APPROVED
By Resolution of the Exchange Committee
Ukrainian Energy Exchange Limited Liability Company
Minutes of the meeting of the Exchange Committee
№. 2135 dd March 30, 2026
Chairman of the Exchange Committee

_____ / Oleksii DUBOVSKYI

Enters into force on March 31, 2026

REGULATION
on the application by the Ukrainian Energy Exchange Limited Liability Company of sanctions for violation of the Rules of the Ukrainian Energy Exchange Limited Liability Company and other internal documents that establish the procedure for organizing and conducting exchange trades in the direction of "Untreated timber and lumber"

(new edition)

Kyiv, 2026

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1. General provisions

1.1. Regulations on the application by the Ukrainian Energy Exchange Limited Liability Company of sanctions for violations of the Rules of the Ukrainian Energy Exchange Limited Liability Company and other internal documents establishing the procedure for organizing and conducting exchange trades in the direction of "Untreated timber and lumber" (hereinafter - Regulation) determines the procedure for imposing and types of sanctions that the Ukrainian Energy Exchange Limited Liability Company (hereinafter referred to as the Exchange) may apply in the event of violations of the Rules of the Ukrainian Energy Exchange Limited Liability Company in the area of "Untreated timber and lumber" by participants in exchange trades and Regulation on the organization and conduct of exchange trades for the purchase and sale of raw wood and lumber on the commodity exchange - Ukrainian Energy Exchange Limited Liability Company (hereinafter - the Regulation).

1.2. The Regulation was developed in accordance with the current legislation of Ukraine, the Charter and Rules of the Ukrainian Energy Exchange Limited Liability Company (hereinafter - the Rules of the Exchange) and taking into account the requirements of the Regulation.

1.3. According to clause 3.7. According to the Rules of the Exchange, participants of exchange trading, in addition to the obligations defined by the Law, are also obliged to comply with the requirements and fulfill other obligations defined by the internal documents of the Exchange (in particular, those that regulate the exchange trading in the relevant sections of the Exchange). Exchange trade in the sections for "Untreated timber and lumber" is governed by the Regulations. A violation of the Regulations is a violation of the Exchange Rules.

1.4. The provision is mandatory for the Exchange (including its employees, management bodies), non-permanent members of the Exchange, agents, as well as other bidders.

1.5. This Regulation enters into force after its approval by the Exchange Committee, but not before the day of publication on the official website of the Exchange www.ueex.com.ua.

1.6. The Exchange brings this Regulation, changes and/or additions to it, other information about its activities to the attention of the persons specified in clause 1.4. Regulations by placing such documents and information on the official website of the Exchange www.ueex.com.ua. Also, the Exchange may additionally use other methods of informing at its discretion.

2. Definition of terms

2.1. In the Regulation, the terms are used in the following meanings:

Electronic signature with a one-time identifier	data in electronic form in the form of an alphanumeric sequence (temporary password), which the Exchange sends to the participant's broker (participant's representative person acting as an exchange broker) to his personal e-mail provided by the participant during the accreditation procedure at the Exchange, and which is added to other electronic data when filling out and sending a response to a request for information and when sending a notice of violation via the electronic service posted in the Exchange's ETS.

Goods	wood: untreated timber (including firewood), lumber.
Participant's admission to participate in exchange market auctions	provision by the Exchange to the bidder of the technical possibility to access exchange trades in the electronic trading system of the Exchange and to carry out exchange operations on the Exchange in accordance with the Regulations.
Participants of exchange trading (tenders, participants)	non-permanent members of the Exchange are natural persons-entrepreneurs or legal entities who are residents, as well as non-residents (in the cases specified by the Regulations), who expressed their intention to participate in exchange trading and fulfilled the requirements for admission to exchange trading, provided for by the Regulations and/or decisions of the Exchange committee.
Penalty	this is a type of financial sanction under this Regulation, which is expressed in the form of a sum of money charged by the Exchange to a participant of exchange trading in the event of such a participant committing a violation and payable to the Exchange. The fine can be applied in the cases defined by this Regulation simultaneously with the imposition of other sanctions.
Termination of a bidder's admission to participate in exchange auctions	a type of administrative sanction that may be applied by the Exchange to a participant for violations provided for in the Regulations and provides for temporary suspension of a participant's admission to participation in exchange trading (temporary deprivation of technical access to exchange trading in the Exchange's electronic trading system) and execution of exchange transactions on the Exchange, including restriction of a participant's admission to participation in exchange trading.
Termination of membership on the Exchange	a type of administrative sanction under this Regulation, which provides for the termination of the status of a non-permanent member of the Exchange, which consists in depriving the non-permanent member of the Exchange of all rights provided for by the Rules of the Exchange and the Regulations (without the possibility of renewing these rights). This sanction may be applied by the Exchange in cases where a non-permanent member of the Exchange and/or authorized persons of a non-permanent member of the Exchange commit a systematic and/or gross violation. A violation is considered systematic if the Exchange

