APPROVED
by the Executive Board
of the Public Joint Stock Company
«Moscow Exchange MICEX-RTS»
(Minutes No.43 as of August 05, 2016)

BRENT OIL
FUTURES CONTRACT SPECIFICATION

The Brent Oil Futures Contract Specification (hereinafter, "Specification") establishes the standard terms and conditions under the cash-settled Brent Oil Futures Contract (hereinafter, "Contract").

The Specification, together with the Clearing Rules of the Derivatives Market (hereinafter, "Clearing Rules") and Trading Rules of the Derivatives Market (hereinafter, "Trading Rules") define the obligations under the Contract, as well as the procedures for their creation, effects, and extinction.

The Contract's underlying assets is the Brent Crude Oil (hereinafter, "Contract's underlying").

Terms not explicitly defined in the Specification will have the same definitions as in the Trading Rules, the Clearing Rules, and the laws of the Russian Federation.

1. Entering into the Contract

1.1. Entering into the Contract in course of trading is sanctioned by the Exchange, and must contain the following:

- contract code (designation)
- the first trade date when the Contract may be entered into (hereinafter, "first trade date")
- opening time when the Contract may be entered into (i.e. the start of trading in the Contract)
- initial Settlement Price of the Contract
- initial price bands for the Contract
- the last trade date when the Contract may be entered into (hereinafter, "last trade date")

1.2. The code (designation) of the Contract consists of the following:

BR -<settlement month>.<settlement year>

The settlement month and settlement year specified in the Contract's code (designation) (hereinafter, "Contract's settlement month" and "Contract's settlement year", respectively) is stated in Arabic numerals and is used in determining the termination of the last trade date and the final settlement date of the Contract.

1.3. The Contract price.

1.3.1. Upon entering into the Contract in the course of trading, the Contract price will be quoted in U.S. dollars per 1 (one) barrel.

1.3.2. The Contract's minimum price interval (hereinafter, "tick") during the course of trading is USD 0.01 (one hundredth).

1.3.3. The value of a tick is USD 0.1 (one tenth), express in Rubles – the national currency of the Russian Federation, and converted from US Dollars into Rubles using the Exchange's official USD/RUB FX rate (hereinafter, "USD/RUB FX rate"). The Exchange determines the USD/RUB FX rate according to the methodology described in the document titled, "Methodology for Calculation of the Indicative Foreign Exchange Rate", published on the Exchange's website. The USD/RUB FX rate is bounded by price bands set by the National Clearing Centre, a subsidiary of the Moscow Exchange Group (hereinafter, "NCC"), which are published on the Exchange's website.

If the upper/lower price bands are exceeded, the USD/RUB FX rate will be set equal to the upper/lower bound, respectively.

The time of the USD/RUB FX rate fixing is set by the Exchange and published on the Exchange's website.

1.4. The Contract's lot is 10 (ten) barrels.

1.5. The last trade date for the Contract shall be the Final Settlement Date of an appropriate Brent Crude Futures as published on the ICE Futures Europe's website at www.theice.com.

The Brent Crude Futures is deemed to be appropriate if it is traded on ICE Futures Europe (hereinafter, "ICE") and its Last Trade Date is in the nearest month preceding the Contract's settlement month (hereinafter, "appropriate Brent Crude Futures")[1].

The Exchange is entitled to establish a date of the Contract's last trade date other than as specified herein as agreed with the Clearing Center.

1.6. The Contract's final settlement date will coincide with the Contract's last trade date, except in the cases provided for in Sections 5.1, 5.2 herein.

1.7. The list of the dates which are the Contract's last trade dates for the current calendar year is published on the Exchange's website.

2. Obligations under the Contract

2.1. Variation Margin obligation.

2.1.1. The Parties to the Contract must pay each other variation margin in the form of cash, in the amount depending on the changes in the value of the Contract's underlying.

