

APPROVED BY
President of Closed Joint Stock Company
Saint-Petersburg International Mercantile Exchange
dated January 10, 2013
(Order No. 1),
with amendments dated April 11, 2013
(Order No. 215)
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Calculation Methodology for Price Indices for Petroleum Products

CJSC SPIMEX

Rev. 13

1. Terms & Definitions

Index Composition

basket of Exchange Traded Instruments whose contract prices are the basis for calculating price indices of petroleum products.

Delivery Point

location to which the supplier is obliged to deliver the Exchange Traded Commodity (title transfer location), defined in accordance with the specifications of the Exchange Traded Commodity listed for trading on the SPIMEX Petroleum Products Section.

Exchange

Closed Joint Stock Company Saint-Petersburg International Mercantile Exchange.

Exchange Traded Commodity

petroleum products and petrochemicals of a certain category (type, brand and quality level), commercially available and listed for trading on the SPIMEX Petroleum Products Section.

Exchange Traded Instrument

Exchange Traded Commodity with a specified Delivery Point, listed for trading on certain delivery terms.

Delivery Points Group

number of Delivery Points grouped according to the following rule:

- Delivery Points that are geographically close to each other are part of the same group, and:
- each Delivery Point shall be included into a group;
- a group may consist of one Delivery Point.

Additional Delivery Points Group

group of Delivery Points that are geographically further away from Vladimir Rail Station (Gorkovskaya Railway). The list of Additional Delivery Points is defined in the Rules for determining the composition of price indices for petroleum products. Contracts for Delivery Points that are part of the Additional Delivery Points Group may be used to calculate the petroleum products index, if there is an adjustment factor for them that has been calculated according to the Rules for contract price adjustment for the cost of transportation to Vladimir Rail Station (Gorkovskaya Railway).

Additional Delivery Point

Delivery Point which is part of the Additional Delivery Points Group.

Adjustment Factor

correction factor calculated for each Additional Delivery Points Group and for each type of petroleum products. The values of Adjustment Factors are defined in the Rules for contract price adjustment for the cost of

Main Delivery Points Group

transportation to Vladimir Rail Station (Gorkovskaya Railway).
group of Delivery Points that are geographically close to Vladimir Rail Station (Gorkovskaya Railway). The list of the Main Delivery Points is defined in the Rules for determining the composition of prices indices for petroleum products. Contracts for Delivery Points that are part of the Main Delivery Points Group underpin the price index for petroleum products.

Main Delivery Point

Delivery Point which is part of the Main Delivery Points Group.

Terms which are not specifically defined in the Methodology are used in the meanings defined by the Exchange's internal documentation and in compliance with the laws and regulations of the Russian Federation.

Section 2. General Provisions

The Calculation Methodology for Price Indices for Petroleum Products (hereafter referred to as the Methodology) defines the rules for calculating values of price indices for petroleum products (hereafter referred to as indices), which reflect fluctuations of domestic prices for petroleum products, including products which are the underlying asset for futures contracts listed on the Exchange's Derivatives Market Section.

The indices are calculated as the weighted average price of all contracts for the underlying Exchange Traded Instruments, registered within one trading day on the SPIMEX Petroleum Products Section. Delivery Points whose contracts are key to determining the Index Composition are divided into two groups – Main Delivery Points that are geographically close to Vladimir Rail Station (Gorkovskaya Railway), and Additional Delivery Points. For the purpose of index calculation, contract prices are adjusted for the cost of transportation to Vladimir Rail Station (Gorkovskaya Railway) by adding shipping costs or by using pre-calculated adjustment factors.

2.2. SPIMEX calculates indices for the following types of petroleum products:

- Summer Diesel;
- Winter Diesel;
- Autumn/Spring Diesel;
- Gasoline Regular 92;
- Gasoline Premium 95;
- Jet Fuel;
- Fuel Oil.