	detects a violation by a participant of the same norms of the Rules and/or other internal documents of the Exchange repeatedly within one calendar year and the participant has already been prosecuted for the previous violation (first violation). A violation detected by the Exchange against a participant for the third time within a year from the date of prosecution for the first violation of any norms of the Rules and/or other internal documents of the Exchange is also considered systematic. The violation is recognized as gross by the decision of the Exchange Committee (which is stated in the motivational part of the decision on the application of the sanction), based on the established circumstances and the nature of the violation, as well as in the aggregate assessment of such criteria as: the violation by the bidder by action or inaction, duration, presence aggravating circumstances.
Unique hyperlink	means an active text, electronic clicking on which causes a transition to the page of the request for information and the form for providing a response, sent by the Exchange in accordance with clause 4.4 hereof in order to receive a response from the participant.
Violation	non-performance of an obligation (failure to perform any of the actions provided for in the obligation) or performance in violation of the conditions determined by its content (improper performance - partial non-fulfillment of any obligation under the obligation and/or performance that does not correspond to those or other conditions of obligation) by participants of exchange trading according to the Rules of the Exchange, Regulations and/or decisions of the Exchange Committee, as well as obligations under concluded exchange agreements and/or under contracts of purchase and sale of untreated timber/firewood/lumber concluded as a result of the exchange market trading.

2.2. Other terms used in this Regulation are used in accordance with the legislation of Ukraine, the Rules of the Exchange and the Regulations.

3. Types of sanctions for violations

3.1. Types of violations:

3.1.1. The existence of debt to the agent for the payment of remuneration to such an agent and/or

the Exchange, including from the payment of the commission fee.

3.1.2. Failure to provide the Exchange/agent with information on the status of fulfillment of obligations under the concluded exchange transaction/agreement for the sale and purchase of untreated timber/firewood/lumber.

3.1.3. Violation of the obligation to fulfill the exchange agreement and conclude the contract of sale of untreated timber/firewood/lumber based on the results of the exchange trades.

3.1.4. Violation of the obligation(s) to perform the contract of purchase and sale of untreated timber/firewood/lumber or contracts of purchase and sale of untreated timber/firewood for the relevant period (with the delivery date of the goods within the relevant quarter) (obligations for settlements and/or delivery of goods, including obligations for acceptance and transfer of goods on the terms specified in the contract, delivery of goods in a volume other than that purchased according to the results of the auctions, delivery of goods in a different assortment or at a price different from the price formed according to the results of the exchange trading).

3.1.5. Failure to comply with the principles of equality of exchange trading participants and to ensure the confidentiality of information.

3.1.6. The Exchange participant performing actions in respect of which the Exchange suspects that such actions contain signs or indicate manipulation on the Exchange/influence of the Exchange participant on the price of the exchange commodity in their own interests or interests of third parties, as a result of which the purchase or sale of this exchange-traded commodity on the Exchange takes place at prices other than those that would have existed in the absence of such illegal actions or influence, conclusion of exchange transactions that do not comply with the Exchange Rules and Regulations.

3.1.7. The Exchange's suspicion that such actions contain signs of or indicate unfair competition, insider trading or other abuses on the Exchange.

3.1.8. Other violations (non-fulfillment/improper fulfillment) by the exchange trading participant of the legislation and/or obligations established by the Exchange Rules and/or requirements of the Rules and/or other internal documents of the Exchange, decisions of the Exchange Committee, failure to provide (untimely provision of) explanations/documents/information at the request of the Exchange/agent, etc.

3.2. In the event of a violation of the provisions of clause 3.1.4. of the Regulations, namely, a violation of the obligation(s) to perform the contract for the purchase and sale of untreated timber/firewood/lumber, the Exchange has the right to apply sanctions to the trading participant in accordance with the Criteria for Determining and Applying Sanctions to Participants in Exchange Trading in the “Untreated timber and Lumber” Sector on the Exchange (Annex to this Regulation).

3.2.1. In the event of a violation of the provisions of clause 3.1.4. of the Regulation, namely, a violation of obligations to fulfill contracts for the purchase and sale of untreated timber/firewood for the relevant period (with a delivery date within the relevant quarter), a separate financial sanction shall be applied for the fact of violation of each separate contract for the purchase and sale of untreated timber/firewood in accordance with the Criteria for determining and applying sanctions to participants in exchange trading in the direction of "Untreated timber and lumber" on the Exchange (Annex to this Regulation) and the resolution of the Exchange Committee determines the total amount of the financial sanction in the form of a fine, which consists of the amounts of the

applied financial sanctions.

3.3. Sanctions applied by the Exchange to exchange market participants are divided into financial and administrative (impact measures):

3.3.1. Financial:

- a fine in the amount determined by the Exchange Committee;

3.3.2. Administrative:

- Suspension of a bidder's access to participation in exchange trading:

  - Suspension for a certain period of a bidder's admission to participate in exchange trading (auctions) for the sale initiated by a participant(s)-seller (s) whose obligations to whom were violated;
  - suspension for a certain period of a bidder's admission to participate in exchange trading (auctions) for the sale initiated by participants-sellers of a particular region;
  - suspension for a certain period of a bidder's admission to participate in exchange trading (auctions) for the sale initiated by any participant - seller;
  - suspension for a certain period of a bidder's admission - prohibition to initiate exchange trading (auctions) for the sale;
  - suspension for a certain period of a bidder's admission to participate in exchange trading (auctions) in the direction of " Untreated timber and lumber";

- termination of membership in the Exchange.

3.4. Simultaneous application of administrative (impact measures) and financial sanctions is allowed, including for one and the same violation. The Exchange has the right to suspend the admission of a bidder to exchange trading until the offending bidder pays the fine amount in full.

