier shall not be held liable for any possible expenses that may arise in this regard, however the Supplier and the Buyer will make efforts to load the vessel as soon as possible. In this case laytime counting will start only after commencement of loading.

Laytime counting at the port of loading stops when loading hoses are disconnected. The captain of the tanker shall make every possible effort to clear the berth as soon as possible, provided that the departure of the tanker is not delayed as a result of waiting for the documents. However, if the tanker waits for shipping documents for more than 3 hours after disconnection of loading hoses, then all time beyond these 3 hours is included in laytime or demurrage, if the vessel is on demurrage.

If the Vessel does not clear the berth, unless this is caused by the Supplier or the port of loading, any losses or damages incurred by the Supplier as a result of its failure to unberth shall be borne by the Buyer.

Sundays and national holidays of the respective port of loading are included in laytime count.

Any time spent for one of the following reasons will not be considered as laytime used or demurrage, if the vessel is on demurrage:

- if the shipowner or the Captain or the port prohibits loading at any time;
- time of waiting and undergoing sanitary, border and customs inspections, deballasting, except for deballasting operations coupled with loading, mooring, pilotage, waiting for day time, other actions from the moment the tanker is unmoored up to its berthing, and time, during which loading cannot be carried out due to technical and other conditions:
  - tanker inspection;
  - pipe fill rate measuring;
  - shipboard and shore main adjustment;
  - operations carried out by independent surveyors.

7.3. Time allotted for full loading of the Commodity under FOB terms amounts to 36 hours, including Sundays and public holidays. However, the Supplier is excused from paying demurrage, if the total time used for loading and unloading the tanker does not exceed the time allowed for these operations as provided for in the Charter Party.The total loading time when calculating demurrage is reduced by 50% of the vessel weather downtime. Any expenses for mooring at the port of loading caused by the actions of the Supplier shall be paid by the Supplier and the time taken for such mooring is counted as laytime.

The Supplier will reimburse the Buyer for demurrage expenses for the entire time spent at the port of loading in excess of the allowed laytime provided for in this Section. The Buyer's demurrage expenses will be reimbursed by the Supplier in US dollars for each elapsed hour and minute in accordance with the Timesheet. Demurrage is calculated on the basis of the demurrage rate stipulated in the Charter Party for the loaded vessel.

Any claims for demurrage shall be presented within ninety (90) calendar days from the date of the Bill of Lading together with a full set of documents confirming the claim (Timesheet, notice of readiness for loading (NOR), Charter Party or telex of its conclusion, certificate of unloading, invoice of the Shipowner and calculation of demurrage, a document confirming payment by the Buyer of the amount of demurrage to the Shipowner (these documents are not provided if the vessel belongs to the Buyer or is on a time charter), as well as other documents relevant to this voyage as may be additionally and reasonably requested by the Supplier).

The documents, except for the Charter Party, shall be signed by the authorized representatives.

If the Buyer fails to present a demurrage claim to the Supplier and/or fails to provide a complete list of the specified supporting documents within the specified time limits, any liability of the Supplier in respect of any demurrage incurred is cancelled.

If the Supplier requests the Buyer to provide additional documents reasonably necessary for the Supplier to consider the demurrage claim, then the deadline for provision of documents on demurrage by the Buyer will be automatically extended by the period necessary to provide these additional documents.

The Buyer may not demand from the Supplier payment of demurrage in the amount exceeding the amount that the Buyer actually paid to the Shipowner.

All claims for demurrage shall be sent to the Supplier in accordance with clauses 12.1 and 12.2 hereof.

The Supplier and the Buyer shall agree upon the amount of reimbursement for the Buyer's demurrage expenses within 30 working days from the date of receipt of the claim and the full set of supporting documents. The Supplier will pay the Buyer the amount of reimbursement due no later than on the thirtieth day from the date of mutual approval of this amount.

If the Buyer is a resident of the country, with which the Russian Federation has an international treaty (agreement) governing taxation issues in force, the Buyer shall provide to the Supplier a document (tax certificate, exemption certificate) confirming its domicile in this country.