2.3. The indices' titles in Russian and English are defined in Appendix 1 to the Methodology.

2.4. The indices' values are published on the Exchange's official website.

2.5. Decisions to approve and make the Methodology effective, as well as amendments and appendices, are taken by the President of the Exchange.

The Methodology, as well as amendments and appendices to the Methodology, shall be published on the official website of the Exchange no later than 10 days before they become effective.

Section 3. Index Calculation Rules

3.1 The index is recalibrated during the trading session every time the Exchange registers a new contract for an Exchange Traded Instrument that is included in the Index Composition.

3.2 The index value is provided in Russian rubles per tonne of petroleum products.

3.3 Exchange Traded Instruments that are included in the Index Composition are defined in accordance with the Rules for determining the composition of indices for petroleum products.

3.4 The adjustment of contract prices for the cost of transportation to Vladimir Rail Station (Gorkovskaya Railway) is done in accordance with the Rules for contract price adjustment for the cost of transportation to Vladimir Rail Station (Gorkovskaya Railway).

3.5 The index value is calculated as the weighted average price of contracts for Exchange Traded Instruments which are part of the Index Composition, registered within the current trading day (Day T) and which meet the following requirements:

1. the contract is not a privately negotiated one;
2. the contract volume is not more than 6,000 tonnes;
3. the given contract price shall not be 10 percent higher than the maximum of or 10 percent lower than the minimum of either of the two values:
 - the index value for the previous trading day (Day T – 1);
 - the arithmetic average of the index values between Day T – 6 and Day T – 2 inclusive¹.

The index value is calculated according to the following formula:

$$\text{Index} = \frac{\sum_{i=1}^N \sum_{j=1}^M Pr_{i,j} \cdot Vol_{i,j}}{\sum_{i=1}^N \sum_{j=1}^M Vol_{i,j}},$$

where N corresponds to the quantity of Exchange Traded Commodities which are included in the Index Composition for this type of petroleum product;

M corresponds to the number of contracts for the Exchange Traded Instrument i , registered within the current trading day and compliant with the requirements mentioned in the first paragraph;

$Pr_{i,j}$ corresponds to the price of the j -th contract for the Exchange Traded Instrument i , adjusted to the price at Vladimir Rail Station (Gorkovskaya Railway);

$Vol_{i,j}$ corresponds to the volume of j -th contract for the Exchange Traded Instrument i .

3.6 If the index value cannot be calculated in accordance with the procedure defined in Paragraph 3.5 of the Methodology, then the Exchange uses the index value calculated for these types of petroleum products for the previous trading day.

¹ Compliance with the condition set forth in Subparagraph 3 of Paragraph 3.5 of the Methodology is not required if this period has not seen a single contract closed for the Exchange Traded Instrument that is part of the Index Composition which meets the conditions set forth in Subparagraphs 1 and 2 of Paragraph 3.5 of the Methodology.

Indices' Titles

Type of Petroleum Product	Index Title in Russian	Index Title in English
Summer Diesel	Индекс цен нефтепродуктов СПбМТСБ – ДТЛ	SPIMEX Petroleum Index – DTL
Winter Diesel	Индекс цен нефтепродуктов СПбМТСБ – ДТЗ	SPIMEX Petroleum Index – DTZ
Autumn/Spring Diesel	Индекс цен нефтепродуктов СПбМТСБ – ДТМ	SPIMEX Petroleum Index – DTM
Gasoline Regular 92	Индекс цен нефтепродуктов СПбМТСБ – Регуляр-92	SPIMEX Petroleum Index – REG
Gasoline Premium 95	Индекс цен нефтепродуктов СПбМТСБ – Премиум-95	SPIMEX Petroleum Index – PRM
Jet Fuel	Индекс цен нефтепродуктов СПбМТСБ – ТС (РТ)	SPIMEX Petroleum Index – TRD
Fuel Oil	Индекс цен нефтепродуктов СПбМТСБ – Мазут	SPIMEX Petroleum Index – MZT