4. Control and procedure for detection of violations by the Exchange

4.1. In order to ensure compliance by exchange trading participants with the legislation and/or obligations established by the Rules of the Exchange and/or the requirements of the Regulations and/or other internal documents of the Exchange, decisions of the Exchange Committee, the Exchange carries out control by applying the following (but not exclusively) measures:

- automatic tracking of ETS actions of participants in electronic stock trading;

- ongoing supervision and control by the ETS administrator of exchange operations of bidders;

- real-time monitoring of exchange trades in order to prevent manipulation, improper use of insider information, influence of a participant of exchange trades on the price of an exchange commodity in his own interests or the interests of third parties, and monitoring of compliance with the Exchange Rules and/or Regulations;

- random inspections conducted by the Exchange;

- control over the provision of incomplete and/or inaccurate information to the Exchange/agent by the trading participant, failure to provide/untimely provision of documents and/or information;

- monitoring of the fulfillment by the bidders of their obligations, including obligations to conclude, as well as the execution of exchange agreements/contracts for the purchase and sale of untreated timber/firewood/lumber, concluded as a result of the exchange auctions (obligations for settlements, from acceptance, from delivery of untreated timber/firewood/lumber under sales contracts, etc.).

4.2. In case of failure of the trading participants (parties to the exchange trade/exchange trades) to conclude the contract of sale and purchase of untreated timber/firewood based on the trading results, the fact of violation by the participant(s) provided for in subclause 3.1.3 hereof shall be established automatically on the basis of data from the Exchange's ETS on the next calendar day after the expiration of the term specified in the Regulations for conclusion of such contract. The relevant information shall be transferred by the Exchange to the Clearing Member for taking risk management measures in accordance with the internal documents of the Clearing Member.

4.3. An exchange trading participant whose rights have been violated shall have the right to notify the Exchange of the violation of its rights by another trading participant(s) by letter (in paper/electronic form) or by sending a message via the electronic service placed in the Exchange's ETS, with the obligatory attachment of the relevant documents confirming the violation. A mere statement of a violation, not supported by relevant documents, cannot be considered by the Exchange as sufficient for consideration of the issue.

4.3.1. A participant shall send a notice of violation via the electronic service placed in the Exchange's ETS by filling in the relevant notice form by the participant's broker using an electronic signature with a one-time identifier, which the broker receives to his personal e-mail address provided by the participant during the accreditation procedure at the Exchange.

4.4. In case the Exchange detects signs of violation by the trading participant in the course of taking control measures in accordance with clause 4.1. hereof and/or receives a letter/notification of violation from the exchange trading participant in accordance with clause 4.3. hereof, the Exchange shall have the right to conduct inspections, collect and analyze the received documents/information, request and receive explanations from the trading participants regarding the essence of the violation/documents/information, other information, including, but not limited to, the presence of signs of manipulation, insider trading or other abuses on the Exchange, on signing a contract for the sale and purchase of untreated timber/firewood/lumber based on the results of exchange trading, which may serve as evidence when considering the imposition of sanctions on the violator - a trading participant and/or on application by the Clearing Institution of the risk management measures in accordance with the internal documents of the Clearing Institution to take other measures that do not contradict the law in order to comprehensively clarify the circumstances of the violation.

4.5. In case of detection of signs of violation provided for in subparts 3.1.4. hereof, for it unambiguous identification, Exchange shall assign them a separate account (number) and send to the trading participants (parties to the contract(s) for the sale and purchase of untreated timber/firewood/lumber) a personal information message on detection of signs of violation and a request for information. The request for information, together with the form for providing a response, are posted at a unique hyperlink contained in the text of the personal information notice.

The information message on detection of signs of a violation, which contains a unique hyperlink, shall be sent to the e-mail address of the participant provided by him during the accreditation procedure on the Exchange. The date of sending of the information message by the

Exchange shall be the date of request for information.

4.6. Within 3 (three) business days from the day following the day of receipt by the Exchange of the information message / request (unless otherwise specified in the information message / request of the Exchange), the Participant shall provide relevant explanations, documents, information relating to the issue raised (response to the request for information). The day of receipt of the information message / request from the Exchange shall be the day of its sending by the Exchange, if the sending took place before 6:00p.m., or the business day following the day of sending the information message / request, if the sending took place after 6:00p.m. The information message / request shall be deemed received by the participant regardless of its receipt by such participant or receipt of the notification of delivery of the information message / request.

4.7. Provision by the participant of explanations/documents/information in response to the request for information sent in accordance with clause 4.5 hereof shall be carried out by filling in by the participant's broker the appropriate form for responding to the request for information, which is located at the address of the unique hyperlink placed in the personal information message, using a one-time identifier when signing the electronic signature.

A broker shall receive a one-time identifier for signing a response to a request for information to his personal e-mail address provided by the participant during the accreditation procedure on the Exchange. If a participant has more than one broker accredited on the Exchange, a unique one-time identifier shall be sent to personal e-mails of each of them.

Response to the request for information signed with the use of an electronic signature with a one-time identifier shall be deemed to be provided to the Exchange from the moment of its signing by the participant's broker, i.e. entering the alphanumeric sequence of data (password) and pressing the button to send the electronic document.

The Participant confirms that when its broker signs the response to the request for information using an electronic signature with a one-time identifier, such Participant's broker has sufficient rights and powers to do so.

4.8. In case of detection of signs of violation provided for in subcl. 3.1.4. hereof, Exchange/agent reserves the right, in addition to the request for information sent to the participant in accordance with clause 4.5. hereof, to send such a request (additional request) in accordance with the procedure provided for in clause 8.2. hereof.

