
REGULATIONS OF THE EXCHANGE AUCTIONS FOR TIMBER PRODUCTS

IN BELARUSIAN UNIVERSAL COMMODITY EXCHANGE OJSC

1. GENERAL PROVISIONS

- 1.1. The Regulations of the exchange auctions for timber products in Belarusian Universal Commodity Exchange OJSC were developed in Belarusian Universal Commodity Exchange OJSC in accordance with the Rules of Exchange Trade and approved by the Resolution of the Board of November 22, 2005 No.3 (hereinafter – the Rules)
- 1.2. The Regulations determine the peculiarities of the exchange auctions for the timber products in Belarusian Universal Commodity Exchange OJSC (hereinafter – the Exchange).

Peculiarities of continuous exchange export auctions for plywood (HS code 4412) are determined by the Temporary Regulations of continuous exchange export auctions for plywood in timber products section in Belarusian Universal Commodity Exchange OJSC.

Peculiarities of the exchange auctions for timber products in domestic market during the state procurement are determined by the Temporary Regulations of the exchange auctions for timber products in Belarusian Universal Commodity Exchange OJSC for state procurement.

Peculiarities of timber export sales with obligatory use of exchange logistics are determined by the Implementation of timber export sales in Belarusian Universal Commodity Exchange OJSC with obligatory use of exchange logistics, Exchange warehouses and Exchange experts (hereinafter – the Implementation).

(subparagraph 1.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 30, 2011 No.117, of March 25, 2014 No.34, of August 21, 2014 No.96)
- 1.3. The Regulations use the following terms and definitions:

Decrease time – time after which starting or current price automatically decreases by the amount of decrease increment;

(paragraph 2 was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 20, 2016 No.45)

Timber of increased demand – round wood with increased demand for it, but its sales volume at the auctions is insufficient;

Concentrated resource – commodities unified by one bid for sale filed by an exchange trade participant for the benefit of several organizations (consignor);

(paragraphs 3, 4 were introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 16, 2016 No.27)

Timber products – exchange commodity admitted to the exchange trade in Belarusian Universal Commodity Exchange OJSC in timber products section;

Multiple lot – consignment of exchange commodity, admitted to the exchange auctions as a single lot on several delivery bases, and each of them has the starting price, determined by the seller.

(paragraph 6 was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 20, 2016 No.45)

Commodity name – a range of characteristics including the timber product name, HS code, standard (STB, GOST, TU), dimensional (diameter, thickness, width, length, format, etc.) and qualitative characteristics. Taking into account the standing wood, the commodity name is understood as a range of characteristics including the timber product name (standing wood), rate category, availability and location of cutting area, purpose of use, forestry, stand composition, felling system, forest type, forest condition and material assessment of cutting area;

Special trading session – the trading session where the timber of increased demand is sold;

(paragraph 9 was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 16, 2016 No.27)

Starting price – price of commodity stated by an exchange trade participant in the bid for sale and fixed in the Trading System at the start of auctions of the trading session;

Current price – price of commodity changed during the following periods of the trading session: auctions, adjustment of bids for sale, auctions and summing up period;

(paragraphs 10 and 11 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 4, 2013, No. 18)

Transport consignment – minimal amount of exchange commodity (except standing wood) necessary for full load of a vehicle (railroad car, truck, etc.). Size of transport consignment depends on delivery conditions stated by the exchange trade participant in the bid for sale (to buy) and they comprise:

- in case of transportation of round and sawn wood by rail – 45 cubic meters;
- in case of transportation by road vehicle:
 - for round timber – 10 cubic meters;
 - for sawn timber – 20 cubic meters;

Free upper lumber-yard – delivery basis including the manufacturer's expenses for logging, forwarding and warehousing at the cutting area. The buyer pays extra for loading.

(paragraph 17 was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 1, 2013, No. 36)

Free intermediate lumber-yard – delivery basis including the manufacturer's expenses for logging and forwarding to the logging road, where it will be loaded to the buyer's transport. The buyer pays extra for loading.

Free lower lumber-yard – delivery basis including the manufacturer's expenses for logging, forwarding to the logging road, loading to the transport and hauling to the lower lumber-yard. The loading is paid for by the manufacturer, buyer pays for further transportation.

Free on rail dispatch station – delivery basis including the manufacturer's expenses for logging, forwarding to the logging road, loading to the transport, hauling to the lower lumber-yard, transportation to the dispatch station and loading to a rail car. The manufacturer also pays for the fasteners and railway services. The buyer pays the railway rate and expenses for further transportation to the receiving station.

Free buyer's warehouse – delivery basis including the manufacturer's expenses for logging, forwarding to the logging road, loading to the transport, hauling to the buyer and unloading at the buyer's warehouse.

Free on rail receiving station – delivery basis including the manufacturer's expenses for logging, forwarding to the logging road, loading to the transport, hauling to the lower lumber-yard, transportation to the dispatch station and loading to a rail car. The manufacturer also pays for the fasteners, railway services and for transportation of a rail car to the receiving station.

Price increment – the range of increase of opening or current price of exchange commodities during the auctions period or period of auctions and summing up, established by the Exchange.

(paragraph 23 was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 4, 2013 No.18)

Decrease increment – the amount of decrease of starting or current price of commodity during the auctions period or the period of auctions and of summing up.