The specified document certified by the competent authority of the respective state shall be submitted annually and must be legalized in the prescribed manner in the consular institution or diplomatic mission of the Russian Federation in the foreign state or by affixing the apostille by the competent authority of the foreign state in accordance with the Hague Convention of 05 October 1961. Documents drawn up in a foreign language must be accompanied by a translation into Russian, accuracy of which is certified by a notary.

Amount of demurrage is reduced by the amount of taxes payable for a foreign organization in the territory of the Russian Federation in the absence of the above international treaty (agreement) between the Russian Federation and the country, of which the Buyer is the resident, as well as in the case of failure to provide confirmation of the Buyer's permanent location in such country.

Section 8. Force Majeure

8.1. The Parties shall not be held liable for full or partial failure to perform contractual obligations (other than payment obligations), if such failure is caused by Force Majeure.

8.2. Force Majeure means any circumstances that cannot be foreseen or prevented and that are reasonably beyond the control of the party declaring such events (hereinafter, the Affected Party), including, but not limited to:

- Military events, whether declared or not, civil war, civil disobedience and coups, piracy, sabotage;
- natural disasters, such as severe storms, cyclones, earthquakes, tidal events, floods and destructions caused by lightnings or weather conditions;
- explosions, fires, destruction of tanks, pipelines, refineries or terminals and any other similar structures;
- strikes, lockouts, occupation of industrial structures and adjacent territories, prohibition of access to industrial facilities and adjacent territories of the Affected Party.

- Introduction of restrictive and prohibitive measures by the government authorities that prevent the Parties from performance of their obligations under the Physical Contract shall be considered equivalent to circumstances of insuperable force (Force Majeure).

A party prevented from performing its contractual obligations due to Force Majeure Events (the Affected Party) must notify the other party in writing by fax, email or post within 3 business days of the date of occurrence of the events. The date of such notice shall be the date of the post stamp affixed in the country of dispatch, or the date of the e-mail delivery report (if sent by fax, the date of the notice is determined in accordance with clause 12.4 hereof). The Affected Party shall provide to the other party within a reasonable time written evidence of the occurrence of Force Majeure Events issued, should such events exist, by the Chamber of Commerce and Industry of the Russian Federation or other authorized body that has proper authority to evidence the occurrence of force majeure events. If the Party prevented from performing its contractual obligations due to Force Majeure Events fails to notify the other Party in the manner set forth in this Section, it shall lose its right to refer to Force Majeure Events in order to be released from the liability under the Physical Contract.

8.3. Upon occurrence of Force Majeure Events the time period for performance by the Parties of their obligations (other than payment obligations) under the Physical Contract shall be extended for the duration of the Force Majeure Events or consequences thereof, provided, however, that if the Force Majeure Events in respect of delivery of the commodity continue for more than 30 calendar days, the Party shall have the right to terminate the Physical Contract immediately by giving a written notice to the other Party with respect to such Delivery Unit affected by the Force

Majeure, without prejudice to any matured obligations to pay for the delivered Commodity and without prejudice to any deliveries under the Physical Contract.

Section 9. Applicable Law and Jurisdiction

9.1. The text of the Terms and Conditions of the Physical Contract is drawn up and shall be applied and interpreted in accordance with the laws of the Russian Federation.

The UN Vienna Convention on Contracts for the International Sale of Goods of 11 April 1980 shall not apply to the Physical Contract.

9.2. All disputes, disagreements or claims arising out of or in connection with this Contract, including those related to its entry into force, conclusion, amendment, performance, breach, termination or validity, shall be referred for consideration to the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation in accordance with its applicable rules and regulations. The arbitration award shall be final and binding on the parties. The parties agree not to apply to a state court for a judgment on the lack of jurisdiction of an arbitration court if the arbitration court rules as a preliminary question that it has jurisdiction. The arbitration shall consist of three arbitrators, with each of the Parties appointing one arbitrator in accordance with the procedure established in the Rules of Arbitration of International Commercial Disputes. The arbitration shall be conducted in Moscow in the Russian language.