A response to the request for information shall be provided by the participant by sending an e-mail provided during the accreditation procedure, to the e-mail of the Exchange/agent from which such request was received.

4.9. The information message, together with the unique hyperlink where the request for information and the form for providing a response, as well as the content of such request, are exclusively related to the exchange trading participant (party to the contract(s) for the sale and purchase of untreated timber/firewood/lumber) and may not be transferred to third parties, except as provided by law.

4.10. By responding to the request for information and providing the relevant explanations/documents/information, the participant confirms that the information and materials provided by him/her are complete, valid and true and is responsible for the legal consequences that may arise due to inaccuracy/incompleteness of the information provided.

4.11. In case of non-provision, incomplete provision, or untimely provision of a response to the request, the Exchange shall consider the issue of applying sanctions based on the existing and established circumstances, and shall have the right to additionally decide on the application of administrative sanctions against such a participant, as provided for in clause 3.3.2 of this Regulation.

4.12. Control measures can be carried out both independently by the Exchange and jointly with an agent engaged by the Exchange to conduct exchange trading, as a result of which violations were detected, including the obligation to conclude and/or fulfill a contract for the sale of untreated timber / firewood / lumber based on the results of exchange trading.

4.13. In case the Exchange engages an agent to carry out control measures, such agent shall take actions to establish the circumstances that led to violations, for which purpose, including, but not exclusively, the agent shall have the right:

- send to trading participants on its behalf requests for information/documents, copies of documents, extracts from documents, written or oral explanations regarding the detected signs of violations of the provisions of the Exchange Rules, the Regulations, other internal documents of the Exchange and obligations under contracts of sale and purchase of untreated timber / firewood / lumber concluded as a result of exchange trading;

- receive responses to requests for information/documents, copies of documents, excerpts from documents, written or oral explanations from bidders;

- collect and analyze the information/documents, copies of documents, excerpts from documents, written or oral explanations received from the trading participants;

- report to the Exchange on the measures taken and the results of such measures with the provision of relevant documents, copies of documents, excerpts from documents, written or oral explanations.

4.14. Based on the results of the control measures, the Exchange independently analyzes and evaluates the received documents, explanations of the participants, and other information regarding the detected violation and/or sends such information and documents to the Clearing Institution for application of the risk management measures in accordance with the internal documents of the Clearing Institution.

4.15. In case of receipt of written evidence refuting the facts of violation established by the Exchange by a trading participant or receipt of a complaint from a trading participant with written evidence essential for establishing all circumstances when applying a sanction, the Exchange, if necessary, shall verify the specified circumstances and the evidence received to confirm or refute them. Based on the results of such verification, proposals to suspend, cancel or amend the applied sanction shall be submitted to the Exchange Committee for consideration.

5. Procedure and grounds and imposition of sanctions

5.1. The application of sanctions is based on the principles of legality, transparency, objectivity, compliance with the purpose and effectiveness.

5.2. The basis for the application of sanctions by the Exchange is the establishment by the Exchange of the fact of violation.

5.3. The Exchange Committee, within its competence, considers the application, amendment, suspension or cancellation of sanctions (in full or in part) against a bidder.

5.4. A trading participant whose rights have been violated in accordance with clause 4.3 hereof may, on its own initiative, notify the Exchange of such violations and provide relevant supporting documents. Letters of notification of violations received by the Exchange from trading participants and/or their authorized representatives for consideration of the issues raised therein shall be executed in paper/electronic form. Notifications of violations shall be sent via the electronic service placed in the ETS of the Exchange in compliance with the requirements stipulated in subpara. 4.3.1. of this Regulations. Letters and notifications shall be substantiated, reliable and contain all necessary information on the essence of the issue proposed for consideration.

5.5. In cases of detection of violations, the Exchange, when deciding on the application of sanctions to a trading participant, is guided by this Regulation, the Rules of the Exchange, the Regulations, taking into account all the circumstances of the case, based on the general principles of reasonableness and fairness when choosing the type of sanctions.

5.6. The Exchange Committee considers the issues accepted for consideration at the meetings in accordance with the procedure and in accordance with the Regulations on the Exchange Committee of Ukrainian Energy Exchange Limited Liability Company.

5.7. In the event of a violation provided for in clause 3.1.4 of this Regulation, the Exchange Committee shall consider and establish the fact of a violation by the trading participant of both a separate contract for the purchase and sale of untreated timber/firewood and a set of contracts for the purchase and sale of untreated timber/firewood for the relevant period (with the delivery date of the Goods within the relevant quarter).

5.8. Based on the results of the Exchange Committee's consideration of issues regarding the application, amendment, suspension or cancellation of sanctions (in whole or in part) to a trading participant, the Exchange informs such trading participant of the decision made no later than the business day following the date of the relevant decision by sending an information message to the trading participant's e-mail containing the decision of the Exchange Committee or an excerpt from the text of the minutes of the Exchange Committee meeting.

In the event of receiving a letter/notification of a violation from an exchange trading participant in accordance with clause 4.3 of this Regulation and the application of sanctions to another participant, the Exchange shall also inform the participant who sent the letter/notification to the Exchange of the decision made (on the application, amendment, suspension or cancellation of sanctions (in whole or in part) to the trading participant).

