Approved by

order of Chief Executive Officer of

ITS Tech Limited

dated December 6, 2024 No. 341

**Procedure**

**of Market data use for the purpose of Order Parameterisation in the Order Parameterisation Subsystem**

**1. Terms and Definitions**

1.1. In this Procedure of Market data use for the purpose of Order Parameterisation in the Order Parameterisation Subsystem (hereinafter – the "Procedure") terms and definitions are used in the meanings defined in the Terms and Conditions of IT Support Service Provision of ITS Tech Limited (hereinafter – the "ITS Terms and Conditions") and the Business Rules of International Trading System Limited (hereinafter – the "Business Rules" and "International Trading System Limited" respectively).

**2. Use of Market Data**

2.1. For each Liquidity Pool (as defined in the ITS Terms and Conditions), except for the RFQ Liquidity Pool, the Technical Centre uses all available prices from the Order Queue (as defined in the Business Rules) or all price levels of Market data (as defined in ITS Terms and Conditions) regarding Order prices (and amounts of securities corresponding to these prices indicated in the Order, hereinafter referred to as Order Volume), the value of which is no lower (higher) than the last (worse) purchase (sales) price in the Order Queue (or in Market data).

2.2. The Technical Centre reasonably assumes that Market data from another trading operator is not up-to-date and/ or complete, in particular, in the following cases:

1) if, as a result of the loss of a message/messages from the update flow - in Market data from another trading operator the Order Parameterisation Subsystem in accordance with technology of Market data receipt from another trading operator is unable to receive data under the repeated message request algorithm and goes to the mode of recovery based on the market data slice flow till synchronisation of update flows and slices of aggregated order queue from another trading operator;

2) if during certain time from 2 to 10 seconds, which is a variable parameter of the technology aimed at Market data obtaining by the Order Parameterisation Subsystem from another trading operator, for neither Instrument (as defined in accordance with in ITS Terms and Conditions) update of data was from another trading operator on prices and volumes of purchase or sales orders from the Market data update flow, till renewal of normal receipt of information on the order queue in accordance with the technology of Market data receipt from another trading operator;

3) If International Trading System Limited obtains information on change in trading status at another trading operator to any status different from the Trading at the Operator are Held during the Continuous Auction Period status.

**3. Order Parameterisation**

3.1. Order Parameterisation is conducted in real time with the use of the Order Parameterisation Subsystem based on Requests (as defined in ITS Terms and Conditions) of Clients and Market data.

Order Parameterisation is conducted regarding Instruments, for which International Trading System Limited does not restrict the possibility to submit Orders with “Consolidate only with Additional Liquidity Orders”. Information on restrictions regarding Orders with the said Instruction is disclosed in form of notes on the web-site of International Trading System Limited in the Trading Time section.

For the purpose of this Procedure, offsetting orders for a Request (Offsetting Orders) are:

1. active Orders for this Instrument that are in the Order Queue, with the direction (purchasing or sales) opposite to the direction of the Request submitted, based on which Orders Transaction can be executed in accordance with the Trading Rules (as defined in ITS Terms and Conditions) based on the Order containing parameters of the Request submitted;
2. prices for purchasing (sales) of this Instrument at another trading operator, information on which the Technical Centre obtains from International Trading System Limited, with the direction opposite to the direction of the Request submitted - for Market Orders (as defined in the Business Rules);
3. prices for purchasing (sales) of the Instrument at another trading operator, information on which the Technical Centre obtains from International Trading System Limited, with the direction opposite to the direction of the Request submitted, if such price for purchasing (sales) is not lower (higher) than the price indicated in Request for sales (purchasing) - for Limit Orders (Limit Orders have the meanings assigned to them in the Business Rules).
4. Response to a Request received by the Technical Centre prior to commencement of the Standard Additional Liquidity Period of the Main Trading Mode is a Limit Order or Market Order submitted, in the Main Trading Mode of the Exchange with the indication of Instruction "Do not consolidate with Additional Liquidity Orders (Standard Additional Liquidity Period, the Main Trading Mode and Instruction have the meanings assigned to them in the Business Rules).
5. Response to a Request received by the Technical Centre after commencement of the Additional Liquidity Period of the Main Trading Mode is a Limit Order or Market Order submitted in the Main Trading Mode with the indication of Instruction “Consolidate only with Additional Liquidity Orders”.
6. During the Standard Additional Liquidity Period of the Main Trading Mode of International Trading System Limited, for the purposes of determining orders that are counter to Market Orders, the specified Market Orders are considered as Limit Orders allowing partial execution, and the price of these Orders is considered equal to:
* the upper Dynamic limit (as defined in accordance with the methodology for establishing and changing the price limits of securities for which an Order can be submitted or a contract concluded by a Trading Participant) for the Instrument in respect of which the Order is submitted - for a buy Order; or
* the lower Dynamic limit (as defined in accordance with the methodology for establishing and changing the price limits of securities for which an Order can be submitted or a contract concluded by a Trading Participant) for the Instrument in respect of which the Order is submitted - for a sell Order.
1. to a Request received by the Technical Centre during the Standard Additional Liquidity Period of the Main Trading Mode is formed as follows:
2. if the volume of Offsetting Orders in the Main Liquidity Pool or Additional Liquidity Pool is zero, response to the Request contains relevant Instruction (“Consolidate only with Additional Liquidity Orders” or “Do not consolidate with Additional Liquidity Orders”);
3. if volume of Offsetting Orders in the Main Liquidity Pool and Additional Liquidity Pool is no less, than the volume indicated in the Request:
4. for each Liquidity Pool, potential Transaction volume is calculated based on Request under the following formula:

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$$Value\_{n}=\sum\_{i=1}^{I}P\_{i}Q\_{i},$$

where:

* Valuen means potential Transaction volume for n-th Liquidity Pool;
* n = 1... N means Liquidity Pool order number, N means the total number of Liquidity Pools;
* i = 1... I means the number of Offsetting Orders in Market data of n-th Liquidity Pool, that is used to determine Parameters of the Orders in accordance with requirements for Market data used to define Offsetting Orders;
* Pi means price of one Instrument indicated in i-th Offsetting Order;
* Qi means the number of Instruments indicated in i-th Offsetting Order;
1. based on the potential volumes of Transactions, Instruction is defined, that indicates the Liquidity Pool indicated in the response to the Request:
* for Request for purchasing, response to the Request indicates Instruction that indicates the Liquidity Pool, for which potential Transaction volume is lower;
* for Request for sales, response to the Request indicates Instruction that indicates the Liquidity Pool, for which potential Transaction volume is higher;
* in case of equal potential volumes of Transactions in several Liquidity Pools, response to the Request indicates the Instruction “Do not consolidate with Additional Liquidity Orders”;
1. if volume of Offsetting Orders in the Main Liquidity Pool and Additional Liquidity Pool is below the volume indicated in the Request, but is not zero, and such Request is not a Request, in response to which a Limit Order is submitted that does not allow partial fulfillment (as defined in the Trading Rules):
2. for each Liquidity Pool, potential Transaction volume is calculated based on Request under the following formula:

$$Value\_{n}=\sum\_{i=1}^{I}P\_{i}Q\_{i}+P\_{o}Q\_{o},$$

where:

* Ро — the price of one Instrument specified in the Request (for a Request in response to which a Limit Order is submitted), the upper Dynamic limit (for a buy Request in response to which a Market Order is submitted) or the lower Dynamic limit (for a sell Request in response to which a Market Order is submitted), set by International Trading System Limited for the corresponding Instrument;
* Qo — the difference between the quantity of Instruments specified in the Request and the quantity of Instruments in the Counter-orders of the nth Liquidity Pool, in units;
1. based on potential Transaction volumes, Instruction is defined, that indicates the Liquidity Pool indicated in the response to the Request:
	* + - * for Request for purchasing, response to the Request indicates Instruction, that indicates the Liquidity Pool, for which potential Transaction volume is lower;
				* for Request for sales, response to the Request indicates Instruction, that indicates the Liquidity Pool, for which potential Transaction volume is higher;
				* in case of equal potential volumes of Transactions in several Liquidity Pools, response to Request indicates the Instruction “Do not consolidate with Additional Liquidity Orders”;
2. if volume of Offsetting Orders in the Main Liquidity Pool and Additional Liquidity Pool is below the volume indicated in the Request, and this Request is a Request, in response to which a Limit Order is submitted that does not allow partial fulfillment, response to the Request contains the Instruction “Consolidate only with Additional Liquidity Orders”;
3. if the volume of Counter-orders in the Main Liquidity Pool and the Additional Liquidity Pool is less than the volume specified in the Request, and this Request is a Request in response to which a Limit Order is submitted that does not allow partial execution, then the instruction "Consolidate only with Additional Liquidity Orders" is indicated in the response to the Request; if the volume of Counter-orders in the Main Liquidity Pool and the Additional Liquidity Pool is zero, then the instruction "Do not consolidate with Additional Liquidity Orders" is indicated in the response to the Request. If the Request is submitted by a Trading Participant of category A (as these terms are defined in the Business Rules and the rules for admission to trading on International Trading System Limited), provided that the Request is submitted with the indication of short codes and/or Trading-Clearing accounts specified in the agreements on providing services for maintaining prices, supply and demand and/or trading volume, or the Request is submitted by a Trading Participant using the Login of a Trading Member client level type "W", then, at the choice of such a Trading Participant, either the instruction "Сonsolidate only with Additional Liquidity Orders" or the instruction "Do not consolidate with Additional Liquidity Orders" may be indicated in the response to the Request.
4. Request is received by the Technical Centre during the validity term of International Trading System Limited notification on suspension of the Instrument Trading, response to Request is a Request for quotation of RFQ Trading Mode of International Trading System Limited.

Notification of the Exchange on Instrument trading suspension is deemed valid from receipt of the said notification by the Technical Centre till receipt by the Technical Centre of the Exchange notification on the Instrument trading renewal.

Notifications of the Exchange indicated in this clause are sent to the Technical Centre using the internal protocol of interaction of the Platform subsystems (as defined by in ITS Terms and Conditions).

1. In the cases provided for in subparagraphs 1-2 of this paragraph, during the Standard Additional Liquidity Period of the Main Trading Mode of International Trading System Limited, "Do not consolidate with Additional Liquidity Orders" is indicated in the response to the Request.
	1. In this case, a Limit/Market Order in which the quantity of securities multiplied by the price of the security specified in such Order (for Limit Orders) or determined in accordance with paragraph 3.4 of this Procedure (for Market Orders) is greater than the size set by the decision of International Trading System Limited, is considered, respectively, a Limit Order containing the instruction "Сonsolidate only with Additional Liquidity Orders”.

1) If, in view of clause 2 of this Procedure, Technical Centre reasonably assumes that Market data from another trading operator regarding Instrument indicated in Request, is not up-to-date and/ or complete;

2) If another trading operator has no Offsetting Orders for the Request.