9.3. The Parties undertake to maintain strict confidentiality of the content of arbitration proceedings or awards (unless otherwise required for enforcement thereof).

Section 10. Difficulties in the Performance of the Physical Contract

10.1. If in the course of performance of the Physical Contract it becomes clear that some of its provisions need to be amended or modified to ensure better achievement of the purposes of the Physical Contract or in connection with any changes in the practices, laws or regulations governing export of diesel, the Parties shall negotiate in good faith to find a fair solution to these issues.

10.2. Notwithstanding anything to the contrary contained herein, if it becomes impossible for either Party to perform its obligations under the Physical Contract (including) due to bankruptcy, reorganization, insolvency or similar proceedings affecting this Party, the other Party has the right to terminate the Physical Contract.

Section 11. Sanctions, Trade Controls and Boycotts

11.1. Notwithstanding anything to the contrary contained herein:

11.1.1. Nothing in these Terms and Conditions of Physical Contracts shall be interpreted or construed as demanding or compelling a Party to take any action in any manner (including omission to take any action relating to the Physical Contract) that contradict, are sanctioned or prohibited under any laws, regulations, decrees, orders, resolutions, requests, rules or provisions (whether voluntary or compulsory) applicable to the Party, which relate to international trade controls, export controls, embargoes, sanctions (imposed by any person other than government authorities), or international boycotts of any kind, non-proliferation, anti-terrorism laws, and other laws (hereinafter, the Trade Restrictions).

11.1.2. Neither of the Parties shall be obliged to perform any obligations under these Terms and Conditions of Physical Contracts (including, without limitation, obligations to (a) execute, deliver, accept, sell, purchase, pay for, or receive money from, or through, a person or entity, or (b) participate in any other activity), if this violates or is otherwise prohibited under the Trade Restrictions.

If performance by the Party of its obligations violates, or is otherwise prohibited by, the Trade Restrictions, then such Party (hereinafter referred to as the Affected Party) shall as soon as reasonably possible give the other Party a written notice of its inability to perform certain obligations under the Physical Contract. Once such notice is given, the Affected Party may:

а) immediately suspend performance of the respective obligation (whether in the form of payment or execution) until the Affected Party is legally able to perform such obligation; and/or

б) expect full release from performance of the respective obligation, if inability to perform the obligation remains (or it is reasonably expected to remain) until the end of the period for performance prescribed by the Physical Contract, provided that if the respective obligation is related to payment for the delivered Commodity, the respective payment obligation remains suspended (without prejudice to accrual of interest on the outstanding amounts) until the Affected Party is legally allowed to resume payments;

в) and/or require the nominating Party to nominate an alternative vessel, if the respective obligation is related to approval of the vessel nominated to receive the Commodity.

In each of the cases provided for in clauses (a), (b) and (c), unless otherwise expressly provided in the Physical Contract, the Affected Party shall not be held liable whatsoever (including, but not limited to, for damages for breach of contract, fines, costs, charges and expenses).

11.2. Without prejudice to the foregoing, if the Trade Restrictions limit, prevent or prohibit performance of an obligation by one of the Parties for a period of 60 days or more from the due date of the respective obligation, the Supplier and the Buyer may immediately terminate the Physical Contract in respect of all outstanding obligations by giving the other Party a written notice indicating the date of termination of the Physical Contract, and, with the exception of amounts that have become due before termination of the Physical Contract, neither Party shall be liable to the other Party for failure to perform and/or improper performance of any further obligations under the Physical Contract.

11.3. Where the laws on the Trade Restrictions, regulations or regime allow to obtain an authorization, license or approval, a Party shall, at the request of the other Party and for the purpose of performing its obligations under the Physical Contract, apply to the proper Government and/or other competent authorities for obtaining such authorization, license or approval as soon as reasonably possible. If a Party fails to obtain the appropriate authorization, license or approval within 60 days from the due date of the Party's respective obligation under the Physical Contract, solely or partially due to actions or omissions of the respective authority, the other Party may terminate the Physical Contract in accordance with clause 10.2 hereof.