2.1.2. Variation margin will be calculated and must be paid during the life of the Contract.

2.1.3. Variation margin for the Contract is calculated according to the following formulas:

2.1.3.1. During the intraday clearing session:

a) If the variation margin is being calculated for the first time:

$$\mathbf{VM_1 = Round\ (SP_1 * Round\ (W_1/R;\ 5);\ 2) - Round\ (P_0 * Round\ (W_1/R;\ 5);\ 2)}$$

where:

VM_1 – variation margin for the current trading day's intraday settlement period, calculated during the intraday clearing session
Round – mathematical rounding to the specified precision
P_0 – execution price of the Contract
SP_1 – current settlement price of the Contract
W_1 – tick value
R – tick size

b) If the variation margin has been calculated before:

$$\mathbf{VM_1 = Round\ (SP_1 * Round\ (W_1/R;\ 5);\ 2) - Round\ (SP_P * Round\ (W_1/R;\ 5);\ 2)}$$

where:

VM_1 – variation margin for the current trading day's intraday settlement period, calculated during the intraday clearing session
Round – mathematical rounding to the specified precision
SP_1 – current settlement price of the Contract

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[1]

	Exchange	Contract's Code	Settlement month and year	Last Trade Date	Final Settlement Date
BRENT Oil Futures Contract	Moscow Exchange	BR-8.16	August 2016	01.08.2016	01.08.2016
Appropriate Brent Crude Futures	ICE Futures Europe	B Sep16	August 2016	29.07.2016	01.08.2016

SP_p – settlement price of the Contract calculated during the previous trading day's evening clearing session
W_1 – tick value
R – tick size

For the purpose of calculating the variation margin during the intraday clearing session, the tick value is determined using the USD/RUB FX rate. The time of the USD/RUB FX rate fixing is set by the Exchange and published on the Exchange's website.

2.1.3.2. During the evening clearing session:

a) If the variation margin is being calculated for the first time:

$$VM_2 = Round\ (SP_2*Round\ (W_2/R;\ 5);\ 2) – Round\ (P_0*Round\ (W_2/R;\ 5);\ 2)$$

where:

VM_2 – variation margin for the current trading day's evening settlement period, calculated during the evening clearing session
Round – mathematical rounding to the specified precision
P_0 – execution price of the Contract
SP_2 – current settlement price of the Contract
W_2 – tick value
R – tick size.

b) If the variation margin has been calculated before:

$$VM_2 = VM – VM_1$$

where:

VM_2 – variation margin for the current trading day's evening settlement period, calculated during the evening clearing session

VM – current trading day's total (intraday and evening trading sessions) variation margin

VM_1 – variation margin for the current trading day's intraday settlement period, calculated during the intraday clearing session, as defined in Clause 2.3.1 of the Specification

Value of VM is determined according to the following formulas:

i. If the variation margin has not been calculated during the previous trading day's evening clearing session:

$$VM = Round\ (SP_2*Round(W_2/R;\ 5);\ 2) – Round(P_0*Round\ (W_2/R;\ 5);\ 2)$$

where:

Round – mathematical rounding to the specified precision
SP_2 – current settlement price of the Contract
P_0 – execution price of the Contract
W_2 – tick value
R – tick size

ii. If the variation margin has been calculated during the previous trading day's evening clearing session:

$$VM = Round\ (SP_2*Round\ (W_2/R;\ 5);\ 2) – Round(SP_P*Round\ (W_2/R;\ 5);\ 2)$$

where:

Round – mathematical rounding to the specified precision
SP_2 – current settlement price of the Contract
SP_P – settlement price of the Contract, calculated during the previous trading day's evening clearing session
W_2 – tick value

R – tick size

For the purpose of calculating the variation margin during the intraday clearing session, the tick value is determined using the USD/RUB FX rate. The time of the USD/RUB FX rate fixing is set by the Exchange and published on the Exchange's website.

2.1.4. The obligation to pay variation margin in the amount calculated as per Section 2.1.3 of the Specification is to be fulfilled in accordance with the procedure and within the timeframe set forth in the Clearing Rules. Whereby,

- if the variation margin is positive, the Seller is obliged to pay the variation margin
- if the variation margin is negative, the Buyer is obliged to pay the absolute value of the variation margin

2.1.5. The Exchange will determine the settlement price of the Contract in accordance with the procedure and within the timeframe set forth in the Trading Rules and the Specification.

2.2. Settlement obligations

2.2.1. Transfer of variation margin, determined during the evening clearing session on the Contract's final settlement date, will satisfy the settlement obligations under the Contract.

2.2.2. For the purpose of calculating the settlement obligations, the settlement price will be deemed equal to the value of the ICE Brent Index which is published on the ICE's website at www.theice.com[2] and used to settle the appropriate Brent Crude Futures determined in accordance with Section 1.5 of the Specification.