5.9. When imposing a fine on a trading participant, the Exchange, within the time limits and in the manner prescribed in clause 5.8 of the Regulation, sends such participant an information message, which, in addition to the decision of the Exchange Committee or an excerpt from the text of the minutes of the Exchange Committee meeting, also contains a demand for payment of the fine, indicating the payment details of the Exchange.

When applying financial sanctions in the form of a fine to a bidder for a violation provided for in clause 3.1.4. of the Regulation, namely, a violation of obligations to fulfill contracts for the purchase and sale of untreated timber/firewood for the relevant period (with a delivery date within the relevant quarter), the requirement for payment of the fine shall indicate the total amount of

the financial sanction in the form of a fine to be paid by the bidder, determined in accordance with subclause 3.2.1. of this Regulation.

5.10. If, as a result of the implementation of control measures regarding the identified signs of a violation, provided for in clause 3.1.4. of this Regulation, the collected evidence was insufficient to be forwarded to the Exchange Committee for consideration in order to make a decision on the application of sanctions, and the possibilities of obtaining additional evidence have been exhausted, and shortcomings in the performance by the trading participant of certain obligations under the contract for the purchase and sale of untreated timber/firewood/lumber have been established, the Exchange has the right to apply a warning to such participant. In this case, a warning is a measure of influence that is not considered a sanction within the meaning of this Regulation.

5. 11. In the event of a violation of the provisions of clause 3.1.3 of the Regulations, the Exchange has the right to decide on the application of administrative sanctions against such a participant, as provided for in clause 3.3.2 of this Regulation.

5.12. In the event of a violation of the provisions of clause 3.1.4. of the Regulation, namely, a violation of contracts for the purchase and sale of untreated timber/firewood for the relevant period (with the delivery date of the Goods within the relevant quarter), the Exchange has the right to decide on the application of administrative sanctions against such a participant, provided for in clause 3.3.2 of this Regulation, which are determined taking into account all aggravating circumstances established under each contract for the purchase and sale of untreated timber/firewood.

5.13. In the event of a violation of the provisions of clause 3.1.4. of the Regulation, namely, a violation of the obligation to make payments and/or the obligation to deliver/accept untreated timber/ firewood/lumber under a contract for the purchase and sale of untreated timber/ firewood or contracts for the purchase and sale of untreated timber/ firewood for the relevant period (with a delivery period of goods within the relevant quarter), provided that the level of proper fulfillment by the participant of its obligations under such contract/contracts is on average less than 30%, the Exchange has the right to decide on the application of administrative sanctions provided for in clause 3.3.2 of this Regulation against such participant, while the total volume of the lot/lots under such contract/contracts for the relevant period (with a delivery period of goods within the relevant quarter) shall be:

- for untreated hardwood timber - over 100 cubic meters;

- for untreated softwood timber - over 200 cubic meters;

- for untreated coniferous timber - over 300 cubic meters;

- for firewood for industrial use - over 500 cubic meters.

5.13.1. The level of proper fulfillment of the bidder's obligations is determined as the percentage ratio of the actually accepted volume of goods under the contract(s) for the purchase and sale of untreated timber/firewood for the relevant period (with the delivery date of the goods within the relevant quarter) to the total volume of goods that are the subject of such contract(s).

At the same time, when calculating the level of proper fulfillment of the obligations of the bidder, the volume of goods under the contract(s) for the purchase and sale of unprocessed wood/wood for firewood, for which, according to the results of monitoring, it was established that

there was no violation by such bidder - in the failure to fulfill or improper fulfillment of obligations under such contract(s), or it was established that such failure to fulfill or improper fulfillment occurred for valid reasons independent of it, is added to the actually accepted volume of goods.

5.14. In the event of a violation of the provisions of clauses 3.1.6., 3.1.7. of the Regulation, the Exchange has the right to terminate membership and technical access to exchange trading with subsequent exclusion from the register of trading participants of the exchange trading participant who committed the violation or to apply other sanctions by decision of the Exchange Committee, in accordance with this Regulation.

5.15. The bidder has the right to provide written evidence within a period not exceeding 3 (three) business days (if the Exchange/agent has not requested the bidder to provide explanations/documents/information) from the moment of receiving information about the application of sanctions to him. The Exchange Committee is obliged to consider the bidder's application and make an appropriate decision with subsequent notification to the bidder.

5.16. The decision of the Exchange Committee to apply sanctions shall enter into force on the day following its adoption, unless otherwise specified in the decision itself.

5.17. When imposing a fine on a trading participant, the fine must be paid within 3 (three) business days from the date of receipt of the request for payment of the fine to the Exchange's current account in accordance with the details specified in the request for payment of the fine. The day of payment of the fine by the trading participant is considered the day of crediting the amount of the fine to the relevant bank account of the Exchange.

The day of receipt by the participant of the demand for payment of a fine from the Exchange is considered to be the day of its sending by the Exchange, if the sending took place before 18:00, or the business day following the day of sending the demand for payment of a fine, if the sending took place after 18:00. The demand for payment of a fine is considered to be received by the participant regardless of its receipt by such participant or receipt of a notification of delivery of the demand for payment of a fine.

5.18. In the event of untimely payment of the fine by a trading participant (no more than 10 (ten) calendar days), the Exchange Committee has the right to apply a sanction to the trading participant in the form of suspension of the participant's admission to participate in exchange trading until the debt is fully repaid.