(paragraph 24 was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 20, 2016 No.45)

Other terms used in the Regulations have the meaning that is determined by the Legislation of the Republic of Belarus and the Rules.

2. THE ORDER OF AUCTIONING OF TIMBER PRODUCTS

2.1. The commodity is auctioned in lots.

2.2. Lot unites homogeneous and interchangeable commodities regarding the type of commodities, their quality, size (size group), price and delivery conditions in accordance with the standards and technical legal framework in the sphere of technical rate setting and standardization of the Republic of Belarus.

The amount of the exchange commodity in one lot should be no less than one consignment unless otherwise is stated by the Exchange*.

*(*For sawn timber sold on the domestic market the established size of the transport consignment is recommended)*

(part 2 of subparagraph 2.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 2, 2008 No.67)

Shipment (delivery) term (s) of round and sawn wood that is stated in lot should be determined the following way: the amount of exchange commodities for shipment should not exceed one consignment per month. In case the seller auctions a lot that equals to one consignment, he should state certain month during which the consignment will be delivered.

(part 3 of subparagraph 2.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of October 21, 2014 No.120)

In case the concentrated resource is auctioned, the exchange trade participant should mention in the bid for sale the consignors that are to deliver the commodity if the exchange transaction is made; the amount of commodity delivered by each consignor and the locations of commodities.

Auctioning of round wood is made by the exchange auctions participants with the use of multibase delivery conditions in accordance with paragraph 2–1 of the present Regulations.

(parts 4 and 5 of subparagraph 2.2. were introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 16, 2016 No.27)

2.3. Auctioning of commodities from timber products section (hereinafter – exchange auctions) is made via placing bids in the database of the Trading System via Internet with the use of software module of filing the bids for the exchange auctions for timber products from the traders' workstations.

Auctioning of the standing wood is allowed via filing a bid for sale of commodities in Excel form in accordance with Appendix 3 with the use of e-mail.

The bid of the exchange trade participant can include several lots.

(subparagraph 2.3, in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 25, 2011 No.20, November 21, 2017 No.159)

2.4. Requirements for the exchange trade participants for the bids filing

2.4.1. Exchange trade participants ensure compliance to standardized qualitative and size characteristics of the commodity when it is auctioned:

– round wood for domestic market – in accordance with Appendix 12;

- round wood for export – in accordance with Appendix 12;
(*Appendix 12 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 3, 2010 No.44*)
- round wood for export – in accordance with Appendix 13;
- sawn wood for export – in accordance with Appendix 14;
- sawn wood for domestic market – in accordance with Appendix 16.

When round and sawn wood is auctioned, the exchange trade participants divide the commodities into types. It is allowed to auction separate assortments of round wood (pulpwood, perches, raw wood for tanning extracts, technological raw wood) and sawn wood for export with thickness up to 25 mm, width up to 150 mm, length up to 2000 mm unified groupwise.

- 2.4.2. The exchange trade participants are allowed to auction round and sawn wood with mentioning certain size of commodity and real size characteristics in accordance with the range that corresponds to the standard range (according to Appendices 12–14, 16). Mentioning of actual range of lengths of round wood (HS code 4403) and sawn wood (HS code 4407) that are auctioned by the exchange trade participants for export sales is made up to one decimal place.

(*subparagraph 2.4.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of September 27, 2010 No.189*)

- 2.4.3. The exchange trade participants are allowed to auction the commodities with mentioning specific commodity parameters and factual size characteristics from the range corresponding to two or more standard ranges of diameter (width, thickness) in accordance with Appendices 12–14, 16; in case the Exchange allows to do so after the seller files a written request where he mentions objective reasons for auctioning commodities and states its specific size parameters or for non-conformance to standard size ranges.

- 2.4.4. The exchange trade participants are allowed to auction round and sawn wood with specific size parameters with delivery term up to 30 calendar days from the registration of a contract at the Exchange and with the mark stating that commodity is ready.

(*subparagraph 2.4.4. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 02, 2008 No.67*)

- 2.4.5. Bids for sale of the commodities in accordance with Annex 3 to the resolution of the Council of Ministers of the Republic of Belarus of March 15, 2012 No.229 «On the Improvement of Relations in the Procurement of Goods (works, services) at Their Own Expenses» (hereinafter – the resolution), with the cost more than 2000 base rates, originated from the states not indicated in the first part of subparagraph 2.16. of the resolution, should contain information about the producer of the commodities, including the country of their origin.

Bids to buy commodities, specified in the first part of this subparagraph, by exchange trades participants – buyers who are required to follow the rules of the resolution, as well as exchange brokers, in the case of making bids to buy on behalf of such buyers, may be submitted on condition of relevant approval by Commission of Industrial Policy, established under the resolution of the Council of Ministers of the Republic of Belarus of June 22, 2015 No.525 «On the Commission of Industrial Policy».

It is not allowed to submit bids for sale of commodities included in the Register of materials which are prohibited for import and (or) circulation on the territory of the Republic of Belarus

(*subparagraph 2.4.5. was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 27, 2017 No.52*)

- 2.5. The exchange trade participants can file the bids for sale at the domestic market no later than:
- 8 working days* before the date of the exchange auctions for standing wood, except bids transferred from the previous session;
(* working days in the Republic of Belarus)
 - 3 working days before the date of the exchange auctions for the commodities (HS codes 4401, 4403, 4404), except bids for sale of ready wood that were transferred from the previous trading session;
 - 4 working days before the date of the exchange auctions for the commodities (HS codes 4406, 4407, 4409, 4418);

– 1 working day before the date of the exchange auctions for the commodities (HS codes 4801, 4802, 4804, 4805, 4806, 4807, 4808, 4809, 4810, 4811, 4816, 4817, 4819, 4821, 4823).