11.4. In the event of termination or amendment of the Physical Contract the Parties hereto shall give a notice of settlement of obligations in accordance with the procedure for performance of obligations for delivery of the underlying asset and delivery settlements under physically settled futures contracts provided for in the Clearing Rules (Section VIII).

Section 12. Notifications

12.1. Any communications in connection with the Physical Contract shall be made in writing and, unless otherwise specified, may be given by e-mail, courier or fax. Unless otherwise agreed between the Parties, any consent or approval required under the Physical Contract shall be given in writing.

12.2. The contact details of the Supplier and the Buyer shall be provided in accordance with the Procedure for Exchange of Documents in the SPIMEX Derivatives Section.

Any Party may change its contact information by giving the other Party at least 5 days' prior written notice.

12.3. Any notice (other than exchange of documents between the Parties and the Exchange) given in connection with the Physical Contract shall be in English and Russian. The Russian version of any notice shall prevail.

12.4. Except as otherwise provided for herein, any communication in connection with the Physical Contract or a document received in electronic form under the Physical Contract shall be deemed to have been received:

i. if sent by courier — on the date of the post stamp on the acknowledgement of receipt; and

ii. if sent by fax — on the date when the sender's fax machine receives automatic confirmation that the message has been successfully transmitted;

iii. if sent by e-mail — on the date of the message delivery report.

12.5. Any notice given in accordance with clause 12.4 and received on a non-working day or after the regular business hours at the place of receipt shall be deemed to have been delivered on the next working day at the place of receipt.

Section 13. Severability

13.1. If any provision of these Terms and Conditions of Physical Contracts is or becomes illegal, invalid or unenforceable in any jurisdiction, this shall not affect:

(a) legality, validity, or enforceability in that jurisdiction of any other provision of these Terms and Conditions of Physical Contracts; or

(b) legality, validity, or enforceability of this or any other provision of these Terms and Conditions of Physical Contracts in other jurisdictions.

Section 14. Miscellaneous

14.1. Unless otherwise expressly provided for herein, neither of the Parties may assign its rights and obligations under the Physical Contract to any third parties without the written consent of the other Party. In the event of assignment of rights and obligations, subject to such written consent, the Party assigning the obligations remains jointly liable for performance of the obligations under the Physical Contract with the person, to which the obligations were assigned.

14.2. All authorizations of government and customs authorities required for delivery of the Commodity under the Physical Contract in the territory of the Russian Federation shall be obtained by the Supplier, and outside the Russian Federation — by the Buyer.

All taxes, customs duties and other charges arising in the performance of the Physical Contract that are collected in the territory of the Russian Federation will be paid by the Supplier; outside the Russian Federation — by the Buyer.

14.3. In the event of reorganization of a legal entity that is a Party to the Physical Contract, all rights and obligations under the Physical Contract are transferred to its legal successor.

14.4. This Contract is made in two (2) counterparts in Russian and in English. All counterparts shall have equal legal force and effect. In the event of any conflict between the Russian and English versions, the Russian version shall prevail.

14.5. All Commodities sold under the Physical Contract shall be free and clear of any encumbrances, charges, mortgages and claims (actions).

Section 15. Conformity to ISPS Standards

15.1. The Buyer shall ensure that the vessel complies with the requirements of the International Ship and Port Facility Security (ISPS) Code and applicable amendments to Chapter XI of the SOLAS Convention (hereinafter, the ISPS Code).

15.2. At the first request, the vessel must submit a Declaration of Safety (DoS) to the port authorities before entering the port.

15.3. If at any time before the transfer of ownership and risks the vessel ceases to meet the ISPS requirements, even though the Supplier has already approved this vessel in the past:

(a) the Supplier has the right not to moor such vessel at the port of loading, and any downtime (demurrage) will in no way be charged to the Supplier;

b) the Buyer will be required to replace such vessel with another that complies with the ISPS Code.