5.19. In the event that a participant in exchange trading repays a debt for the payment of a fine or other debt to an agent for the payment of remuneration to such agent/the Exchange (including a commission fee), the participant's admission to trading is restored after the Exchange receives a letter on the renewal of such participant's admission to trading, to which a payment order(s) must be attached to confirm the repayment of the debt and verification of the information provided, but no later than 3 business days.

5.20. In the event of a prolonged (more than 10 (ten) calendar days) failure by a trading participant to fulfill its obligations to pay a fine, without providing confirmation of circumstances that exclude the debtor's liability, the Exchange Committee has the right to apply a sanction to such participant in the form of termination of admission to exchange trading - *termination of membership in the Exchange*.

5.21. A bidder - debtor who is late in fulfilling the obligation to pay fines shall be charged a penalty in the amount of double the discount rate of the National Bank of Ukraine, which was in effect during the period for which the penalty is paid, accrued for each day of delay.

5.22. When determining sanctions for a violation, as provided for in clause 3.1.4. of the Regulation, the Exchange Committee is not limited to acting exclusively within the established Criteria for determining and applying sanctions to participants in exchange trading in the direction of "Untreated timber and lumber" on the Exchange (Annex to this Regulations), and takes into account all circumstances (including actions/inaction, as well as consequences) established upon the fact of the violation.

5.23. The decision to apply sanctions may be suspended by the Exchange Committee for the duration of additional measures to re-examine the previously adopted decision to apply sanctions on the basis of a reasoned application by a trading participant (clause 5.15 of the Regulation) or a complaint (clause 6.2 of the Regulation) containing documents or other appropriate and admissible evidence of the absence of a violation by the trading participant.

5.24. If the Exchange establishes that the trading participant is not at fault, the sanctions applied may be canceled (in whole or in part).

5.25. Proposals for the application, suspension, cancellation and amendment of sanctions are submitted to the Exchange Committee for consideration.

5.26. The Exchange Committee may review the decision to impose a sanction during its validity.

5.27. Based on the results of the review of the decision of the Exchange Committee, the following is adopted:

- a decision to change or cancel a previously issued decision;

- a decision to leave the previously issued decision unchanged.

6. The procedure for appealing the imposed sanctions

6.1. Complaints of non-permanent members of the Exchange, bidders are considered by the Exchange Committee and, if necessary, structural units of the Exchange are entrusted with the study of the issue raised in the complaint and the preparation of the necessary materials.

6.2. A bidder who does not agree with the Exchange Committee's decision to apply sanctions to him may file a complaint within 30 calendar days from the moment the Exchange sends an information notice, containing the decision of the Exchange Committee or an extract from the text of the minutes of the meeting of the Exchange Committee on the application of sanctions, according to clause 5.8. of the Regulation. In the absence of a complaint from a trading participant within the established period for appeal, it is considered that such a participant agrees with the Exchange's decision.

6.3. A complaint against the decision of the Exchange Committee on the application of sanctions to the exchange market participants must necessarily contain:

- name of the document "Complaint";

- original complaint number and date;

- the date and number of the decision of the Exchange Committee regarding the application of sanctions to participants of exchange trades for violation of the Rules of the Exchange and the contested Regulations;

- name of the person submitting the complaint;

- content of the contested decision of the Exchange Committee;

- the grounds on which the decision of the Exchange Committee to apply sanctions to a participant of exchange trades for violation of the Rules and Regulations of the Exchange is appealed;

- requirements of the bidder;

- a list of documents attached to the complaint;

- signature of the head of the legal entity / individual entrepreneur and seal (if available).

6.4. To confirm the circumstances justifying the complaint, the bidder provides evidence, and in case of impossibility - notes the evidence, the provision of which is impossible on his own, with a mandatory indication of the reasons and the request of the Exchange to demand them.

6.5. Copies (duly certified) of all documents attached to the complaint are attached.

6.6. The complaint is signed by the bidder or his representative, indicating the date of its submission. In the case of a complaint filed by a representative, it shall include the representative's full name, postal address, and contact number and e-mail address, if any. Along with the complaint, a power of attorney or other document confirming the authority of the representative is submitted.

The powers of representatives must be certified by the following documents: a notarized power of attorney on behalf of a natural person - an entrepreneur; a power of attorney on behalf of a legal entity under the signature of an official authorized to do so by law, statute or regulation, as well as documents certifying the official position and authority of its head. The attorney's authority as a representative can also be evidenced by a warrant and a contract. The warrant must be accompanied by a contract or an extract from the contract, which specifies the attorney's powers as a representative or limits his rights to perform certain actions. The extract is certified by the signature of the parties to the contract.

6.7. A complaint filed without complying with the requirements specified in this section of the Regulation or filed outside the time limit established in clause 6.2. of this Regulation or one that does not contain information about the circumstances justifying the bidder's claims and indicating the evidence confirming each circumstance, shall be returned to the bidder (complainant) with appropriate explanations, no later than ten working days from the moment of its receipt.

6.8. The Exchange Committee shall consider the received complaint if it is duly executed and received in writing to the legal address of the Exchange or in electronic form.

The Exchange accepts a complaint from a bidder in electronic form exclusively in the form of electronic documents, taking into account the requirements of the legislation in the field of

electronic document management, using electronic means of communication (e-mail) at the address of the Exchange monitoring@ueex.com.ua.

The Exchange accepts electronic messages on the condition that the message contains documents in the attachment in the form of electronic documents created in accordance with the requirements of the laws of Ukraine "About electronic documents and electronic document management" and "About electronic trust services". When creating an electronic document, an improved or qualified electronic signature of the author is used, which is created using a qualified electronic signature tool and is based on a qualified public key certificate.