The exchange trade participants should file the bids for export sales of commodities (except commodities with HS codes 4410, 4411, 4412) no later than 8 working days before the date of the exchange auctions.

The exchange trade participants should file the bids for export and domestic sales of commodities (HS codes 4408, 4410, 4411, 4412) no later than 2 working days before the date of the exchange auctions.

The bids for sale of commodities can be removed and adjusted in terms of name (except the very name of commodity) and quantity no later than 1 working day before the date of the exchange auctions on basis of a written request of an exchange trade participant.*

(*The application signed by an authorized person of exchange trade participant (seller) is provided on paper (personally or by fax) or in the form of an electronic document)

The adjustment of other bid parameters is allowed before the start of the trading session.

Date of the exchange auctions is determined in accordance with the schedule of the exchange auction for timber products.

(subparagraph 2.5. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 13, 2012 No.60, February 4, 2013 No.18, June 12, 2015, No.66)

2.6. Subparagraph 2.6. is excluded. – *(Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 4, 2008 No.200).*

2.7. The exchange trade participant who wants to buy commodity, should file a bid to buy. It should be filed to the timber products department no later than 12 o'clock of the working day before the day of the exchange auctions (except the cases stated in the second part of the present paragraph) via Internet to the database of the Trading System, using the software module for filing bids to the exchange auctions for timber products.

The bids of the exchange trade participants to buy commodities at the domestic market (HS codes 4801, 4802, 4804, 4805, 4806, 4807, 4809, 4810, 4811, 4816, 4817, 4819, 4821, 4823) should be filed no later than 2 working days before the date of the exchange auctions in the order stipulated in the first part of the present subparagraph.

In case the exchange trade participants file a bid to buy ready wood (HS code 4403) at the domestic market in order to use it for their own production, they should provide a certificate of commodities of their own production, issued in the prescribed manner, or other document confirming the appropriate use of wood in accordance with terms of made exchange transactions.

For efficient provision of the exchange trade participants with information about current demand for the commodity, the buyers are entitled to preliminary file the bids to buy commodity – before the terms of filing the bids for sale of the correspondent commodity at the specific auctions are over – for further placement of this information at the Exchange's website www.butb.by in Internet.

(subparagraph 2.7. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of September 27, 2010 No.189, November 30, 2010 No.233, February 15, 2012 No.13, February 04, 2013 No.18, September 14, 2015 No.94, August 29, 2016, No.102, May 05, 2017, No.60, November 21, 2017 No.159)

2.8. Subparagraph 2.8. was excluded. *(Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of September 27, 2010 No.189.)*

2.9. Starting price for industrial wood at the domestic market sales should correspond to the quarterly exchange quotations that are determined by quarterly exchange auctions before the start of the next quarter. In case there are no exchange quotations for particular assortments after the exchange auctions, the starting price is formed by the seller in accordance with the legislation of price formation. The Exchange is entitled to require the seller's documents confirming the starting price, if it is necessary. The seller takes responsibility for correct formation of the starting prices.

(subparagraph 2.9. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of October 27, 2010 No.200, February 4, 2013 No.18, July 31, 2013 No.92, September 17 No.106, December 13, 2013 No.137)

2.10. The commodity that is auctioned with violation of the terms of bid filing and with the starting price not correspondent to the legislation requirements, is not admitted to the exchange auctions.

(subparagraph 2.9. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 04, 2008 No.200, February 04, 2013 No.18)

2.11. When the exchange trade participant files a bid to buy (for sale) the exchange commodities, the Trading System automatically fixes its filing time and the bid gets its own unique registration code.

The bids to buy (for sale) commodities at the domestic market (HS codes 4801, 4802, 4804, 4805, 4806, 4807, 4808, 4809, 4810, 4811, 4816, 4817, 4819, 4821, 4823) that were filed by the exchange trade participants, are considered by the Timber Products Department. In case they conform to the requirements of the Exchange and there are no reasons for declining of these bids, they are included in the register of the bids to buy (for sale) and the exchange trade participants are informed about it within the terms stated in subparagraph 2.13. of the present Regulation.

Exchange has the right to require the submission of other documents, confirming the information about commodities, specified in the application for sale (to buy), which must be submitted by exchange trade participant within one working day.

(subparagraph 2.11 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 15, 2012 No.13, May 05, 2017, No.60, November 21, 2017 No.159)

2.12. No later than 10 calendar days before the start of the quarter, the Exchange informs potential buyers and sellers about the dates, place and time of the exchange auctions for commodity that is auctioned in the next quarter.

2.13. The exchange trade participants are informed about the quantity and the size of auctioned lots in the manner required by the Rules and within the following terms:

– no later than 6 working days before the date of the exchange auctions for standing wood, except the lots transferred from the previous session;

– no later than 2 working days before the date of the exchange auctions for commodities (HS codes 4401, 4403, 4404, 4406, 4407, 4409, 4418) at the domestic market;

– no later than the day before the date of the exchange auctions for commodities (HS codes 4801, 4802, 4804, 4805, 4806, 4807, 4808, 4809, 4810, 4811, 4816, 4817, 4819, 4821, 4823) at the domestic market;

– no later than 5 working days before the date of the exchange auctions for export sales of commodities except the following ones (HS codes 4410, 4411, 4412);

– no later than 1 working day before the date of the exchange auctions for commodities (HS codes 4408, 4410, 4411, 4412) at the domestic market and for export sales of commodities (HS codes 4410, 4411, 4412).