15.4. The Supplier guarantees that the port/terminal/place of loading complies with the ISPS Code. All expenses relating to the vessel, including downtime (demurrage) or other additional penalties or charges imposed on the vessel at the port of loading and actually incurred by the Buyer as a result of non-compliance of the port/terminal/place of loading with the requirements of the ISPS Code will be charged to the Supplier, including, but not limited to, the time or money spent by the vessel to ensure compliance with the ISPS Code, as well as the time and money spent on other additional security measures required by the said Codes.

15.5. If the vessel meets the requirements of the ISPS Code, the Supplier will be liable for any downtime (demurrage) incurred by the Buyer as a result of the vessel's delay at the port of loading caused by requests of the port or appropriate authorities to take any special or additional security measures or to undergo additional checks due to the vessel calling at previous ports.

15.6. The Supplier's liability to the Buyer under the Physical Contract for any costs, losses or expenses incurred by the vessel, the charterer or the Shipowner due to non-compliance of the port/terminal/place of unloading with the ISPS Code will be limited to payment of downtime (demurrage) and actual costs of the Buyer incurred in connection with ensuring the loading of the tanker in accordance with the provisions of this Section.

Section 16. Anti-Corruption Clause

16.1. The term "Anti-Corruption Acts" means the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (hereinafter, the OECD Convention) signed in Paris on 17 December 1997, which entered into force on 15 February 1999 and was ratified by the Russian Federation through adoption of Federal Law No. 3-FZ of 01 February 2012 on the Accession of the Russian Federation to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, as well as all applicable federal, regional and municipal regulations and by-laws in force in the Russian Federation that prohibit bribes, illegal gratification or other payments in favour of persons defined in the OECD Convention, as well as in the relevant regulatory legal acts of the Russian Federation.

Section 17. Confidentiality

17.1. For the purposes of the Physical Contract, the term "Confidential Information" shall mean any information under the Physical Contract that has actual or potential value due to it being unknown to the third parties, is not intended for general public and/or any public use and meets the requirements of the legislation of the Russian Federation.

17.2. The Parties shall keep the Confidential Information obtained in the course of performance of the Physical Contract confidential and shall not disclose the Confidential Information to any third parties, except in cases of unintentional and/or involuntary disclosure of the Confidential Information due to force majeure circumstances or requirements of the applicable legislation of the Russian Federation.

17.3. It is not allowed to transfer the Confidential Information through unsecured telephone and facsimile channels or via the Internet without taking security measures deemed appropriate by both Parties.

17.4. The respective Party shall be liable for damages (subject to provisions of Section 17 hereof) that may be caused to the other Party as a result of disclosure of the Confidential Information or unauthorized use of the Confidential Information in violation of the provisions of this Section.

Section 18. Limitation of Liability

18.1. Without prejudice to other provisions hereof that expressly set any other limits of liability of the Parties, liability of each Party shall be limited to the obligation to compensate the other Party for the documented losses incurred by the latter in the amount of actual damage.

18.2. Neither of the Parties shall be liable for the other Party’s loss of profits.

Appendix No. 01

to the General Terms and Conditions of Physical Contracts made in the performance of obligations under the SPIMEX ULSD Futures Contracts (FOB Primorsk)

Terms of payment for the Commodity delivered under the Physical Contract

Section 1. Payment

1.1. The basic payment condition is that payment for the commodity shall be made by issuing and cashing an irrevocable documentary letter of credit.

1.2. If the Supplier has not demanded payment through a letter of credit, payment for the delivered Commodity shall be made by the Buyer in full without any discounts, offsets, counterclaims or deductions in the amount of 100% of the value of the Commodity in US dollars by bank transfer to the Supplier's account with the bank specified by Supplier, not later than ten (10) calendar days from the date of bill of lading (date of the bill of lading is considered to be Day 0). The transfer shall be made upon receipt of a scanned copy of the invoice issued by the Supplier with simultaneous sending of one original and three copies of the invoice and shipping documents listed in clause 1.9 to the Buyer. Bank fees of the Supplier's Bank and its correspondent banks for crediting funds shall be paid by the Supplier, and the remaining fees shall be paid by the Buyer.