6.9. Consideration of a complaint by the Exchange begins no later than the next working day from the moment of its receipt and cannot exceed 30 calendar days (in the event that additional examination or taking of other verification measures by the Exchange is not required). The deadline for considering a complaint may be extended by decision of the Exchange Committee, in which case the Exchange will inform the bidder no later than the next working day from the day of the decision on the extension of the deadline for considering the complaint by means of the Exchange's e-mail.

6.10. The Exchange informs the bidder about the results of the complaint review no later than the next working day from the day of the decision in writing or electronically via the Exchange's e-mail, in compliance with the requirements of the laws of Ukraine "About electronic documents and electronic document management" and "About electronic trust services". When creating an electronic document, an improved or qualified electronic signature of the author is used, which is created using a qualified electronic signature tool and is based on a qualified public key certificate.

6.11. During the review of the complaint, the decision to apply sanctions to the bidder may be suspended.

6.12. Pre-trial settlement of a dispute between a bidder who does not agree with the Exchange Committee's decision to impose sanctions on him and the Exchange is mandatory. For the purpose of pre-trial settlement of the dispute with the Exchange on the application of the sanction, the trading participant appeals to the Exchange with a complaint in accordance with the procedure and terms provided for in this section of the Regulation.

If the dispute regarding the sanctions applied by the Exchange to the bidder could not be settled by means of an appeal in accordance with this section of the Regulation, this dispute shall be resolved in a court of law in accordance with the current legislation of Ukraine.

7. Circumstances taken into account when applying sanctions by the Exchange Committee

7.1. Extenuating circumstances:

- recognition by the bidder of guilt for the committed violation;

- voluntary elimination of committed violations by the participant;

- voluntary indemnification by the bidder of the losses incurred;

- unintentional violation.

7.2. Aggravating circumstances:

- financial losses of other trading participants or the Exchange;

- ignoring (non-fulfillment) of requests from authorized specialists/specialists/agents of the Exchange, decisions of the Exchange's governing bodies/Exchange Committee on prevention of illegal actions or on application of sanctions;

- falsification, misrepresentation, other similar actions of a trading participant;

- repeated violations;

- fluctuations in the price of exchange-traded goods, namely an increase in the price as a result of exchange trading by more than 30% of the starting price of the lot(s) under the contract for the sale and purchase of untreated timber/firewood/lumber in the event of a violation provided for in subparagraph 3.1.4., which may lead to price instability in the commodity market in order to prevent the emergence of risks that threaten the integrity of organized commodity markets and the stability of their functioning.

7.3. The calculation of the number of violations detected by an exchange trading participant is carried out by the Exchange within one calendar year. At the same time, the calculation of the number of violations provided for in subparagraph 3.1.4 of this Regulation is carried out in accordance with the Criteria for Determining and Applying Sanctions to Exchange Trading Participants in the “Untreated timber and Lumber” Sector on the Exchange (Annex to this Regulation) separately for each contract of purchase and sale of untreated timber / firewood / lumber.

7.4. In case of detection of signs of an offense containing signs of a crime stipulated by the Criminal Code of Ukraine, the Exchange shall notify the law enforcement authorities.

8. Requirements for the dissemination of information regarding the discovery of a violation and the measures taken

8.1. The Exchange informs the bidder about the decisions made regarding the application/change/suspension or cancellation of sanctions by means of e-mail in the order and terms stipulated in Clause 5.8. of Regulation.

8.2. The Exchange/agent's requests for explanations/documents/information, as well as informing about the decision to apply/change/suspend or cancel sanctions may be made by e-mail, by sending letters from the Exchange/agent's e-mail to the trading participant's e-mail provided by him/her during the accreditation procedure on the Exchange. The day of receipt by the trading participant of the e-mail from the Exchange/agent shall be the day of its sending from the e-mail of the Exchange/agent if the sending took place before 18:00, or the business day following the day of sending the e-mail if the sending took place after 18:00. The letter shall be deemed received by the trading participant regardless of its receipt by the trading participant or receipt of the notification of delivery of the letter.

8.3. Exchange has the right to publish on the official website of the Exchange no later than the next working day www.ueex.com.ua information about the violator (trader/non-permanent member of the Exchange) and sanctions applied to him, in the amount approved by the Exchange Committee.

In the event that the Exchange engages in the implementation of measures to control an agent, such an agent has the right to publish on its official website of the Exchange information about the violator (trader/non-permanent member of the Exchange) and the sanctions applied to him.

8.4. Within the time frame and in the manner prescribed by the legislation of the Exchange, through the official communication channel, it informs the National Securities and Stock Market Commission about detected violations and/or measures taken, including applied sanctions.

8.5. The information published by the Exchange about the applied sanctions (application, suspension, change or cancellation) is carried out continuously and is kept up-to-date by the Exchange. In case of changes, such changes (information taking into account the changes) will be published on the official website of the Exchange no later than the next working day after the day of the relevant changes.

9. Transitional provisions

9.1. Sanctions are applied to the participants who committed violations before the date of approval of this Regulation (February 14, 2023), according to the resolution of the Exchange Committee and taking into account the provisions of the Regulations on the organization and conduct of exchange trades on the purchase and sale of untreated timber and lumber on the commodity exchange - Ukrainian Energy Exchange Limited Liability Company (as amended at the time the violation was committed) and the Exchange Rules without taking into account the Criteria for determining and applying sanctions to participants in exchange trades in the direction of "Untreated timber and lumber" UEEX LLC (Annex to this Regulation).