(part 1 of subparagraph 2.13. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 30, 2011 No.11, May 05, 2017, No.60)

The exchange trade participants are informed about the quantity and the contents of the bids to buy commodities (HS codes 4801, 4802, 4804, 4805, 4806, 4807, 4808, 4809, 4810, 4811, 4816, 4817, 4819, 4821, 4823) at the domestic market no later than 2 working days before the date of the exchange auctions.

(part 2 of subparagraph 2.13. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 15, 2012 No.13, May 05, 2017, No.60)

2.14. The bids that became the exchange transactions are considered to be satisfied.

2.15. The bids that didn't expire and didn't become the exchange transactions within this trading session are removed, except the cases in the second part of the present subparagraph.

The bids for sale of the standing wood and ready wood at the domestic market, and of commodities (HS codes 4408, 4410, 4411, 4412) both at the domestic market and for export, that didn't turn into the

exchange transaction, are transferred to the next trading session on conditions of the Trading System when the auctions period of the trading session starts.

(part 2 of subparagraph 2.15. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 23, 2011 No.28, February 04, 2013 No.18)

2.16. Subparagraph 2.16 was excluded by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 20, 2016 No.45)

2.1 Peculiarities of auctioning and holding the exchange auctions at the domestic market for timber in one lot on several delivery bases (multiple lot).

2.1.¹ The Exchange determines the trading sessions where commodities are sold at the domestic market in one lot and on several delivery bases.

2.2.¹ When the bid for sale of commodities at the domestic market is filed, the seller forms the starting price on the main delivery basis specified in the bid section «Delivery conditions». In the bid section «Additional delivery bases» the seller specifies that the commodity can be shipped on different delivery bases (basis) and specifies the starting prices of the commodity on these bases (basis). In case the lot has several classes of commodities the seller points out the starting prices for each class in the part of delivery bases.

Commodity prices specified by the seller in «Delivery conditions» and «Additional delivery bases» sections should be formed in accordance with subparagraph 2.9 of paragraph 2 of the present regulations.

2.3.¹ The seller can add another delivery basis in the pre-auction period (except the bids for sale of sawn wood) and in the period of bids adjustment. In case the commodity price is adjusted on one of the delivery bases, it is changed proportionally on the other delivery bases of the adjusted lot. It is forbidden to delete the specified delivery bases.

2.4.¹ During the auctions period and period of auctions and of summing up the buyer who wants to make an exchange transaction on one of delivery bases that are specified in the bid, chooses the necessary value in «Delivery basis» section and files a bid to buy a particular lot under :

- starting price;
- starting price increased by one or several increments;
- current price increased by one or several increments.

Commodity price on the other delivery bases specified in the bid for sale is automatically increased by one or several increments.

(paragraph 2.¹ in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 27, 2014 No. 62, February 10, 2016 No.16, April 20, 2016 No.45)

3. PECULIARITIES OF HOLDING THE EXCHANGE AUCTIONS

3.1. The exchange auctions are held in electronic, vocal and electronic-vocal forms.

3.2. The exchange auctions are held in the trade floors of the Exchange (its branches), in other specially equipped rooms where the computer workstations of an Exchange Makler and exchange trade participants are located, and in the Internet (from remote computer workstations).

3.3. The Exchange can hold mobile auctions in each region in particular. The commodities of the exchange trade participants from this region are auctioned.

3.4. Identification of the exchange trade participant in the Trading System takes place via the electronic digital signature, and in some cases – with the use of password system, allowing the identification of every exchange trade participant.

Trader of the exchange trade participant should keep the identification passwords, cyphers and codes issued by the authorized employees of the Exchange, and not disclose them to the third parties.

(part 1 of subparagraph 3.4. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 27, 2012 No.149)

3.5. Traders of the exchange trade participant, whose bids are admitted to the exchange auctions, should come to the trading floor of the Exchange or of its branch at the day of the exchange auctions no later than 30 minutes before their start. In case the broker participates in the exchange auctions in Internet from remote computer workstation, he must confirm his participation in accordance with the Regulations for holding the exchange auctions in Internet with remote access.

Registration of traders of the exchange trade participants – sellers in the Trading System for exchange auctions in electronic form is admitted directly before exchange auction beginning, and also during pre-auction period.

(part 2 of subparagraph 3.5. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of September 27, 2010 No.189)

3.6. Trader of the exchange trade participant who temporarily leaves his computer workstation during the trading session must log out of the Trading System. Otherwise he is completely responsible for all the activities done on his behalf in the Trading System during this period.

3.7. In case disputable issues arise during the exchange auctions Makler is entitled to suspend the auctions in order to hold a meeting and make a decision.

3.8. Peculiarities of holding the exchange auctions in electronic form

3.8.1. Exchange auctions in electronic form trade all the lots simultaneously.

3.8.2. Trading session of the exchange auctions in electronic form consists of pre-auction period, auction period, period of bid adjustment and period of auctions and of summing up. If necessary, the number of the auction periods and the periods of bid adjustment can be prolonged.