1.3. The Buyer shall at least five (5) days before the first day of the shipping position open an irrevocable documentary letter of credit in a format acceptable to the Supplier in a first-class foreign bank approved by the Supplier. The validity period of the documentary letter of credit must fully cover the period required for delivery of the Commodity, preparation and submission by the Supplier of documents for payment, as well as receipt of funds to the Supplier's account.

RECOMMENDED DRAFT LETTER OF CREDIT:

____

Name of the issuing bank

We hereby open the following letter of credit that will be advised by the Supplier's bank

Name of the advising bank

Name of the Buyer

We hereby open our irrevocable documentary letter of credit No. in favour of

___________ Name and address of the Supplier

Contract № dated

By order of

Name and address of the Buyer

Amount USD ___________ +/-5% per cent

(million thousand USD plus/minus five percent)

Expiry date at the Supplier's bank

Name of the Supplier's bank

Coverage ___________ metric tonnes +/- 5% at the choice of the Supplier of diesel normally exported through Port Primorsk, Russia

Shipment FOB Primorsk

_______________ metric tonnes +/- 5% (at the choice of the Supplier)

For the nominated vessel with shipment within

_______________(both dates inclusive)

Price

on FOB Primorsk basis is set in USD per metric tonne as follows:

_____________P=F*845/p

where P — the final price of the Commodity; F — the final settlement price of the futures contract; p — the actual density at 15 degrees C.

The price set as above must be rounded to two decimal places.

Payment

Payment shall be made via (name of the Supplier's Bank, its location) by deferred payment within 10 calendar days after the date of the bill of lading (the date of the bill of lading is Day 0) against provision of the following documents in one original and 3 copies, unless specified otherwise,

1) Signed beneficiary's invoice.
2) A full set of 3/3 originals of the bill of lading duly signed or confirmed, which shall indicate "freight payable as per charter party" and "clean on board"
3) Certificate of quality
4) Certificate of quantity

If there are no documents specified in clauses 2)-4) at the due date of the payment obligation, payment will be made upon provision of the document specified in clause 1 above and a letter of guarantee (both documents are accepted as a scanned copy by e-mail).

Special Terms

1. Bills of lading issued on a “Charter party” basis are acceptable.
2. Overloads are prohibited, partial shipments allowed.
3. Documents provided later than 21 days after the date of the bill of lading, but prior to expiration of this letter of credit are acceptable.
4. If the payment date falls on Sunday or Monday that is a banking holiday in New York, payment shall be made on the next banking day in New York. If the payment date falls on Saturday or any other banking holiday in New York (other than Monday), payment shall be made on the preceding banking day in New York.
5. Amount of this letter of credit shall automatically increase or decrease depending on changes in price and volume without the need to make changes to this letter of credit.
6. All bank charges and fees relating to opening, maintaining and amending the Letter of Credit, except for the Supplier’s bank fees, shall be charged to the Buyer. Fees and commissions of the Supplier’s bank shall be charged to the Supplier. Fees and commissions (if any) incurred by the issuing bank in connection with actions taken at the request of the Supplier’s bank for confirmation of the amount and period of the deferred payment obligation and/or clarification of incomplete or unclear terms of the letter of credit shall be charged to the Buyer.
7. Letter of credit expiry date “___” __________.
8. E-mail/SWIFT/fax copies of the invoice and letter of guarantee are acceptable.
9. Spelling errors and typos (other than incorrect numbers) shall not be considered discrepancies.
10. Photo copies in lieu of copies of documents are acceptable.
11. Unless otherwise stated in this documentary letter of credit, all documents must be issued in English. However, documents in languages other than English are acceptable provided that they also bear the text in English.

This letter of credit is governed by the Uniform Customs and Practice for Documentary Credits (International Chamber of Commerce, publication No.600, as amended in 2007).

Upon receipt of your message sent via telex or SWIFT specifying the detailed pricing in the invoice and confirming that you have accepted the documents in full compliance with the conditions of the letter of credit and that the documents have been sent to our address, we will make the transfer of coverage amount on the due date according to your instructions, provided that the notice given by telex or SWIFT is received by us at least one banking day in_______________/New York before the payment due date. Otherwise, the payment will be made for value one banking day in_______________/New York later.