2.2.3. The Contract's Settlement Price is adjusted for the Settlement Price movement tolerance if such movement tolerance has been established by the Exchange and agreed with the Clearing Centre in accordance with the Methodology for Calculation of Derivatives Contracts' Settlement Prices constituting an appendix to the Trading Rules.

2.2.4. If the BRENT Index value has not been published within the period up to one hour before the end of the evening settlement period of the Contract's final settlement date, the latest BRENT Index value published at ICE's website www.theice.com shall be used in this case, unless the Exchange decides otherwise in accordance with Sections 5.1. – 5.2. of the Specification.

2.3. For the purpose of calculating the settlement obligations, the tick value shall be computed using the USD/RUB FX rate; the determination time is set by the Exchange and published on the Exchange's website.

3. Grounds and procedure for termination of obligations under the Contract

3.1. Obligations under the Contract are terminated in full upon due performance thereof.

3.2. A party's obligations under the Contract will be terminated prior to the final settlement by entering into an offsetting Contract with the same Contract code (designation), subject to the procedures and time limits set forth in the Clearing Rules.

3.3. Obligations under the Contract may be terminated on other grounds provided for in the Clearing Rules, in accordance with the procedures set forth thereof.

4. Liability of the parties for failure to perform the obligations under the Contract

4.1. Parties to the Contract are liable for nonperformance or improper performance of the obligations under the Contract, as provided for in the Trading Rules, Clearing Rules, Admission Rules to Participation in Organized Trading of Moscow Exchange, and the laws of the Russian Federation.

5. Special Provisions

[2] The Brent Index values are published at ICE's website www.theice.com and are publicly available. The Index is denominated in US dollars per 1 (one) barrel of BRENT Oil. The Exchange and the Clearing Center shall not be liable for any false, incomplete or late updates of the BRENT Index values at www.theice.com, or disruptions in the website operation.

5.1. If any circumstances, that lead to significant changes of Contract's terms, including suspension/cancellation of the Brent Index publication or change of the previous ICE Brent Index value used to settle the Brent Crude Futures, occur that affect significantly the Contract's settlement process set out in the Specification, the Exchange is entitled to take one or more of the following actions:

5.1.1. change the Contract's last trade date

5.1.2. change the Contract's final settlement date

5.1.3. change the current (final) settlement price, and/or amend the calculation method for the variation margin and/or rules pertaining to its transfer

5.1.4. undertake other actions provided for in the Trading Rules

5.2. The Exchange, upon agreement with the NCC, may alter the Contract's last trade date and/or the Contract's final settlement date, or made other(s) decision(s) in accordance with Clauses 5.1., if the Contract's last trade date is declared a public holiday by order of the appropriate state authorities of the Russian Federation.

5.3. Any changes adopted by the Exchange, pursuant to Sections 5.1-5.2 herein, will be published on the Exchange's website at least 3 (three) trading days prior to their taking effect, which serves as notice to the Trading Members.

In the case that the Contract's final settlement date falls within 3 (three) trading days of the date of adoption of changes by the Exchange, pursuant to Sections 5.1-5.2 herein, the said changes will be published on the Exchange's website prior to their taking effect.

5.4. As soon as the change(s) adopted by the Exchange, pursuant to Sections 5.1-5.2 herein, come(s) into effect, the terms of existing Contracts previously entered into will be deemed to have been amended in accordance with the aforementioned change(s).

6. Amendments and Supplements to the Specifications

6.1. The Exchange, upon agreement with the NCC, is entitled to introduce Amendments and Supplements to the Specification.

6.2. Amendments and Supplements hereto go into force at the moment the Exchange puts into effect the updated Specification, containing such Amendments and Supplements, upon registration thereof at the Central Bank of The Russian Federation, in accordance with established procedures.

6.3. The updated Specification, containing Amendments and Supplements adopted by the Exchange, will be published on the Exchange's website at least 3 (three) trading days prior to their taking effect, which serves as notice to the Trading Members.

6.4. As soon as the Amendments and Supplements to the Specification come into effect, the terms of existing Contracts previously entered into will be deemed to have been amended in accordance with the aforementioned Amendments and Supplements.