The number of auction periods, periods of bids adjustment and the length of each period is determined by Makler, the exchange trade participants are provided with the information on the period length via the Trading System; if necessary – it may be provided by means of vocal informing and by other means. The length of the period can be changed during the trading session.

In case the auctions for particular lots exceeded the time limit, Makler limits the auction period or the period of auctions and summing up by setting the end time of these periods and informing the exchange trade participants about it.

After the time limit of the auction period is over, these periods are finished either automatically or manually by pressing the «Stop» interface button.

(subparagraph 3.8.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of October 21, 2011 No.91, March 16, 2013 No.27)

3.8.3. Makler activates the Trading System by pressing the «Start» button, therefore changing its mode from «Stopped» to «Active», and starts the pre-auction period.

Pre-auction period includes electronic registration of traders of the exchange trade participants and the process of checking the correctness of filling the bid parameters in the Trading System.

(part 2 of subparagraph 3.8.3. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 04, 2013 No.18)

3.8.4. Registration is the procedure of identification of the traders of the exchange trade participants by the Trading System. Each trader should plug in the USB memory stick where the personal key of electronic digital signature is located. With help of the computer workstation the trader enters the container-access password. In case the identification process uses password system, the trader enters the individual password and username, using the computer workstation.

Traders of the exchange trade participants cannot participate in the exchange auctions if they didn't pass the registration procedure.

(part 1 of subparagraph 3.8.4. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 27, 2012 No.149)

3.8.5. The Trading System activates the bids of the sellers whose traders have registered.

3.8.6. During the check of parameters of their bids the sellers can adjust the bids parameters in accordance with conditions of parts 2 and 3 of the present subparagraph unless otherwise is stated by Makler. The seller is responsible for legitimacy (correctness) of all the adjustments.

The sellers can adjust the parameters of bids for sale of ready wood and standing wood at the domestic market, except the name of commodity, its amount, commodity price and delivery conditions.

The sellers can adjust the parameters of bids for export sale of commodities, except the name of commodity and its amount.

(subparagraph 3.8.6. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 06, 2008 No. 67, February 04, 2013 No.18, June 12, 2015 No.66)

3.8.7. Auctions period includes the process of making purchase and sale transactions and the process of filing the alternative bids by the exchange trade participants – buyers (hereinafter – buyers).

(subparagraph 3.8.7. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21)

3.8.8. Makler presses the «Start» button and begins the auctions period. After it the exchange trade participants can make the exchange transactions.

During the auctions period the buyer, who wants to make an exchange transaction, should file a bid to buy a certain lot at a starting price or at a starting price increased by one or several price increments. In case several bids to buy this lot have already been filed, buyer should file a bid to buy the lot at a current price, increased by one or several increments.

(subparagraph 3.8.8. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21, February 04, 2013 No.18)

3.8.9. When the buyer intends to make a transaction (buy commodity) at a starting price, he should select the seller's lot and presses the «Bid to buy» button and presses another button «File a bid» in a new tab.

(parts 2 and 3 of subparagraph 3.8.9. are excluded by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 25, 2011 No.20)

3.8.10. In order to get the leading position on the lot that already has one bid to buy, the buyer should increase the current price of commodity by one or several increments within the time period after the last bid to buy was filed. The bids to buy, filed after the end of this period are not accepted.

(part 1 of subparagraph 3.8.10. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21)

In order to increase the commodity price by one increment the buyer should file a bid to buy in accordance with subparagraph 3.8.9. of the present Regulations.

In order to increase the commodity price for more than one increment, the buyer increases commodity price by several increments by pressing the «Arrow up» button in «Offer price» line in the «Bid to buy» tab.

3.8.11. During the auctions period the buyer is entitled to file alternative bids that were formed on basis of sellers' bids with adjustment of several parameters, in case he is not satisfied with original conditions of the seller.

Commodity amount (except the increase), price, delivery conditions (terms and basis) and payment terms are the parameters that are adjusted in the sellers' bids.

In order to file an alternative bid the buyer chooses the seller's lot he wants to buy, presses the «Bid to buy» button, forms an alternative bid and enters it into the Trading System by pressing the «File a bid» button.

In case the buyer files a bid to buy a lot on original conditions of the seller, all the alternative bids for this lot are not accepted by the Trading System. All the bids that were filed before are deleted.

(subparagraph 3.8.11. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21, February 04, 2013, No.18, June 12, 2015, No.66)

3.8.12. The Trading System fixes the fact of making the transaction between the seller and the buyer whose offer was the leading one (had the best price or was the only one) when the period of bids filing was over.

(part 1 of subparagraph 3.8.12. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21)

In case of holding the special trading session the buyer is entitled to make the exchange transactions within the price range that was established by the Exchange. Makler refuses to fix the fact of making the exchange transactions in case they were incorrect or non-conformant to the legislation of the Republic of Belarus and/or legal framework of the Exchange.

(part 2 of subparagraph 3.8.12. was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 16, 2016 No.27)

3.8.13. After the auctions period is over, Makler presses the «Start» button and begins the period of sellers' bids adjustment.

(part 1 of subparagraph 3.8.13. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21)

The period of bids adjustment includes the analysis of alternative bids that were filed by the buyers in the previous period, and, if necessary, the adjustment of parameters of their own lots that didn't turn into transactions in the previous period.