1.4. The documentary letter of credit must be advised with the Supplier’s bank specified by the Supplier in the draft documentary letter of credit. The draft documentary letter of credit shall be sent to the Supplier for approval before the Buyer sends the application for opening a documentary letter of credit to the bank. The recommended draft documentary letter of credit is provided in clause 1.3.

1.5. The documentary letter of credit shall be opened for the amount of value of the delivery unit of the Commodity calculated based on the final settlement price of the futures contract of the respective month of delivery and the maximum amount of the delivery unit of the Commodity to be delivered under this Contract. The documentary letter of credit shall contain a condition that the amount of the opened letter of credit shall automatically increase or decrease following a change in the final price of the Commodity specified in Section 4 of these Terms and Conditions of Physical Contracts.

1.6. The documentary letter of credit shall be honored by the Supplier's bank.

1.7. The documentary letter of credit shall indicate the number of the Physical Contract.

1.8. The documentary letter of credit shall comply with the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, Paris, as amended in 2007 (publication No. 600) to the extent it is not inconsistent with the requirements for the documentary letter of credit set out in this Appendix.

1.9. Payment under the documentary letter of credit shall be made no later than ten (10) calendar days after the date of the Bill of Lading (provided that the date of the Bill of Lading is considered to be Day 0) against provision of the following documents:

(1) Supplier's invoice for the delivery unit of the Commodity being delivered;

(2) full set (three out of three originals) of the Bill of Lading signed by the captain of the vessel or the vessel's agent, which shall indicate "freight payable as per charter party" and "clean on board";

(3) certificate of quality;

(4) certificate of quantity;

If the documents listed in clauses (2) to(4) above are not available at the due date of the payment obligation, payment under the documentary letter of credit shall be made against fax/scanned copies (sent by e-mail) of the document specified in clause (1) above, and the Supplier's letter of guarantee (LG) drawn up in the form agreed between the Parties or in the form provided in clause 1.16 of this Appendix below.

1.10. Number of originals or copies of documents specified in clause 1.9 of this Appendix, method of provision thereof, as well as special requirements for their content or execution shall be agreed between the Parties in the draft documentary letter of credit prior to its opening.

1.11. The documentary letter of credit may contain other or additional terms not specified in this Appendix, provided that the draft documentary letter of credit has been agreed between the Parties.

1.12. All bank charges and fees relating to opening, maintaining and amending the letter of credit, except for the commissions of the Supplier's bank and its correspondent banks, shall be charged to the Buyer. Fees and commissions of the Supplier's bank and its correspondent banks shall be charged to the Supplier. Fees and charges (if any) incurred by the issuing bank and its correspondent banks in connection with actions taken at the request of the Supplier's bank for confirmation of the amount and period of the deferred payment obligation and/or clarification of incomplete or unclear terms of the Letter of Credit shall be charged to the Buyer. All necessary changes to the terms of the Letter of Credit shall be made by the Buyer within the next two banking days following the date of receipt of the respective notice from the Supplier.

1.13. If the letter of credit is opened more than three (3) days later than the date specified in clause 1.3 of the Appendix, despite the written request sent by the Supplier to the Buyer, the Supplier has the right to refuse to deliver the Commodity.

1.14. If the payment date falls on Sunday or Monday that is a banking holiday in New York, then payment shall be made on the next working day in New York. If the payment due date falls on Saturday or any other banking holiday in New York other than Monday, payment shall be made on the preceding working day in New York.

1.15. The Parties agree that the date of payment is the date when funds are debited from the Buyer's account with the Buyer's Bank. The Buyer's obligations to pay for the Delivery Unit of the Commodity shall be deemed to have been performed by the Buyer once the funds are credited to the bank account specified by the Supplier.

1.16. Unless otherwise agreed between the Parties, payment of any other costs, charges and expenses arising under the Physical Contract shall be effected outside the documentary letter of credit after issuing by the Party that incurred the costs, charges and expenses of a separate invoice and supporting documents (if any) and shall be effected by the other Party no later than three (3) banking days from the date of receipt of the above documents.