Annex to the Regulation on the application by the Ukrainian Energy Exchange Limited Liability Company of sanctions for violation of the Rules of the Ukrainian Energy Exchange Limited Liability Company and other internal documents establishing the procedure for organizing and conducting exchange trades in the direction of "Untreated timber and lumber"

Criteria for determining and applying sanctions to exchange market participants in the direction "Untreated timber and lumber" at UEEX LLC

No	Criteria		Financial sanction	Administration sanction
2.	**Violation of the settlement obligation and/or the obligation to delivery / acceptance untreated timber/firewood/lumber, according to the purchase and sale agreement concluded as a result of exchange market trading (complete non-fulfillment)**			
2.1	1st time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 2,500.00	In the presence of aggravating circumstances established by the Exchange Committee, an administrative sanction may be additionally imposed in accordance with subparagraphs 3.3.2 of the Regulation.
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 5,000.00	
2.2	2nd time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 5,000.00	

		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 10,000.00	
2.3.	3rd time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 10,000.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 20,000.00	
2.4.	4th time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 20,000.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 40,000.00	
2.5.	5th time and the following ones	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 40,000.00	
		In the event that the volume of goods	fine in the amount of UAH 80,000.00	

		delivered under the sales contract is 100 m3 or more		
3.	**Violation of the obligation to make payments and/or the obligation to delivery/acceptance untreated timber/firewood/lumber under a sale and purchase agreement concluded as a result of exchange trading (<u>partial failure to fulfill in case of delivery/acceptance of goods in a volume of less than 50% of the purchased volume of goods</u>)**			
3.1.	1st time	In the event that the volume of goods delivered under the sales contract is less than 100 m3	fine in the amount of UAH 500.00	In the presence of aggravating circumstances established by the Exchange Committee, an administrative sanction may be additionally applied in accordance with subparagraphs 3.3.2 of the Regulation.
		In the case when the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 1,000.00	
3.2.	2nd time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 1,000.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 2000.00	
3.3.	3rd time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 2000.00	

		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 4,000.00	
3.4.	4th time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 4,000.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 8,000.00	
3.5.	5th time and the following	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 8,000.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 16,000.00	
4.	**Violation of the obligation to accept untreated timber/firewood/lumber under the purchase and sale agreement concluded as a result of exchange trading (partial non-fulfilment – in the case of delivery of goods in the volume of 50% to 90% of the purchased volume of goods)**			
4.1.	1st time	In the event that the volume of goods delivered under the sales contract is less than 100 m3	fine in the amount of UAH 300.00	In the presence of aggravating circumstances established by the Exchange Committee, an administrative sanction may be additionally applied in accordance with subparagraphs 3.3.2 of the Regulation.

		In the case when the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 500.00	
4.2.	2nd time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 500.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 1,000.00	
4.3.	3rd time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 1,000.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 2000.00	
4.4.	4th time	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 2000.00	
		In the event that the volume of goods	fine in the amount of UAH 4,000.00	

		delivered under the sales contract is 100 m3 or more		
4.5.	5th time and the following	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	fine in the amount of UAH 4,000.00	
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	fine in the amount of UAH 8,000.00	
5.	**Violation of the obligation to make payments and/or the obligation to delivery/acceptance untreated timber/firewood/lumber under a sale and purchase agreement concluded as a result of exchange trading**			
5.1.	Overperformance of the contract* was from 10% to 50% of the purchased volume of goods	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	**penalty in the amount of 25% of the total sale price of the lot(s) under the contract of purchase and sale	-
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	**penalty in the amount of 50% of the total sale price of the lot(s) under the contract of purchase and sale	-
5.2.	Over-performance of the contract* was from 50% to	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	**penalty in the amount of 50% of the total sale price of the lot(s) under the contract of purchase and sale	-

	100% of the purchased volume of goods	In the event that the volume of goods delivered under the sales contract is 100 m3 or more	**penalty in the amount of 100% of the total sale price of the lot(s) under the purchase-sale contract	-
5.3.	Over-fulfillment of the contract* was from 100% to 200% of the purchased volume of good	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	**penalty in the amount of 75% of the total sale price of the lot(s) under the contract of purchase and sale	-
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	**penalty in the amount of 150% of the total sale price of the lot(s) under the contract of purchase and sale	-
5.4.	Overperformance of the contract* was 200% or more of the purchased volume of goods	In the event that the volume of delivery of goods under the sales contract is less than 100 m3	**penalty in the amount of 100% of the total sale price of the lot(s) under the purchase-sale contract	-
		In the event that the volume of goods delivered under the sales contract is 100 m3 or more	**penalty in the amount of 200% of the total sale price of the lot(s) under the purchase-sale contract	-

*****Overperformance of the contract is improper fulfillment of the terms of the contract for the sale of untreated timber/firewood/lumber (goods) in terms of the buyer's violation of the conditions regarding the acceptance of the product in a volume/assortment larger/different than specified in the exchange agreement/contract for the sale of untreated timber /firewood/lumber, as well as in the assortment.

******the penalty is collected by the Exchange from the buyer under the relevant purchase-sale contract of untreated timber/firewood/lumber, concluded based on the results of stock market auctions.

The Exchange calculates the number of violations committed by the bidder within one calendar year.