3.8.14. In case the seller is ready to make an exchange transaction on conditions of the alternative bid of the buyer, the seller confirms his readiness to make a transaction by choosing the correspondent bid from the list of alternative bids.

The seller chooses his lot, presses the button «Counter-bids», chooses the best alternative bid and then presses the «Adjust» button in order to change the parameters of his lot in accordance with the conditions of the chosen alternative bid.

If there are counter-bids of the buyers, the sellers try to use stepwise price decrease and (or) change other parameters of bids for sale.

(part 3 of subparagraph 3.8.14. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 16, 2016 No.27)

3.8.15. In case there are no alternative bids from the buyers or the seller doesn't agree on their conditions, he can independently adjust the parameters of his bids except the name and amount of commodities.

In order to adjust the parameters of his bid, the seller chooses the correspondent lot, opens the tab with its parameters, adjusts the necessary ones and after pressing the «Save» button enters the adjusted bid into the Trading System. The seller bears all responsibility for the validity of the adjustments.

(subparagraph 3.8.15. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 02, 2008 No.67, February 04, 2013 No.18, June 12, 2015 No.66)

3.8.16. In case the adjustment of lot parameters decreases the amount of commodity, the rest of it forms a new lot that is put to the exchange auctions.

3.8.17. During the period of sellers' bids adjustment the exchange trade participants can look through the transactions list that made during the previous period by all the exchange trade participants, as well as the list of their own transactions (the Trading System marks them green). The transactions can be seen in «Transactions» tab.

3.8.18. After the period of sellers' bids adjustment is over, Makler presses the «Start» button and begins the period of auctions and of summing up.

Period of auctions and of summing up is the process of making the exchange purchase and sale transactions on the same basis used in the auctions period. The difference is that the buyers cannot file alternative bids and this period also includes the summing up part.

In case of failure to sell the round timber lots Makler can pause current trading session on the last conditions fixed by the Trading System. The session can be continued after the sellers decide on stepwise price decrease or on adjustment of other parameters of the bids for sale. In this case Timber Products Department posts the information on the Exchange's website about the unfinished trading session

and the exact date of its continuation on the last conditions fixed by the Trading System (all the counter-bids were saved as well).

(subparagraph 3.8.18. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21, March 16, 2016 No.27 and November 21, 2017 No.129)

3.8.19. After the time for filing the bids for sale is over, Makler presses the «Stop» button and stops the Trading Session, changing its mode from «Active» to «Stopped».

During the trading session the authorized employees of the Exchange check the validity of made exchange transactions. Makler is entitled to exclude from the Trading System the information about the transactions violating the legislation of the Republic of Belarus, the Rules and the present Regulations, and inform the correspondent exchange trade participants about it.

(subparagraph 3.8.19. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 29, 2007 No.21, February 04, 2013 No.18)

3.8.1 Peculiarities of holding special trading sessions

(subparagraph 3.8.¹ was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 20, 2016 No.45)

3.8.1.1 Taking into account the recommendations of the correspondent Exchange committee, the Exchange can hold special trading sessions with the following peculiarities:

(subparagraph 2 is excluded by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of August 29, 2016 No.102)

- admission of exchange trade participants only – buyers with certain volume of processed raw material;
- definition of commodities sold during special trading sessions;
- establishment of minimal volume of the auctioned lots for sale;
- establishment of price range for the auctioned timber of increased demand;
- determination of algorithm of holding the exchange auctions (direct and (or) reverse auctions);
- determination of other conditions of holding special trading sessions.
- auctioning and holding the exchange auctions for timber in domestic market as a single lot for several delivery bases;
- determination of other holding conditions for the special trading sessions.

Filing of the bid to buy plywood log in domestic market confirms the use of purchased raw material for manufacturing of plywood and ply-curved articles.

(part 2 in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of August 29, 2016 No.102)

3.8.2.1 Date and time of holding special trading sessions is determined in accordance with the schedule of exchange auctions. The Exchange informs about it its clients, exchange trade participants and other persons concerned in the manner determined by the Rules.

3.8.3.1 On the day of exchange trades cancellation (withdrawal) of bid for sale of commodities (lot) is not allowed.

(subparagraph 3.8.3.¹ was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 22, 2017 No.66)

3.8.2 Peculiarities of auctioning the lots and holding of reverse exchange auctions.

3.8.1.2 In case of the auctioning of the lot for its sales at the domestic market the seller specifies minimal sales price for every delivery basis. It is specified along with mentioning the starting price of a commodity for every type of it on the main delivery basis; in case of using multiple delivery conditions (in accordance with paragraph 2–1 of the present Regulations) – it is specified for every additional delivery basis. The seller determines economically reasonable minimal sales price.

(subparagraph 3.8.1.² was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 23, 2016 No.67)

3.8.2.² Reverse exchange auctions are held in electronic form in accordance with paragraph 3 of the present Regulations, taking into account the peculiarities from subparagraphs 3.8.3.² –3.8.7.² of the present Regulations.

3.8.3.² During the trading session in pre-auctions period and the period of bids adjustment the seller can change the minimal sales price of the commodity.

3.8.4.² During the auctions period, in case the seller's lot has no bids to buy after the decrease time, the starting price of commodity for the main delivery basis – in case of using multiple delivery bases, the price for each delivery basis as well – decreases by one increment. When commodity price decreases down to the minimal sales price for each of the delivery bases, the lot is automatically removed from the auctions period for its further adjustment during the bids adjustment period.