Sample Letter of Guarantee

Place and date of issue: (place),(date)

From: PJSC Supplier's Name

To: (Buyer's Name)

Through (Buyer's bank) (if any)

Subject: Supplier's No.(No. of the Physical Contract)……Buyer's No.….(if any)

(Standby) Letter of Credit No. ……. issued by (bank) (if any)

Dear Sirs,

We hereby refer to the Physical Contract of (date) for cargo in the amount of ...... (metric tonnes) (specify the name of the Commodity) delivered on board the tanker ..... to the port .... according to the bill of lading of (date).

Although we have sold and transferred title to the above cargo to you, we have not been able to provide you with the documents required to make payment under the Physical Contract (the Documents).

In exchange for your payment of the full/advance purchase price in the amount of .... US dollars for the above Commodity, we hereby certify:

a) that the Documents do exists and are valid and that we are entitled to own the Documents,

b) that we are entitled to dispose of the Commodity and that we have proper title to the Commodity that is free from encumbrances, liens or security interest, and we have the right to transfer this title to you.

We agree to make reasonable efforts to search for, obtain, and provide you with the Documents as soon as possible.

This Letter shall automatically terminate upon your receipt of the Documents from us.

We also agree to indemnify you against all documented reasonable direct damages, costs and expenses, including attorneys' fees, that you may incur as a result of our failure to provide the Documents in due time or breach of the guarantees given by us in this Letter.

Our obligations to indemnify you will only arise if you notify us of your claims as soon as possible and provide us with every opportunity to protect you against such claims; you may not settle such claims without our consent.

This Letter, including all non-contractual requirements, shall be governed by and construed in accordance with the laws of the Russian Federation and shall terminate after the Documents are provided to you or through your bank in accordance with letter of credit No. Any dispute or claim arising in connection with this Letter will be finally resolved by the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation (ICAC) in accordance with the applicable ICAC rules and regulations. The arbitral tribunal shall consist of three arbitrators. The arbitration shall be conducted in Moscow in the Russian language. The decision of the arbitration court shall be final and binding on the Parties.

Yours faithfully,

(Authorized Representative) (Position) (Company)

Section 2. Late payment penalties

2.1. Provisions of this Article shall not be interpreted as an indication or an intention of either Party to unconditionally grant credit to the other Party and shall be without prejudice to any rights or remedies that the Party may have under the Physical Contract or otherwise. Any expenses incurred by any Party, including, but not limited to, reasonable legal fees, litigation costs and fees of recovery agencies incurred in connection with late payment or non-payment of amounts due shall be borne by the Party that failed to pay on time and shall be paid upon request on the basis of supporting documents.

2.2. In case of incorrect payment by the Buyer's bank or delay in payment due to the fault of the Buyer, the Buyer shall pay interest on the amount of such payment in US dollars based on the one-month LIBOR rate plus three (3) percent per annum for each day of payment delay. The number of days of payment delay is calculated as the difference between the actual payment date and the due date provided for in the Physical Contract. The LIBOR rate is regulated by the ICE Benchmark Administration (or any of its official successors) and published by Reuters (or any of its official successors) on the LIBOR01 page at 11:00 London time on the date of payment stipulated by the Physical Contract. Interest shall be paid within three (3) New York banking days from the date of issue of the Supplier's invoice for payment of interest.

2.3. In the event of failure to perform or improper performance by the Buyer of these Terms and Conditions of Physical Contracts that entail violation of the requirements of the currency legislation, if such violation occurs through no fault of the Supplier and/or Supplier's bank, the Buyer shall pay to the Supplier a penalty of 0.1% of amount of the delayed payment and compensate the Supplier for all losses, including those incurred in connection with imposition of administrative penalties by the authorized bodies, including, but not limited to, penalty amounts imposed on the Supplier paid or payable on the basis of a ruling issued for non-compliance with the requirements of the currency legislation in accordance with the legislation of the Russian Federation on administrative offences. The specified losses and penalties shall be paid within seven (7) days from the date of receipt by the Buyer of the Supplier's written request for payment, as well as a full set of supporting documents.