(subparagraph in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of August 29, 2016 No.102)

3.8.5.² Period of sellers' bids adjustment includes the analysis of buyers' counterbids filed during the auctions period and, if necessary, the adjustment of parameters of their lots that have been removed from the auctions period in accordance with subparagraph 3.8.4–2. of the present Regulation.

In case the seller doesn't adjust the minimal price or doesn't change anything among other conditions of the bid for sale for the removed lots, including the consideration of terms of the counterbids, such lots do not participate in the following periods of auctions and the period of auctions and of summing up.

3.8.6.² During the auctions period, in case the seller's lot has no bids to buy after the decrease time, the starting price of commodity for the main delivery basis – in case of using multiple delivery bases, the price for each delivery basis as well – decreases by one increment. When commodity price decreases down to the threshold price for each of the delivery bases, the lot is automatically removed from the auctions period for its further adjustment during the bids adjustment period.

(subparagraph in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of August 29, 2016 No.102)

3.8.7.² During the auctions period and the period of auctions and of summing up, in case at least one bid to buy was filed, the algorithm of exchange auctions changes for the direct one in accordance with subparagraphs 3.8.8–3.8.10 of paragraph 3 of the present Regulations.

(subparagraph 3.8.² was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of April 20, 2016 No.45)

3.9. Peculiarities of holding the exchange auctions in electronic-vocal (mixed) form

3.9.1. During the exchange auctions in electronic–vocal form the lots for each bid are traded consecutively. Makler specifies the contents of the lot, its cost and price for the exchange trade participants.

3.9.2. The buyers who want to buy commodities under the specified terms, confirm their consent to do it by pressing the «Bid to buy» button after the audio signal.

(parts 2 and 3 of subparagraph 3.9.2. were excluded by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 04, 2013 No.18)

3.9.3. The exchange transaction is made between the buyer and the seller who offered the higher price for the commodities.

3.9.4. In case there are no buyers for the commodity with the starting price, Makler starts the reverse auctions in case the seller allows doing it. Makler decreases the commodity price by price increment until the buyer appears.

3.9.5. In case there is no buyer after every consecutive price change (either increase or decrease), makler is entitled to continue the exchange auctions for the lot taking into account the previous price increment. The first person to agree on a transaction will become a buyer. Makler is also entitled to continue the exchange auctions with the change of the price by absolute value; e.g. lot cost is changed not proportionally to the change of the price of a commodity unit, it is changed by absolute value for the whole lot.

- 3.9.6. The lot can be divided in case the seller allows doing it. In case of lot division the rest of it forms a new lot that is auctioned.
- 3.9.7. Makler states the registration numbers of the exchange trade participants who made the exchange transaction in order to consummate it.
- 3.10. Peculiarities of holding the exchange auctions in vocal form**
- 3.10.1. Before the start of the exchange auctions in vocal form the Exchange registers the traders of the exchange trade participants, who came to the exchange auctions, and specifies the contents of the bids to buy in accordance with the formed register.
- 3.10.2. During the exchange auctions in vocal form the lots for each bid are traded consecutively. Makler specifies the contents of the lot, its cost and price for the exchange trade participants.
- 3.10.3. The buyers who want to buy commodities under the specified terms, confirm their desire to do so by rising the register card.
(parts 2 and 3 of subparagraph 3.10.3. were excluded by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 4, 2013, No.18)
In case several exchange trade participants confirm their desire to buy commodities under the specified terms, Makler increases the commodity price for one price increment.
- 3.10.4. The exchange transaction is made between the buyer and the seller who offered the higher price for the commodities.
- 3.10.5. In case there are no buyers for the commodity with the starting price, Makler starts the reverse auctions in case the seller allows to do so. Makler decreases the commodity price by price increment until a buyer appears.
- 3.10.6. In case there is no buyer after every consecutive price change (either increase or decrease), Makler is entitled to continue the exchange auctions for the lot taking into account the previous price increment. The first person to agree on a transaction will become a buyer. Makler is also entitled to continue the exchange auctions with the change of the price by absolute value; e.g. lot cost is changed not proportionally to the change of the price of a commodity unit, it is changed by absolute value for the whole lot.
- 3.10.7. In case of disputable situation Makler determines the buyer of commodities based on the rise of registration card.
- 3.10.8. The lot can be divided in case the seller allows to do so. In case of lot division the rest of it forms a new lot that is auctioned.
- 3.10.9. Makler states the registration numbers of the exchange trade participants who made the exchange transaction in order to consummate it.

4. PECULIARITIES OF REGISTRATION OF EXCHANGE TRANSACTIONS

- 4.1. Every concluded exchange transaction is fixed by the Trading System and saved in the single electronic register of the exchange transactions.
- 4.2. The concluded exchange transaction is the basis for conclusion of the exchange contract in accordance with the following:
Appendix 9 (purchase and sales contract of round timber, sawn timber, plywood, chipboard, fiberboard, domestic market)
Appendix 9¹ (purchase and sales contract of round timber, sawn timber, domestic market (with price adjustment))
Appendix 9² (purchase and sales contract of paper and cardboard, domestic market)
(subparagraph was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 05, 2017 No.60)

Appendix 10 (purchase and sales contract of standing wood, domestic market)

Appendix 11 (purchase and sales contract of round timber, sawn timber, plywood, chipboard, fiberboard, export)

Appendix 18 (purchase and sales contract of round timber, sawn timber, domestic market (with collateralization))

Appendix 18¹ (purchase and sales contract of round timber, sawn timber, domestic market (with collateralization and price adjustment))

(subparagraph was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of January 04, 2010 No.2)

Appendix 19 (purchase and sales contract of round timber, sawn timber, plywood, chipboard, fiberboard, export (with price adjustment))

(subparagraph in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 23, 2017 No.82)

Appendix 20 (10th indent of part one of subparagraph 4.2. was excluded by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 23, 2017 No.82)

Appendix 21 (purchase and sales contract of round timber, sawn timber, plywood, chipboard, fiberboard, export (with collateralization))

(subparagraph in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 23, 2017 No.82)

Appendix 22 (purchase and sales contract of round timber, sawn timber, plywood, chipboard, fiberboard, export (with price adjustment and collateralization))

(subparagraph in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of June 23, 2017 No.82)

Appendix 23 (purchase and sales contract of plywood, chipboard, fiberboard, matches, export (with collateralization))

Appendix 24 (purchase and sales contract of plywood, chipboard, fiberboard, matches, export (with price adjustment and collateralization))

(part 1 of subparagraph 4.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of March 23, 2011, No.28, January 14, 2016 No.4 and June 23, 2017 No.82)

During the registration of purchase and sales contract of round timber sales for export and for domestic market without the forms from the present Regulations, the transactional parties should include the following point into the contract: «In case the parties implement the transaction of the exchange contract of purchase and sale of round timber that has its actual sizes in accordance with the range, the buyer is entitled to choose the specific length of commodity. In terms of diameter all the sizes within the range should be shipped».

During the registration of purchase and sales contract of sawn timber sales for export and for domestic market without the forms from the present Regulations, the transactional parties should include into the contract the following point: «In case the parties implement the transaction of the exchange contract of purchase and sale of round timber that has its actual sizes in accordance with the range, the buyer is entitled to choose the particular length of commodity».

(subparagraph 4.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 18, 2009, No.189)

4.3. The formation, signing and registration of the exchange contract are fulfilled in the form of e–document in the interface of a personal section in the tab «Electronic documents» (hereinafter – personal section) in accordance with the Regulations for work with soft copies of contracts and agreements.

Information about concluded exchange transactions becomes available for the exchange auctions participants after the trading session is over.

(subparagraph 4.3. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of July 31, 2013, No.92)

4.4. Either party to the transaction can form the exchange contract as a soft copy after the trading session is over, except the cases determined by the Implementation. In order to form the exchange contract as a soft copy one can use either free form of a document or the form that is recommended by the Exchange.

In case if one of the parties has drawn up freeform contract, concluding a transaction on the domestic market, and the other party disagrees to sign such exchange contract on the proposed terms, the parties are required to formalize and sign exchange contract according to the form recommended by the Exchange in appliance with the Annex to the Regulations.

(second part of the subparagraph 4.4. was introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 05, 2017, No.60)

4.5. The exchange trade participant should sign the exchange contract with electronic digital signature no late than 3 working days after the day of the trading session.

(subparagraph 4.5. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 13, 2013, No.137)

4.6. Registration of the exchange contract, formed according to the recommended by the exchange form, is made within one working day, following the day of its signing by the last of the parties. Registration of freeform exchange contract is made within three working days following the day of its signing by the last of the parties.

Registration of exchange contract is made subject to the authenticity of exchange trade participants representatives signatures and the compliance of the exchange contract with the terms of the exchange transaction, fixed during the auction, except for the case, specified in part three of the present subparagraph. Otherwise, exchange refuses to register such exchange contract with an indication of the reason. After the elimination of exchange contract's registration refusal reasons, exchange trades participants must form new version of exchange contract according to the order, specified in subparagraph 4.4. of Regulations, and sign it.

Exchange contract for export timber sales with obligatory use of services of Exchange carriers, Exchange warehouses and Exchange experts is registered by the Exchange in accordance with the Implementation.

(subparagraph 4.6. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of May 05, 2017, No.60)

4.7. Exchange auctions participant is authorized to monitor the activities of his counterpart in his personal section. The participant can monitor the formation of the contract as a soft copy, its signing and data about registration (or refusal to register) of the exchange contract, as well as other data that are essential for work with exchange contracts.

4.8. Registration of the exchange contract is fulfilled by means of signing it with electronic digital signature of the authorized employee of the Exchange. Confirmation of the registration of the exchange contract is the receipt with requisites of electronic digital signatures of the representatives of the exchange auctions participants who concluded the exchange contract; and the authorized Exchange employee who registered the exchange contract. If necessary, the receipt that confirms the conclusion of the contract in electronic form can be printed.

(subparagraphs 4.4. – 4.8. were introduced by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of July 31, 2013, No.92)

4.9. **Subparagraph 4.9. is excluded** by the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of December 13, 2013, No.137

5. OTHER PROVISIONS

5.1. **Subparagraph 5.1. is excluded.** – Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of February 4, 2013, No.18

5.2. In case the wood (HS code 4403) is used by the exchange trade participants or by the client of the exchange broker not for personal use or for their own manufacture, these participants will bear responsibility in accordance with the legislation of the Republic of Belarus.

(subparagraph 5.2. in the Minutes of the Board of Belarusian Universal Commodity Exchange OJSC of November 30, 2010, No.233)